

ANNUAL NOTICE OF UNIVERSAL AVAILABILITY 2017 PLAN YEAR

Tahlequah Hospital Authority DBA Northeastern Health System has adopted the Tahlequah Hospital Authority 403(b) Plan and Trust (the “Plan”) to help our employees save for retirement. If you are an employee of Tahlequah Hospital Authority DBA Northeastern Health System, you may make contributions (called “Salary Deferrals”) directly from your paycheck into the Plan. The ability to make Salary Deferrals provides you with an easy method to save for retirement. This *Annual Notice of Universal Availability* describes your rights to participate under the Plan, the procedures for electing to make Salary Deferral Contributions and the tax advantages of making such contributions.

Salary Deferral Contributions. The Plan is a special type of Plan called a “403(b) plan” as described in Section 403(b) of the Internal Revenue Code. A “403(b) Plan” is subject to a special universal availability requirement which requires that all Employees have the opportunity to make Salary Deferrals to the Plan, with certain limited exceptions. In order to make Salary Deferrals under the Plan, you must enter into a Salary Deferral election designating how much you wish to defer into the Plan. Any amounts you designate will be withheld from your paycheck each pay period and deposited into the Plan in your name as a Salary Deferral. Please see the Summary Plan Description (SPD) or contact your Employer if you have any questions regarding the process for submitting a Salary Reduction Agreement or your eligibility for the Plan.

Contribution Limits. The IRS limits the amount you can contribute to the Plan each year as Salary Deferral contributions. For 2017, the limit on Salary Deferrals is \$18,000. This annual contribution limit is subject to change each year. The \$18,000 Salary Deferral limit may be increased if you are eligible to make “catch-up” contributions under the Plan. Please see the Summary Plan Description (SPD) or contact your Employer for more information concerning the availability of catch-up contributions under the Plan.

Tax Advantages. The amount that you defer into the Plan reduces your taxable income, meaning you do not pay income taxes on those amounts until you withdraw your deferrals from the Plan. Any gains or earnings made from the investment of these contributions within the Plan are also not subject to income tax until they are withdrawn from the Plan.

Alternatively, you may elect to treat all or any portion of your deferrals as “Roth deferrals.” Roth deferrals do not reduce your taxable income when made so you will pay taxes on the amount contributed as a Roth deferral. However, if you take a “qualified distribution” of your Roth deferrals, you will not be taxed on any amounts attributable to those Roth deferrals, including any earnings on those amounts, at the time of the qualified distribution. To be a qualified distribution, the distribution must occur at least 5 years after the year in which you first make a Roth deferral to the Plan and must be on account of death, disability or attainment of age 59½.

Additional information. If you would like additional information regarding your rights under the Plan or the ability to make Salary Deferrals, please contact:

Tahlequah Hospital Authority DBA Northeastern Health System
1400 East Downing St.
Tahlequah, OK 74464
(918) 456-0641