

## 1000 Hours Explained for 401a

In negotiations we have written proposals to the Hospital to improve the Retirement Program. Our proposal included an increase in deposit percentages to your 401a account from the Hospital. We also attempted to remove the 1000 hours worked per year stipulation and return the 401a to bi-weekly funding instead of annually presently. So, for 2023, a Nurse must have worked at least 1000 hours for the Hospital to get the annual deposit to your 401a account. We believe that deposit will occur sometime in April 2024. Providence made all the market gains on those funds in 2023, the Nurse did not. We were very displeased with this change last negotiations, but we were also not in a place to strike in 2020. One gain from 2020 negotiations was that Providence did improve the deposits to your 401k account. Your 401k is the retirement account that you put your money into, and the Hospital matches your money at 50%. See your contract on page 62 for your match.

*For Example:*

*Nurse with 0-4 years of service*

- 1. If that Nurse puts 3% of their income into their 401k, the Hospital will give that Nurse another 50% of that 3%, which is 1.5%.*
- 2. The hospital also funds a 401a account for this Nurse at 3%. This money is only deposited annually to Fidelity around April 2024 and takes 5 years to vest. The Nurse must also work 1000 hours in the year in order to get the 401a deposit.*
- 3. The 1.5% to the 401k + the 3% to the 401a give the Nurse 4.5% annually.*

Current Hospital contributions to the 401a are not readily available to you. These funds must remain in the account and will be vested in 25% annual increments over five years. Please see page 62 of the contract regarding the vesting of the 401a contributions. This means that if you were to leave SRMH after 8 years you will walk away from some of the 401a money because it is not fully vested.

The Hospital's contributions to the 401k (which they increased with last contract) **is your money the minute it is deposited with no vesting required.** That was the sales point to the new retirement program.

If a caregiver leaves after working 1,000 hours and through the final pay period, they will receive the contribution for that year regardless of whether they are active when the contributions are deposited the following year. Only a caregiver age 55+ will earn a contribution for a year if they leave (during the same year) before attaining 1,000 hours and before the final pay period.

Now that we have explained your retirement, the question to be asked and many nurses have asked is: **What counts toward your 1000 hours for the 401a account?** The answer from Providence is any hours you are paid for: worked hours, vacation hours, holiday hours, and sick pay.

Below is the legal language:

*Hour of Service means each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer during the applicable computation period. However, for purposes of eligibility and vesting, Hours of Service will include service completed for an Affiliate. For the several purposes herein stated, an "Hour of Service" is defined below as follows: An Hour of Service is each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence.*

So, for those of you that are worried about not making the 1000 hours, you need to look at your paystub for these totals in the column that reads "Hours/Units" and start adding. If you were on an LOA our understanding, is they will credit you up to 501 hours. We are not sure how this is done so you would need to put a ticket in with AskHR for that answer.

We hope this helps you to understand the retirement benefit and how to add up the 1000 hours.

## **New Issue Regarding Vesting of your Money**

If you are a Nurse who has less than five years of service at Providence, you may have an issue. In 2022, Providence moved from the Workday platform to the Genesis platform. Due to that change, the vesting of your retirement money in increments of 25% may have been affected. Below is an example of what happened to one of our Nurses.

**Example:**

*A Nurse noticed that there was a problem with her vesting of her 401a account. She had 4 years of service where she worked more than 1000 hours and was vested at 50% when she should have been vested at 75%. She sent a breakdown of her hours to the HR system and the issue was corrected. The mistake happened when the platform went from Workday to Genesis. The Nurse had over 400 hours in Workday and 600 hours in Genesis, but the system did not add the two amounts together. Due to this the Nurse's annual vesting of 25% had not occurred.*

If you have been here less than 5 years, you need to use the directions below and see if your funds are vested properly. If they are not- put an AskHR ticket in to have it vested appropriately. You vest when you work 1000 hours in a year. See page 62 of contract on vesting percentages.

If the Nurse is on their cellphone, they open the NetBenefits app, click on "SJHS/CHS 401(K) PLAN", they scroll down to "Sources" section with a circle pie chart. Click on "Sources." It will take you to a new page that breaks down categories (Ex: Pre-Tax, Employer Discret 401A II, Employer Match). Each of those has a \$ amount and % vested amount.

If the Nurse is logging on a computer through My Apps, click the Fidelity app, click on "Retirement Savings" bar, then select the "SJHS/CHS 401(K)", this directs the Nurse to a new page. Scroll down the page to the 3 circle pie charts (Asset classes, Holdings, and Sources), click "Show Details" under "Sources" and a small window pops up with the details as above.