

## FAQs: 401(k) Savings Plan

**Q1: What is a 401(k) Plan?**

**A1:** A 401(k) Plan is a qualified retirement plan. By participating in the Plan, you may elect to reduce your compensation by a specific percentage and have that amount contributed to the Plan on a before-tax basis. You generally are not taxed on your salary reductions until you withdraw those amounts from the Plan. In addition, Tenet may make contributions to the Plan on your behalf.

**Q2: How does the 401(k) Plan work?**

**A2:** You elect to deduct a percentage of your compensation on a before-tax or after-tax basis, or a combination of both, up to Plan limits. Contributions are made through payroll deductions. Participating in the Plan is completely voluntary and you can enroll any time after you are eligible to participate.

### Eligibility

**Q3: Who is eligible to participate in the Tenet 401(k) Plan?**

**A3:** All full-time, part-time, and per diem colleagues are eligible to participate in the Plan.

**Q4: When am I eligible to participate in the Tenet 401(k) Plan?**

**A4:** Colleagues are eligible to begin participating in the Plan once you have at least 30 days of service.

### Enrolling

**Q5: When can I enroll in the 401(k) Plan?**

**A5:** As a new hire, you can enroll in the 401(k) Plan on or after 30 days of hire. After 30 days of employment, colleagues can enroll in the plan at any time.

**Q6: How do I enroll in the 401(k) Plan?**

**A6:** You can enroll in the 401(k) by calling a Fidelity Representative at 1-800-372-4015 or going to the Fidelity website at [www.401k.com](http://www.401k.com). You will need to set up a login ID and password, unless you already have a Fidelity account.

**Q7: When will deductions from my paycheck begin?**

**A7:** Deductions will begin one to two pay periods after enrolling or on the 31<sup>st</sup> day of employment (whichever is later).

## **Before-Tax Contributions**

**Q8: How much may I contribute to the Plan during the year?**

**A8:** You may contribute 1% to 75% of your eligible pay up to the IRS annual maximum amount, which is \$18,000 for 2015.

**Q9: Are there limitations on how much I can contribute to the 401(k) during the Plan year?**

**A9:** The IRS sets annual contribution limits each year. The maximum annual contribution amount is \$18,000. In addition to the annual contribution limit, there is also an IRS-set compensation limit. Your contributions will stop if you reach the plan compensation limit of \$265,000. Contributions will automatically stop if you reach either the deferral limit of \$18,000 or \$265,000 in compensation, whichever occurs first. In addition, colleagues reaching a certain compensation level (highly compensated colleagues as defined by the IRS) may be restricted to a specific deferral percentage in order to pass the plan's nondiscrimination testing. You will be notified if you will be restricted during any future Plan year.

**Q10: Who is responsible for determining the maximum annual contribution amount?**

**A10:** The annual limits are released by the Internal Revenue Service (IRS) each year. For 2015, before-tax contributions are limited to \$18,000 and age 50 catch-up contributions are limited to \$6,000.

**Q11: May I contribute the IRS maximum annual contribution amount if I contributed to a different employer-sponsored retirement plan this year?**

**A11:** Yes, but the annual contribution limit applies to the whole year and does not restart with a new employer. For example, if you contributed \$5,000 to your previous employer's 401(k) Plan through June 30, 2015, you could only contribute an additional maximum of \$13,000 to the Tenet 401(k) Plan in 2015.

If you want to limit deferrals for the remainder of the year based on what you have already contributed through your previous employer, contact the 401(k) department at (469) 893-6538. You will need to provide a copy of your last paystub from your former employer.

**Q12: When can I change my 401(k) deferral amount?**

**A12:** You can change your deferral amount at any time by contacting Fidelity or logging onto Fidelity NetBenefits® at [www.401k.com](http://www.401k.com).

**Q13: I've heard that contributing to a 401(k) saves me in taxes. How does that work?**

**A13:** Because 401(k) contributions are deducted on a before-tax basis, contributing helps reduce your taxable income and makes saving very cost effective.

For example, if you earn \$2,000 bi-weekly and pay 20% in federal taxes (\$400) and have no other deductions, your take-home pay would be \$1,600. Now, if you contribute to your 401(k) at 6%, or \$120 each pay period, your taxable income is reduced by \$120, and your federal taxes are now \$376 instead of \$400 (an annual savings of \$624). So, while you are contributing \$120 to your 401(k), your take-home pay is reduced by just \$96. Plus, you receive a 401(k) company match of \$60. See the chart below.

	Participating in 401(k) with 6% deferral	Not participating in 401(k)
Bi-weekly pay	\$2,000	\$2,000
401(k) employee deferral (6%)	\$120	\$0
401(k) employer match*	\$60	\$0
Taxable wages	\$1,880	\$2,000
<b>Federal taxes**</b>	<b>\$376</b>	<b>\$400</b>
<b>Net pay</b>	<b>\$1,504</b>	<b>\$1,600</b>
<b>401(k) total contribution</b>	<b>\$180</b>	<b>\$0</b>

- Difference in take home pay: \$96 per pay period
- Total annual 401(k) contribution: \$4,680 (\$3,120 employee + \$1,560 company match)
- Annual 401(k) contribution cost to employee: \$2,496 (\$3,120 less \$624 tax savings).
- It's like getting \$2,184 in free money! (\$4,680 total annual contribution - \$2,496 employee contribution)

\* Company contributions are deposited in a lump sum, usually in March of the following year and are subject to eligibility requirements

\*\* Assumes 20% tax rate, no state and local taxes

### Catch-Up Contributions

**Q14:** Can I make a “catch-up” contribution to my 401(k) account?

**A14:** You may make catch-up contribution to your account if you turn age 50 or older in 2015. You can contribute up to an additional \$6,000 if you have not already met the IRS annual contribution limit.

### After-Tax Contributions

**Q15:** How much may I contribute on an after-tax basis to the Plan?

**A15:** Colleagues may contribute up to 10% of pay after-tax up to a maximum of \$26,500 per year. Your contributions will stop if you reach the plan compensation limit of \$265,000. Contributions will automatically stop if you reach either the after-tax deferral limit of \$26,500 or \$265,000 in compensation, whichever occurs first.

### Employer Matching Contributions

**Q16:** How much does Tenet contribute to my 401(k)?

**A16:** Tenet will match 50 cents for every dollar you contribute, up to 6% of eligible compensation. Even if you contribute up to 75% of eligible compensation, 6% is matched at 50%. See the example below.

<b>EXAMPLE:</b> Mary, a Tenet colleague, earns \$42,000 a year. She elects to contribute 8% of pay to her 401(k) each year.		
<b>Employee’s annual eligible compensation</b>	<b>Employee’s 8% before-tax 401(k) contribution</b>	<b>Employer match</b>
<b>\$42,000</b>	<b>\$3,360</b> (\$42,000 x 8%)	<b>\$1,260</b> (\$42,000 x 6% x 50%)

- The employer match is credited to colleague’s account in the following year if eligibility requirements are met
- If you are covered by a Collective Bargaining Agreement (CBA), contact your Human Resources Department and/or Union Representative as your employer matching contribution and other plan provisions may be different.

**Q17:** When are company contributions deposited?

**A17:** Tenet funds the match on a yearly basis and it is normally deposited into accounts no later than March 31 of the following year.

**Q18: What are the eligibility requirements in order to receive the employer match?**

**A18:** Colleagues are eligible for the employer match if (i) Tenet decides, at its discretion, to provide an employer matching contribution for 2015, (ii) the colleague makes before-tax contributions to the Plan during 2015, (iii) the colleague works 1,000 or more hours during the Plan Year, **and** (iv) the colleague is employed on December 31, 2015. Colleagues will receive the employer match if they leave the company before December 31, 2015, due to normal retirement after attaining age 59½, disability, or death.

**Q19: Will I receive the 401(k) match if I leave the company?**

**A19:** If you meet the requirements stated above that you worked 1,000 or more hours during the Plan Year **and** you are employed at Tenet on December 31 of Plan Year, or you leave due to severance with general release, normal retirement after attaining age 59½, disability, or death.

**Rollovers from Other Retirement Plans**

**Q20: Can I rollover my account balance from another tax-qualified retirement plan to the Tenet 401(k) Plan?**

**A20:** Yes, the Tenet 401(k) Plan accepts eligible rollovers. To make a rollover contribution, contact Fidelity to request a Rollover Contribution Form or go to [www.401k.com](http://www.401k.com) > Tenet 401(k) Plan > Plan Information > Printable Forms/Literature > Rollover Form. You will need to complete and return the form to Fidelity.

**Vesting**

**Q21: What happens if I leave Tenet before I am vested?**

**A21:** If you leave Tenet for reasons other than normal retirement after attaining age 59½, death or disability, you will be entitled to receive a vested percentage (ownership of your account) of your account balance. You are always 100% vested in before-tax, catch-up, after-tax and rollover accounts. Employer match contributions are subject to the following vesting schedule, which depends on your service with Tenet.

Tenet follows a five year vesting schedule, as listed below:

<u>Years of Service</u>	<u>Vesting Credit</u>
1 with 1,000 hours	20%
2 with 1,000 hours	40%
3 with 1,000 hours	60%
4 with 1,000 hours	80%
5 with 1,000 hours	100%

In other words, if you leave Tenet and have three years of service, you will receive 100% of your before-tax, catch-up, after-tax or rollover account balances, and 60% of your employer match account balance.

### **Using Money in Your 401(k)**

**Q22: How can I access money in my 401(k) account when I retire?**

**A22:** You may take a lump sum distribution, roll the funds over to a qualified IRA, or elect monthly or annual systematic payments if you are age 55 or older, as soon as 30 days after you leave Tenet.

**Q23: Can I access money in my 401(k) account while still an active colleague?**

**A23:** Listed below are the ways you can access funds in your 401(k) account:

- 1. Loans:** Certain circumstances allow you to take a loan from your 401(k) account. However, keep in mind that your borrowed 401(k) money will not be invested for your retirement for the entire time the loan is outstanding. Therefore, you forego all potential investment gains from all borrowed funds for the duration of your 401(k) loan. When you pay back your loan, you do so with after-tax dollars. Consequently, a \$100 loan repayment reduces your take-home pay by \$100. When you take the money out of your 401(k) Plan during retirement, you will pay tax on the same money again.
- 2. Hardship withdrawals:** Funds may be withdrawn in the event of severe financial hardship such as avoidance of eviction, payment of unreimbursed medical expenses, purchase of a principal residence, payment of tuition and related fees, personal loss resulting from a casualty, and payment of funeral expenses. The minimum hardship withdrawal amount is \$250. One hardship withdrawal per calendar quarter is permitted.
- 3. In-service withdrawals:** Active colleagues, age 59½ or older, may withdraw all or a portion of their account, for any reason, at any time. All or a portion of colleague's after-tax or rollover account contributions may be withdrawn at any time.

**Q24: Can I access money in my 401(k) account if I leave the company?**

**A24:** When an colleague leaves Tenet they may take a lump sum distribution or roll the funds over to another qualified retirement plan, 401(k) plan or IRA as soon as 30 days following termination of employment. If you are age 55 or older, you may also elect payment in the form of systematic withdrawal payments on a monthly or annual basis.

**Q25: Am I eligible to take a loan from my 401(k) account?**

**A25:** Listed below are guidelines for taking a loan from your account:

- Minimum loan amount: \$500. Maximum loan amount: half of account balance or \$50,000 (whichever is less).
- One outstanding loan is allowed at a time.
- Up to five years to repay for general purpose loans, 15 years for residence.
- In addition, there is a loan set up fee of \$35 and a loan maintenance fee of \$3.75 per quarter.

**Q26: How will I know the balance in my 401(k) account?**

**A26:** You can access quarterly statements online via Fidelity NetBenefits.® In Tenet's continuing effort to go green, Tenet utilizes 401(k) online statements. If you wish to opt out of online statements, go to Fidelity NetBenefits at [www.401k.com](http://www.401k.com) > Your Profile > Mail Preferences.

### **Investments**

**Q27: How can I invest my contributions in my 401(k) account?**

**A27:** You can choose from six Target Date Funds or more than 20 Extended Choice Funds. A list of all available funds can be found on [www.401k.com](http://www.401k.com) or [www.healthyattenet.com](http://www.healthyattenet.com) > My Benefits Center > 401(k).

The Extended Choice Funds allow colleagues to choose from a group of funds with varying risk and include Money Market, Stable Value, Bond/Managed Income, Growth & Income, Growth, International Equity, and Specialty Funds.

In addition to the funds listed above, more experienced investors may choose from thousands of mutual funds, stocks, and securities not currently offered in the Tenet 401(k) Plan by participating in Fidelity's BrokerageLink® program.

**Q28: What if I don't make an investment election at the time I enroll?**

**A28:** If you don't make an investment option at the time you enroll, your contributions will be invested in an SSgA Dow Jones Target Fund based on your year of birth.

**Q29: I don't know where to invest my contributions. How can I get help?**

**A29:** You can go to Fidelity's NetBenefits website at [www.401k.com](http://www.401k.com) where you will find educational and guidance tools such as Portfolio Review to help you determine which Extended Choice options might be right for you. Also, Fidelity has a network of local Investor Centers. These local centers are available to help you with a variety of investing needs. They offer seminars and workshops on a variety of topics. Check [www.Fidelity.com](http://www.Fidelity.com) for the seminar schedule at a location near you.

### **Miscellaneous**

**Q30: Do I need to designate beneficiaries for my 401(k) account?**

**A30:** Yes, it's important to name one or more beneficiaries for your 401(k) account. Naming or updating your beneficiaries is an easy, online process that takes only a few minutes. Go to Fidelity NetBenefits at [www.401k.com](http://www.401k.com) > Your Profile > Beneficiaries and enter the required information.

**Q31: Are there any fees charged to my 401(k) account?**

**A31:** Colleagues with an account balance in the plan will be responsible for paying certain fees:

- Administrative fees related to review of Qualified Domestic Relations Orders:
  - \$300 for review of a web-generated order (web-generated orders can only cover one plan), or
  - \$750 for review of a non-web-generated order that covers one or more plans or a web-generated order that has been materially altered.
- Minimum required distributions that must be made after a participant reaches age 70½. A \$25 fee per minimum required distribution is assessed.
- Loan set up fee of \$35 and a loan maintenance fee of \$3.75 per quarter.