

## **TCS 401(k) Plan Transition to Vanguard – Frequently Asked Questions**

We are pleased to announce that the TCS 401(k) Plan will transfer from Principal to Vanguard in February 2025. Please refer to the notice you have received in addition to upcoming communications for details about the transition and how your account will move.

Your retirement plan account and how we manage it matters to us. After reviewing the feedback on our benefit surveys, we selected Vanguard as our new service provider. Vanguard has built a trusted reputation over more than three decades of managing employer-sponsored retirement plans.

Please refer to the following questions and answers for insights about this new partnership.

### **ABOUT THE TRANSITION**

#### **Q: When is the transition occurring?**

A: The transition will begin on February 5, 2025, and is expected to be completed by the week of March 2, 2025. During this period, the following transactions will be temporarily unavailable:

- Changing your contribution amount per paycheck.
- Modifying your investment elections.
- Transferring money between investment funds.
- Updating your account address.
- Requesting a loan.
- Making unscheduled loan payments.
- Requesting withdrawals or distributions.

During the transition period, we will continue to deduct your contributions and loan repayments from your paychecks and deposit them to your new Vanguard account. Additional details about the transition and new features are provided in a newsletter which is available on the transition website.

At the end of the transition period, you will be notified by mail and email that the transition period has ended, and your account will be accessible through Vanguard.

#### **Q: Do I have the option to not transition my account to Vanguard?**

A: All accounts in the TCS 401(k) Plan at the time of the transition will be automatically transferred to Vanguard. You will not have an option to keep your 401(k) plan account at Principal.

#### **Q: Will I have the option to roll over my account to an IRA or other options instead of continuing with the 401(k)?**

A: If you are eligible to take a distribution under the terms of the TCS 401(k) Plan, you may choose to roll over your account balance, or request a direct distribution, prior to the transfer. Generally, this option only applies to plan participants who are no longer employed by TCS, or who have reached the age of 59½. Plan participants who are still actively employed or do not meet the conditions required for withdrawal of assets from the Plan will have their accounts automatically transferred to Vanguard.

#### **Q: Will I need to enroll again in the TCS 401(k) Plan once it moves to Vanguard?**

A: No, your current contribution rate and investment elections will transition to Vanguard and you will not need to re-enroll.

#### **Q: Do I need to take any action to move my TCS 401(k) Plan account from Principal to Vanguard?**

A: No, you do not need to do anything. Your current contribution rate and contribution investment elections will remain unchanged, and your account assets will move to Vanguard automatically.

## **INVESTMENTS**

### **Q: What will happen to my current investments?**

A: If you are not enrolled in the Target My Retirement® managed account service at Principal, your account assets will move in-kind to Vanguard.

If you are enrolled in the Target My Retirement® managed account service, your account balance will be initially invested in the Target Retirement Trust with the target date closest to the year in which you'll reach age 65. Then, your balance will be placed in the Digital Advisor® service at Vanguard.

Vanguard Digital Advisor's services are provided exclusively by Vanguard Advisers, Inc. (VAI), a registered investment advisor. We recommend reviewing the Vanguard Digital Advisor brochure for essential services. Vanguard Digital Advisor's financial planning tools provide projections and goal forecasts, which are hypothetical in nature, do not reflect actual investment results, and do not guarantee future outcomes.

### **Q: Will there be any tax implications due to the movement of my account to Vanguard?**

A: No, there are no tax implications associated with the move of the TCS 401(k) Plan to Vanguard.

### **Q: How will my ongoing contributions and loan payments be handled during the transition?**

A: Contributions and loan payments will continue to be deducted from your paycheck during the transition. Deductions through pay date 02/05/2025 will be deposited with Principal. Deductions for pay dates after 02/05/2025 will be deposited with Vanguard. Vanguard will receive the payroll files during the transition freeze period and your payroll contributions will be invested the day prior to the pay date of the payroll file. If you have an outstanding loan, all loan payments will be applied prior to the end of the freeze period. **Note:** You will be able to view the allocation of your payroll contributions and loan payments to your account once the Plan freeze is lifted (i.e., the week of March 2, 2025).

### **Q: If I have an outstanding loan in the TCS 401(k) Plan, what will happen with my loan?**

A: Your loan balance will transfer to Vanguard, and you will continue to make payments through payroll deduction. The transition will not affect the terms or length of your loan. **Note:** Loan repayments will also be posted to your account as soon as possible during the freeze period.

### **Q: Will there be a change to the TCS employer match?**

A: No, the employer match rate of 100% up to 3% of your compensation, and 50% between 4-5% of your compensation will continue. The maximum matching contribution per pay period will remain 4%.

### **Q: Will all the mutual funds be the same as the Principal? How will the funds be transferred if a Mutual fund is not available in Vanguard?**

A: The mutual fund investment options being offered in the TCS 401(k) Plan are not changing as a result of the transition. You will continue to have the same investment options available to you in the plan after the transition as you do today.

### **Q: Is the portfolio option with Vanguard greater than Principal or what options are there for investments?**

A: The mutual fund investment options being offered in the TCS 401(k) are not changing as a result of the transition. You will continue to have the same investment options available to you in the plan after the transition as you do today.

**Q: Will investments transfer at the same value? Will I lose on fund value based on this transition?**

A: Most assets will transfer in-kind; assets that are enrolled in the managed account service at Principal will transfer to Target Date Trusts and then be placed into the Digital Advisor service. Here's how:

**On February 13, 2025 at market close:** Funds moving to the same investments (in-kind) will be transferred to your Vanguard plan account. Each fund will be invested using that day's net asset value (NAV). Also, Principal will update the value of each managed account investment based on its NAV that day—and begin selling those funds.

**On February 14, 2025 at market close:** Vanguard will begin to invest the managed account assets that were sold by Principal. These assets may make a temporary stop in a short-term investment before being invested in the age-appropriate target date trust. Your plan account will be updated based on the NAVs of any new funds.

Once your funds are sold, your money will be out of the market until it's reinvested at Vanguard. So you won't have gains or losses during that time. Vanguard needs to receive all assets and accurate records on time for all plan transition dates to be met.

Until market close on February 13, you will continue to see your full account information at Principal. After market close on February 13, Principal will initiate the transfer of records and assets to Vanguard.

Once the records and assets are transferred, you will see a zero balance in your account at Principal, however you will still have access to historical account details and statements. Until the records and assets have been received, no account details will be viewable at Vanguard.

Once all account data has been transferred into Vanguard's system, Vanguard will complete the process of building all participant accounts. Your account will be fully viewable upon the end of the blackout.

**Note:** It is possible you may see your account before it's fully established at Vanguard if attempting to view online prior to the blackout. The information you will see may appear incorrect. Until the blackout has lifted, you should not consider anything you are seeing in your account as final.

If you are enrolled in the managed account service at Principal, your assets will be liquidated/sold by Principal at market close February 13, and those assets will be wired to Vanguard on February 14.

Assets will be temporarily invested in an age-appropriate target retirement trust for each managed account enrolled participant during the blackout period. Any earnings on the assets while they are temporarily invested in an age-appropriate target retirement trust will be allocated to your account prior to the end of the blackout.

Once the blackout has ended, your assets that were in the managed account service at Principal will be transferred into Vanguard's Digital Advisor service, where you will be able to continue to benefit from account management services.

**Q: Can I invest in additional/new funds in Vanguard currently not available with Principal?**

A: The mutual fund investment options being offered in the TCS 401(k) Plan are not changing as a result of the transition. You will continue to have the same investment options available to you in the plan after the transition as you do today.

**Q: In Principal, we have "Super Roth" enabled for us. We have an opportunity to contribute "After Tax" dollars and convert them into "Roth 401K". Please advise if this option is enabled in Vanguard.**

A: Yes, this option will continue to be offered after the transition to Vanguard. If you are currently utilizing this option at Principal, your election to do so will be carried over and continued at Vanguard.

**Q: Can I create/elect an IRA (Individual Retirement Account)?**

A: IRAs are separate retirement account arrangements and are available at financial institutions e.g., Banks, Brokerage Financial Institutions. Please contact the Financial Institution of your choice to open an IRA account. You may want to consult with your tax advisor prior to investing in an IRA program.

**Q: Can I elect to have an ETFs (Exchange-Traded Funds)?**

A: ETFs are not available under the TCS 401(k) Plan presently. Please note that the Plan's Investment Program is reviewed regularly ( i.e., quarterly). The Plan's investment philosophy underscores a disciplined strategic approach, focused on providing you with a prudent and diversified investment selection, to help you achieve your retirement income objectives.

**MY ACCOUNT**

**Q: Do I need to update my beneficiary information?**

A: Your beneficiary designations will transfer to Vanguard, so now is a good time to ensure that you designate or update your beneficiary information. To update beneficiary information prior to the transition, please contact Principal prior to February 5, 2025. Updates to your beneficiary information can be made at Vanguard following the transition.

**Q: Will there be a time when I am unable to request transactions?**

A: Yes, to ensure an orderly and accurate transition, activity in your TCS 401(k) Plan account will need to be temporarily paused. Here are the key dates to remember:

February 5, 2025, at 4 p.m. Eastern time	<b>The move begins.</b> Last day to contact Principal to: <ul style="list-style-type: none"><li>• Change your address.</li><li>• Change your investments.</li><li>• Move your money to new funds.</li><li>• Change the amount of each paycheck you invest.</li><li>• Make unscheduled loan payments.</li><li>• Take your money out of the plan.</li></ul>
February 13, 2025	Your money is transferred from Principal to Vanguard.*
February 14, 2025	Your money is invested at Vanguard.*
Week of March 2, 2025	<b>The move is complete.</b> You have full control of your account again.

\*Most assets will transfer in-kind; assets that are enrolled in the managed account service at Principal will transfer to Target Date Trusts and then be placed into the Digital Advisor service. Here's how: **On February 13, 2025, at market close:** Funds moving to the same investments (in-kind) will be transferred to your Vanguard plan account. Each fund will be invested using that day's net asset value (NAV). Also, Principal will update the value of each managed account investment based on its NAV that day—and begin selling those funds. **On February 14, 2025, at market close:** Vanguard will begin to invest the managed account assets that were sold by Principal. These assets may make a temporary stop in a short-term investment before being invested in the age-appropriate target date investment. Your plan account will be updated based on the NAVs of any new funds. Once your funds are sold, your money will be out of the market until it's reinvested at Vanguard. So you won't have gains or losses during that time. Vanguard needs to receive all assets and accurate records on time for all plan transition dates to be met.

**Q: What happens to my 401(k) account if I remain employed with TCS, but work in a country other than the United States?**

A: If you are still employed with the company, the funds in your retirement account aren't eligible for distribution. Transferring to a different country doesn't count as a benefit event. While you're working overseas, your account balance will continue to be invested according to your investment direction, and you may still be eligible for in-service withdrawals (if you have reached age 59.5). You will also still have access to your account information online and through the Principal app before the transition to

Vanguard. Once the transition is complete, you will be able to access your account online at [www.vanguard.com/retirementplans](http://www.vanguard.com/retirementplans) or by contacting Vanguard Participants Services at **800-523-1188**.

**Q: What will happen if I resign or return to my home country during the freeze?**

A: If you resign employment with TCS during the freeze on transaction activity, you will need to wait until the transition is complete and the freeze has ended to request a distribution of your account. This applies whether you remain in the U.S., or you return to your home country. Once the freeze has ended you will be able to access your account online at [www.vanguard.com/retirementplans](http://www.vanguard.com/retirementplans), or by contacting Vanguard Participant Services at **800-523-1188** to initiate a distribution from your account.

If you return to your home country during the freeze period and are actively employed with TCS, please refer to the Q&A above: "Q: What happens to my 401(k) account if I remain employed with TCS, but work in a country other than the United States?"

**Q: When I review the microsite, I see a \$24 fee (annually) for making the change from Principal to Vanguard, why am I being charged this fee or what is this fee?**

A: This fee is the annual plan recordkeeping fee that will be charged to your plan account for administration of the plan.

**Q: I have an existing Vanguard account, do I need to re-register or create a new account/profile under TCS?**

A: No, you can use your existing log-in information; once logged in, you will see your TCS account listed.

**COMMUNICATIONS**

**Q: Where can I find more information about the TCS 401(k) Plan transition to Vanguard?**

A: Be on the lookout for communications that will be mailed to your address of record, and for internal communications from TCS about the upcoming change.

Vanguard and TCS will also be offering webinars and onsite meetings where you will have the opportunity to ask questions about the transition and learn more about Vanguard.

The transition communications, along with dates and registration details for the webinars and onsite meetings, will be available on the Vanguard transition website: [vanguard.com/tcs401kplan](http://vanguard.com/tcs401kplan).

Once the transition period is complete, you will receive notification that you have full access to your account and will be provided with instructions for accessing your account at Vanguard.

**Q. Will there be any webinar sessions to explain the changes?**

A: Yes, you will have the opportunity to attend webinars in January 2025 before your account moves, and in March 2025 after the transition. The webinars will cover the key topics to help you fully understand the changes. We are committed to keeping you informed every step of the way.

Webinars schedules and access details are available on the transition website and will also be communicated to your TCS email.

**Q. What should you do in advance?**

A: We want to ensure you receive all the appropriate notices and avoid making unnecessary changes to your 401(k) account during this transition. Here are some steps to prepare:

- **Update your contact information** in Principal and Ultimatix to ensure it is current. You will receive important communication through your TCS email and by mail at your residential address.
- **Stay Informed.** Check your TCS email on a regular basis and review all updates. As we approach the start of the transition and even after it completes, you can expect to receive frequent communications. If you are no longer employed with TCS, you will receive all communications at your residential address.
- **Attend the webinars hosted by TCS and Vanguard.** These sessions will help you understand the changes and show you how to make the most of your new retirement plan features.

#### **Q. What's next?**

A: We are committed to ensuring a smooth and easy transition. As the transition date approaches, you will receive several messages from Vanguard by mail to your residential address with important details about the transition. Here are some key legal notifications you can expect:

- **Sarbanes-Oxley (SOX) Notice:** Federal law generally requires us to notify you at least 30 days before any freeze period begins, so that you have enough time to consider how your retirement account and financial plans will be affected. This document will provide the key dates for the transition and details regarding the availability of plan features.
- **Annual Fee Disclosure Notice:** Federal regulations mandate TCS to provide information on plan fees and investments to help you manage your retirement plan account during the transition to Vanguard.
- **Qualified Default Investment Alternative (QDIA).** This notice describes your plan's default investment if you have not made an investment election.

#### **Q: Who should I contact with questions?**

A: To make changes or ask questions about your account before the transition begins, you can continue to contact Principal at [www.principal.com](http://www.principal.com) or 800-547-7754.

After the transition is complete, you'll be able to access your Vanguard account by registering for online access at [www.vanguard.com/retirementplans](http://www.vanguard.com/retirementplans) or by contacting Vanguard Participant Services at **800-523-1188**.

#### **Q: How long will participants be able to access and view their account history and statements on the Principal portal, after 02/13/2025?**

A: The Plan Sponsor and participant will continue to have access for approximately six months after the transition date. It will not be less than six months but could be a little longer depending on the queue levels on our side, etc.