Children's Mercy (CM) cares about your overall well-being, which is why we offer a two-part retirement program to help you save for retirement: a CM-funded Retirement Plan and an employee- and CM-funded Tax-Deferred Annuity Plan. Both are administered by TIAA.

Read on to learn more.
What is the TDA Plan?
The TDA Plan is a 403(b) retirement savings plan for employees of nonprofit academic, medical, religious and educational organizations. Like the better-known 401(k) plan for employees of for-profit companies, our TDA Plan offers tax advantages for participants. You are fully vested in the plan from the day you begin participating.

Who is eligible to participate?
You are! All CM employees working any schedule or number of hours may contribute to the TDA Plan. In fact, when you’re hired, you are automatically enrolled in the TDA plan. Beginning with your first paycheck, 3% of your pay is contributed into your TDA account. You will see the deduction coded as “TDA” on your paycheck.

If you don’t want to take advantage of this convenient way to save for retirement, you may opt out of automatic enrollment. If you do so within your first 90 days of employment, any automatic deductions will be returned to you. You will receive a form to opt out of auto enrollment at your first-day orientation session. You also can visit tiaa.org/childrensmercy for details on changing your contribution status. After the 90 days, the funds remain in your TDA account, although you can cancel future contributions at any time.

How do I manage my account?
You’re automatically enrolled in the TDA Plan at 3%. You allocate a percentage of your salary to be invested by payroll deduction in either pretax or Roth options. The percentage of salary you choose can be as small as 1% or as high as 100%, within an annual dollar maximum set by the IRS each year and communicated on the Scope. You can change your deferral on the TIAA microsite at any time.

Does CM contribute to my TDA account?
Yes! After you complete two years of service, CM makes a matching contribution of 50 cents for every dollar you invest, up to 6% of your salary. The chart below shows how the CM match helps your account grow:

<table>
<thead>
<tr>
<th>If you have 2+ years of service and contribute ...</th>
<th>CM makes a matching contribution of ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% of your salary</td>
<td>.5% from CM</td>
</tr>
<tr>
<td>2% of your salary</td>
<td>1% from CM</td>
</tr>
<tr>
<td>3% of your salary</td>
<td>1.5% from CM</td>
</tr>
<tr>
<td>4% of your salary</td>
<td>2% from CM</td>
</tr>
<tr>
<td>5% of your salary</td>
<td>2.5% from CM</td>
</tr>
<tr>
<td>6% or more of your salary</td>
<td>3% from CM</td>
</tr>
</tbody>
</table>

How does the match work?
Let’s say you make $50,000 a year and contribute 3% of your salary – $1,500 a year, or $57.69 per pay period – through payroll deduction. Once you’ve been here two years, CM will add another 1.5%, or $750, to your account. That’s a 50% return on your savings investment, which is hard to beat.

How are my contributions invested?
Choose from several TIAA investment funds, according to your risk tolerance, your expected retirement year and other factors relevant to your personal situation. To see available options:

- Go to tiaa.org/childrensmercy.
- Under Get to know your benefits, click on “View Plan Details” for the Tax-Deferred Retirement Annuity.
- Scroll down to Learn which mutual funds and other investments are available, then click on “Show Investments.”

If you don’t make an investment choice, your contribution will be invested on a pretax basis in one of TIAA’s lifecycle funds based on average risk tolerance and the length of time until you reach retirement age.

What do I need to do now?
- Register with TIAA, choose investment options and designate beneficiaries. See page 4 for instructions and whom to contact for help.
- If you wish to opt out of the automatic enrollment, complete the opt-out form provided at orientation within 90 days to change your contribution percentage, or visit tiaa.org/childrensmercy. Any automatic deductions will be returned to you.

What are the tax advantages?
You have two options for participating in the TDA Plan, each of which offers tax savings:

- The “pretax option” invests your contribution before taxes, reducing your current-year income and deferring tax on that income and its earnings until you withdraw it in retirement. So you’re saving for your future and reducing your current-year tax bite.
- Or, with the “after-tax option,” also known as Roth, you pay taxes on this income when you earn it, but not on the earnings it generates over time when you withdraw it after reaching age 59½.

You must choose between pretax or after-tax Roth, but you may switch between the two at any time.
Retirement Plan

What is the Retirement Plan?
The Retirement Plan is a 401(a) plan, also managed by TIAA but separate from the TDA Plan. It is 100% funded by CM; you cannot contribute to this plan.

Who is eligible to participate?
If you are at least 21 years old and have completed two years of service, defined as 1,000 or more paid hours over two 12-month periods, you are eligible to participate in the Retirement Plan.

CM’s contributions on your behalf begin the month after you meet eligibility requirements. You are fully vested in the plan from the day you begin participating.

How much does CM contribute to my Retirement Plan account?
CM contributes a percentage of your salary to your account based on a combination of your age and years of service:

<table>
<thead>
<tr>
<th>If your age + years of service is ...</th>
<th>CM contributes to your account ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50</td>
<td>3% of your salary</td>
</tr>
<tr>
<td>50 to 59</td>
<td>3.5% of your salary</td>
</tr>
<tr>
<td>60 to 69</td>
<td>4.5% of your salary</td>
</tr>
<tr>
<td>More than 69</td>
<td>6% of your salary</td>
</tr>
</tbody>
</table>

What do I need to do now?
- Until you become eligible for Retirement Plan contributions, no action is required of you.
- You will receive an email from HR when you become eligible for the Retirement Plan and CM starts making contributions to your account. At that time, you’ll receive instructions for choosing investments and naming beneficiaries for your Retirement Plan account on the TIAA microsite.

CM’s contributions to your TDA Plan and Retirement Plan can add up

Start early and maximize the CM match of your TDA contributions once you’re eligible
When you qualify for both the TDA match and the Retirement Plan, CM’s contributions can boost your savings by anywhere from 6% to 9% of your salary, depending on your age, years of service and percentage of salary you contribute to your TDA. Together with your own TDA contribution, that can put 12.5% of your salary in your retirement nest egg.

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CM’s contributions can add up
continued from previous page

Here’s an example
Meet Jennifer. She is 44, has eight years of service with CM, earns a salary of $45,000 and contributes 6% of it to her TDA account.

<table>
<thead>
<tr>
<th>Jennifer’s contribution to her TDA account</th>
<th>CM’s match to Jennifer’s TDA account</th>
<th>CM’s contribution to Jennifer’s Retirement Plan Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>6% of her salary from each paycheck by payroll deduct</td>
<td>3% of her salary the 50% match of Jennifer’s 6% contribution</td>
<td>3.5% of her salary Based on Jennifer’s age + years of service</td>
</tr>
</tbody>
</table>

$1,350 for the year added to Jennifer’s TDA account by CM

$1,575 for the year deposited into Jennifer’s Retirement Plan Account

That’s a combined total of $5,625 for the year saved toward Jennifer’s retirement – $2,925 of it is “free money” from CM – representing 12.5% of her salary.

Use the TIAA microsite to manage your accounts

On tiaa.org/childrensmercy, you can:
• Name your beneficiaries.
• Choose or change your TDA contribution amount.
• Choose or change investment options for your TDA account.
• Take advantage of the microsite’s retirement planning tools, calculators and financial planning webinars.
• After you become eligible for the CM-funded Retirement Plan, use the site to set up a Retirement Plan account (separate from your TDA account) to name beneficiaries and make investment choices.

Need help?

TIAA and CM provide many options:

Start with the Scope
• Click on “MyHR” and then any of the pages under the heading Retirement.
• Note the links to the TIAA microsite as well.

To speak with someone in person
• Call (800) 842-2252 to speak with a TIAA representative, 7 a.m. to 9 p.m., Monday through Friday, and 8 a.m. to 5 p.m. Saturday.
• Call (800) 732-8353 or visit tiaa.org/schedulenow to schedule an appointment to review your retirement plan and investment options.
• Call (877) 323-3867 for retirement investment advice from CBIZ Financial Solutions.
• Call (816) 234-3200 to speak with one of CM’s Benefits Specialists, 7 a.m. to 4:30 p.m., Monday through Friday.

* Note: CM also offers a 457(b) Deferred Compensation plan for a small number of eligible employees, who can speak with the Retirement Plan Coordinator at (816) 234-3200 for details.