

## 401(k) Flex - Frequently Asked Questions

### What is the 401(k) Flex contribution?

The 401(k) Flex contribution is a new mechanism for making contributions to your 401(k) savings plan. During open enrollment (or following a qualifying event) you now have the option to contribute any remaining flex benefit plan (FBP) credits directly to your 401(k). You still have the option to allocate additional contributions to your 401(k) through Anytime Savings in Self-Services.

### What is the difference between a 401(k) Flex contribution and an Anytime Savings 401(k) contribution?

Both mechanisms allocate funding to your 401(k) savings plan, but there are several differences between the two that are important to be aware of, which are detailed in the table below.

	<b>401(k) Flex Contribution</b>	<b>Anytime Savings 401(k) Contribution</b>
<b>When changes can be made</b>	Only during Open Enrollment or following a Qualifying Event	Anytime
<b>When contributions are deducted</b>	Semi-monthly (24 pay periods)	Bi-weekly (26 pay periods)
<b>What contribution is pulled from</b>	Remaining FBP credits	Bi-weekly earnings

### How are the contribution limits affected by a 401(k) Flex contribution?

The total contribution limit does not change. The total combined annual contributions to your 401(k) savings plan (from excess flex credits and your regular salary) cannot exceed the IRS limit of \$18,500 per calendar year (or \$24,500 if 50 years or older by December 31 of that year).

### What is the minimum 401(k) contribution that can be made?

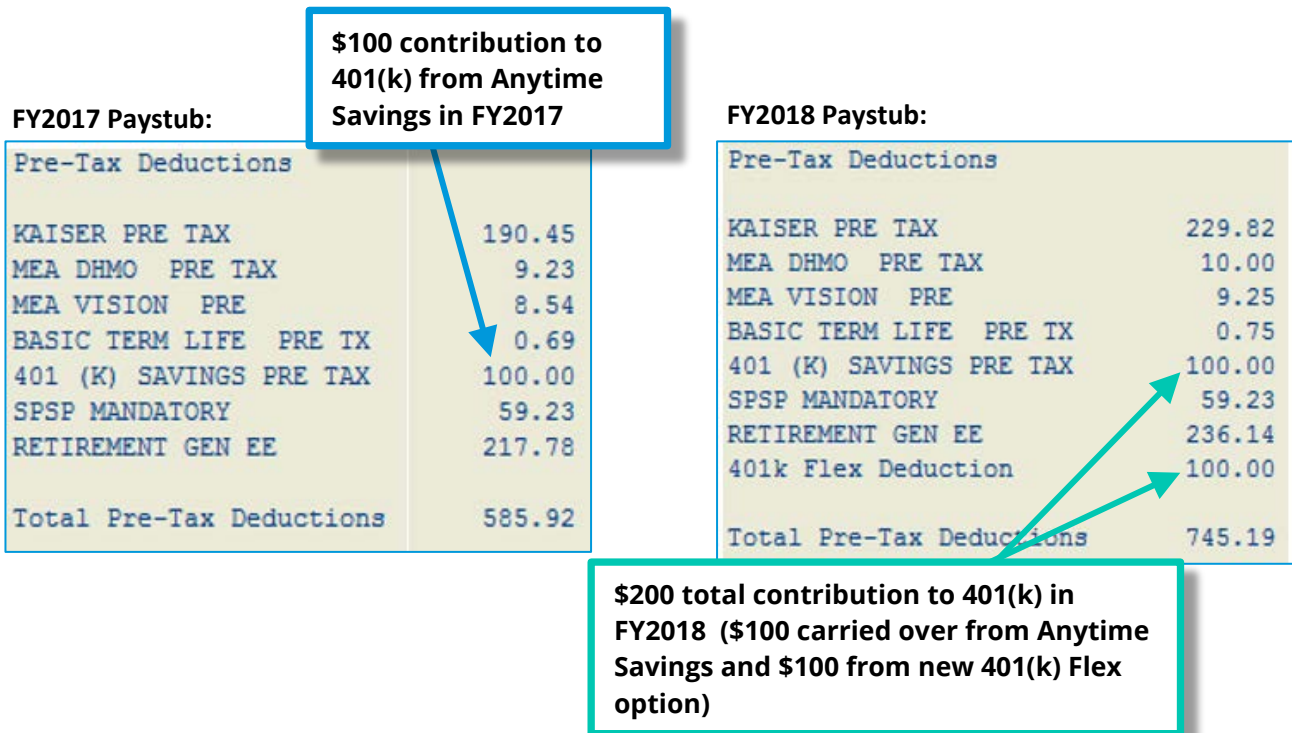
Combined 401(k) contributions (from both flex and salary) must be minimum of \$10.00 per pay period.

### How do I make contributions using the 401(k) Flex option?

You can make contributions to your 401(k) using the 401(k) Flex option during open enrollment (or following a qualifying event) through Self-Services in the SAP Portal. Please see the [401\(k\) Flex Contributions](#) training on the Risk Management intranet site for detailed instructions on how to use the 401(k) Flex option as well as how to modify or delete Anytime Savings contributions in Self-Services.

**Last year I had remaining FBP credits that I put into my 401(k) through Anytime Savings, do I have to do anything differently if I use the 401(k) Flex option this year?**

Yes. You will want to be sure to review your Anytime Savings contribution to ensure that you are designating the appropriate amount. For instance, if last year you had \$100 per pay period in remaining FBP credits and you elected to contribute \$100 in Anytime Savings, that Anytime Savings contribution will continue in Fiscal Year 2018 unless you change or delete it. So, if you have \$100 in remaining FBP credits this year and designate that to your 401(k) using the new 401(k) Flex contribution option and do not make a change to Anytime Savings, then \$200 will be contributed to your 401(k): \$100 from 401(k) Flex and \$100 from Anytime Savings.



If you want to only designate \$100 using the 401(k) Flex option, then you will want to change the Anytime Savings allocation to \$0 in Self-Services. The paystub below reflects only the 401(k) Flex deduction.

**FY2018 Paystub (with only 401(k) Flex deduction):**

Pre-Tax Deductions	
KAISER PRE TAX	229.82
MEA DHMO PRE TAX	10.00
MEA VISION PRE	9.25
BASIC TERM LIFE PRE TX	0.75
SPSP MANDATORY	59.23
RETIREMENT GEN EE	236.14
401k Flex Deduction	100.00
<b>Total Pre-Tax Deductions</b>	<b>645.19</b>

**\$100 contribution to 401(k) from 401(k) Flex in FY2018**

**I only contribute my remaining FBP credits to my 401(k) and would like to switch to using the 401(k) Flex option, when should I remove my Anytime Savings contribution in Self-Services if I don't want to have a break in my 401(k) contributions?**

The 401(k) Flex option will not begin until FY2018 (reflected on the paycheck received 7/28/2017), so if you want to continue to contribute to your 401(k) through Anytime Savings until the 401(k) Flex contribution takes effect, you will need to change your Anytime Savings amount between July 1, 2017 and July 14, 2017.

**I entered \$200 using the 401(k) Flex option, why is only \$150 being deducted on my paycheck?**

The 401(k) Flex option will only deduct up to the amount of FBP credits remaining after premium deductions for medical, dental, vision, basic life insurance, and FSAs have been taken. So, if you entered \$200 but only \$150 is actually remaining in FBP credits, only \$150 will be deducted on your paycheck.

**Why should I use the 401(k) Flex option rather than Anytime Savings to allocate remaining FBP credits to my 401(k) plan?**

The key distinction is that the 401(k) Flex option is tied to the Flexible Benefits Plan and corresponding FBP credits. It is important to remember that FBP transactions are going to be paid semi-monthly beginning in Fiscal Year 2018; this includes FBP credits and premium deductions related to employee flexible benefit selections (medical, dental, vision, basic life insurance, FSA, as well as the 401(k) Flex contributions). However, Anytime Savings contributions to your 401(k) will remain bi-weekly, so in the pay periods which skip the FBP transactions, the Anytime Savings contributions *will still be deducted*. Depending on the amount that is contributed through Anytime Savings, this can result in a significant difference in your take home pay (earnings) for those pay periods in which the FBP credits are skipped.

As shown in the screenshots below comparing the 12/1/2017 paychecks (for pay period ending 11/17/2017) there is no difference in earnings whether the 401(k) Flex is used or if the Anytime Savings 401(k) contribution is used, as long as the contribution amount is the same. However, as shown in the screenshots comparing the 12/15/2017 paychecks (for pay period ending 12/1/2017), earnings are significantly lower using the Anytime Savings contribution because the FBP credits, which would offset the deduction, are not paid during that pay period.

12/01/17 Paycheck using Anytime Savings contribution (net earnings \$735.00):

Check Date	12/01/2017	Total Net	735.00
Pay Period End	11/17/2017		
	Stat Allw	Add'l	
FED	S	3	
CA	S	3	
		Current Hours	Amount
<b>Gross Wages</b>			
HOURLY PAY		80.00	1,974.40
CITY FBP CREDITS			487.71
<b>Total Gross Wages</b>			<b>2,462.11</b>
<b>Pre-Tax Deductions</b>			
KAISER PRE TAX			229.82
MEA DRHD PRE TAX			10.00
MEA VISION PRE			9.25
BASIC TERM LIFE PRE TX			0.75
<b>401 (K) SAVINGS PRE TAX</b>			<b>237.89</b>
SPSP MANDATORY			59.23
RETIREMENT GEN ES			236.14
<b>Total Pre-Tax Deductions</b>			<b>783.08</b>
<b>Post Tax Deductions</b>			
ES RETIREE HEALTH			401.25
SPSP Vol Post 6/30/86			60.22
SP #1 REPAY AMT TAKEN			215.77
MEA DUES			23.13
PARKING-PARKADE			19.62
<b>Total Post Tax Deductions</b>			<b>719.99</b>
<b>Employee Tax Deductions</b>			
Federal	FED		
TX Withholding Tax			150.56
TX ES Medicare Tax			32.08
State	CA		
TX Withholding Tax			41.40
<b>Total Employee Taxes</b>			<b>224.04</b>

Contribution to 401(k) from Anytime Savings

12/01/17 Paycheck using 4001(k) Flex contribution (net earnings \$735.00):

Check Date	12/01/2017	Total Net	735.00
Pay Period End	11/17/2017		
	Stat Allw	Add'l	
FED	S	3	
CA	S	3	
		Current Hours	Amount
<b>Gross Wages</b>			
HOURLY PAY		80.00	1,974.40
CITY FBP CREDITS			487.71
<b>Total Gross Wages</b>			<b>2,462.11</b>
<b>Pre-Tax Deductions</b>			
KAISER PRE TAX			229.82
MEA DRHD PRE TAX			10.00
MEA VISION PRE			9.25
BASIC TERM LIFE PRE TX			0.75
SPSP MANDATORY			59.23
RETIREMENT GEN ES			236.14
<b>401k Flex Deduction</b>			<b>237.89</b>
<b>Total Pre-Tax Deductions</b>			<b>783.08</b>
<b>Post Tax Deductions</b>			
ES RETIREE HEALTH			401.25
SPSP Vol Post 6/30/86			60.22
SP #1 REPAY AMT TAKEN			215.77
MEA DUES			23.13
PARKING-PARKADE			19.62
<b>Total Post Tax Deductions</b>			<b>719.99</b>
<b>Employee Tax Deductions</b>			
Federal	FED		
TX Withholding Tax			150.56
TX ES Medicare Tax			32.08
State	CA		
TX Withholding Tax			41.40
<b>Total Employee Taxes</b>			<b>224.04</b>

Contribution to 401(k) from 401(k) Flex

Earnings are not affected by the 401(k) contribution method in periods where FBP credits are applied, assuming all else being equal.

12/15/17 Paycheck using Anytime Savings contribution (net earnings \$535.90):

Check Date	12/15/2017	Total Net	535.90
Pay Period End	12/01/2017		
	Stat Allw Add'l		
FED	S 3		
CA	S 3		
	Current Hours	Amount	
<b>Gross Wages</b>			
HOURLY PAY	80.00	1,974.40	
Total Gross Wages		1,974.40	
<b>Pre-Tax Deductions</b>			
401 (K) SAVINGS PRE TAX		237.89	
SPSP MANDATORY RETIREMENT GEN ES		59.23	
		236.14	
Total Pre-Tax Deductions		533.26	
<b>Post Tax Deductions</b>			
ES RETIERS HEALTH		417.30	
SPSP Vol Post 6/30/86		60.22	
SP #1 REPAY AMT TAKEN		215.77	
MEA DUES		23.13	
PARKING-PARKADE		19.62	
Total Post Tax Deductions		736.04	
<b>Employee Tax Deductions</b>			
Federal	FED		
TX Withholding Tax		114.87	
TX ES Medicare Tax		28.63	
State	CA		
TX Withholding Tax		25.70	
Total Employee Taxes		169.20	

FBP credits not applied but contribution to 401(k) from Anytime Savings still deducted

12/15/17 Paycheck using 401(k) Flex contribution (net earnings \$722.40):

Check Date	12/15/2017	Total Net	722.40
Pay Period End	12/01/2017		
	Stat Allw Add'l		
FED	S 3		
CA	S 3		
	Current Hours	Amount	
<b>Gross Wages</b>			
HOURLY PAY	80.00	1,974.40	
Total Gross Wages		1,974.40	
<b>Pre-Tax Deductions</b>			
SPSP MANDATORY RETIREMENT GEN ES		59.23	
		236.14	
Total Pre-Tax Deductions		295.37	
<b>Post Tax Deductions</b>			
ES RETIERS HEALTH		417.30	
SPSP Vol Post 6/30/86		60.22	
SP #1 REPAY AMT TAKEN		215.77	
MEA DUES		23.13	
PARKING-PARKADE		19.62	
Total Post Tax Deductions		736.04	
<b>Employee Tax Deductions</b>			
Federal	FED		
TX Withholding Tax		150.56	
TX ES Medicare Tax		28.63	
State	CA		
TX Withholding Tax		41.40	
Total Employee Taxes		220.59	

FBP credits not applied and 401(k) Flex contribution not deducted in this pay period

Earnings can vary significantly depending on the 401(k) contribution method in periods where FBP credits are not applied.