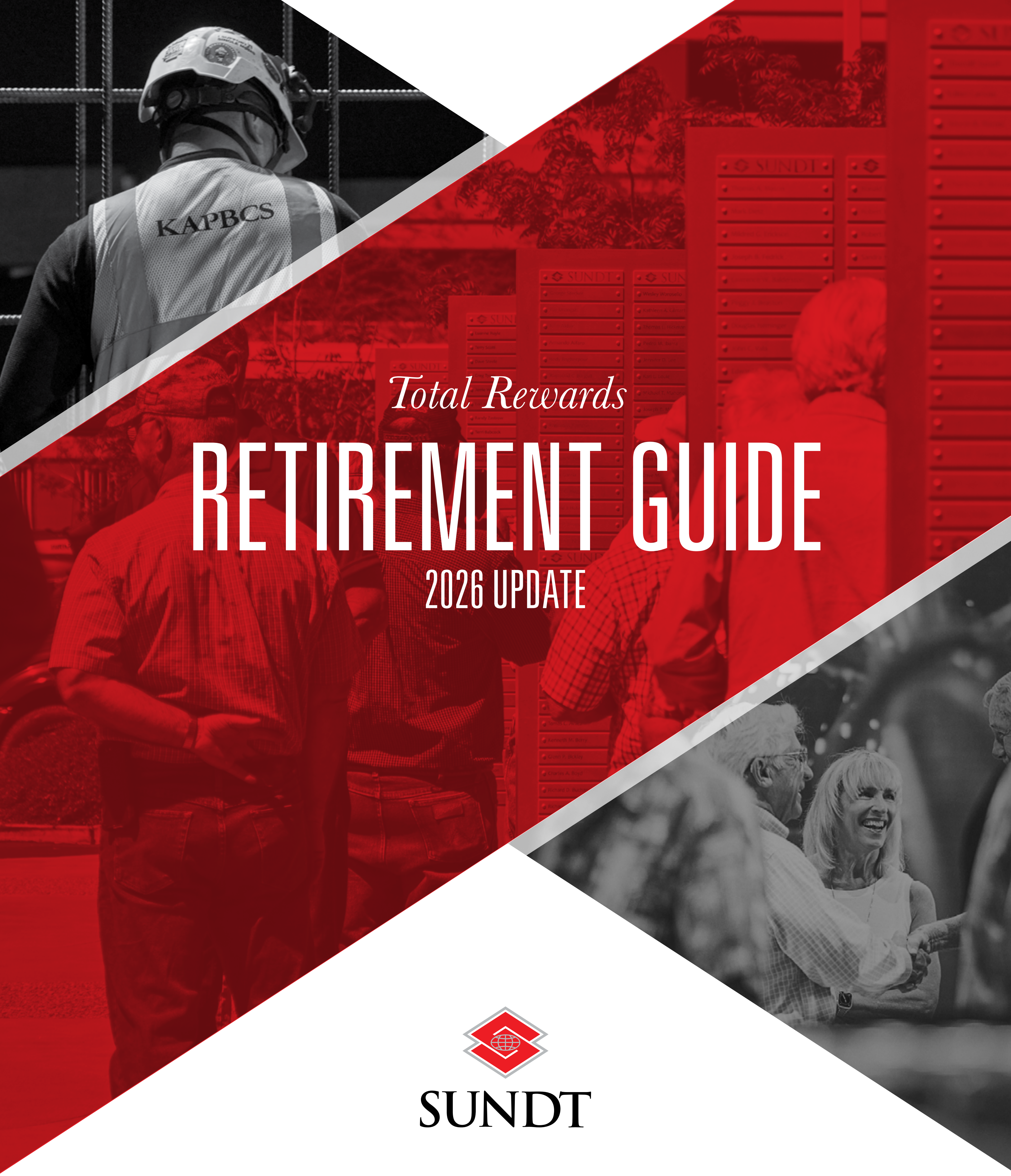


Total Rewards

RETIREMENT GUIDE

2026 UPDATE

SUNDT

2620 S 55TH ST / TEMPE, AZ 85282 / 480.293.3000 / SUNDT.COM / SKILL. GRIT. PURPOSE.®

CONGRATULATIONS ON TAKING A BIG STEP TOWARD YOUR FUTURE!

Planning for retirement might feel like a big task, but you're not alone, and you're already off to a great start just by being here.

Retirement isn't just about saving money, it's about imagining the kind of life you want to live when you're no longer working full-time. For some, that might mean traveling, picking up a new hobby, volunteering, or simply having more time to spend with family and friends. Whatever your dreams are, this guide is here to help you start turning them into a plan.

A good retirement plan includes two important parts:

- ✓ Personal planning, what you want your retirement to look like
- ✓ Financial planning, how to save and prepare for that future

In this guide, we'll walk you through the basics of Sundt's retirement benefits, including the 401(k) and the Employee Stock Ownership Plan (ESOP). We'll also cover other things you may want to think about, like health care, Social Security, and even end-of-life planning, because the more prepared you are, the more peace of mind you'll have.

This doesn't have to be complicated. We're here to make it easier, one step at a time. Let's get started.

Section 1

401(k)

OVERVIEW

Sundt's 401(k) plan is a powerful tool to help employee-owners build a strong financial future. By contributing pre-tax dollars from your paycheck, you not only save for retirement, but you also lower your current taxable income. Your savings grow tax-deferred, meaning you don't pay taxes on investment earnings until you withdraw the funds in retirement.

Prefer to pay taxes now instead of later? You also have the option to make Roth (after-tax) contributions, which can provide tax-free withdrawals down the road.

Best of all, when you participate and contribute at least 5% of your pay on an annualized basis, you'll receive the maximum company match of contributions that go into the ESOP, helping your savings grow even faster, (when eligibility requirements are met).

WHAT IS A 401(k)?

A 401(k) is a retirement savings plan offered by many U.S. employers, designed to help employees save for the future with valuable tax advantages. The name comes from a section of the U.S. Internal Revenue Code.

When you enroll in Sundt's 401(k) plan, you choose to have a percentage of each paycheck automatically deposited into your retirement investment account. You also get to decide how your contributions are invested by selecting from a range of investment options.

To help you grow your savings faster, Sundt will match all or part of your contributions, up to 5% of your paycheck into your ESOP account. (subject to IRS limits).

THERE ARE TWO MAIN WAYS TO CONTRIBUTE:

Pre-Tax Contributions: These reduce your taxable income now, but you'll pay taxes on the money when you withdraw it in retirement.

Roth (After-Tax) Contributions: These are made with money that's already been taxed. While there's no immediate tax benefit, your withdrawals, including earnings, can be tax-free if your Roth account has been open for at least five years and other IRS requirements are met.

Both options offer different benefits depending on your financial goals and tax situation, so you can choose what works best for you.

PARTICIPATION AND CONTRIBUTIONS

As a new employee-owner at Sundt, you become eligible to participate in the 401(k) plan on the first day of the month following your 6-month eligibility date. If you are a rehired employee and were previously eligible for the 401(k) plan, your eligibility resumes immediately upon your rehire date, no waiting period required.

Additionally, starting on your first day of active employment, you may choose to roll over all or part of a qualified retirement account from a previous employer, as permitted under the terms outlined in Sundt's 401(k) plan document. Each year, the IRS sets contribution limits for retirement plans, including catch-up contributions for employees age 50 and older. To view the most current limits, visit **IRS.gov**.

PLAN ADMINISTRATION

Sundt's 401(k) plan is managed by Fidelity Investments, a trusted leader in retirement services. As a participant, you have access to a wide range of support and tools to help you make informed decisions about your retirement savings.

FIDELITY OFFERS:

- Free one-on-one consultations with a Certified Financial Planner (CFP®)
- A full suite of educational resources and planning tools through their website
- 24/7 online account access at **401k.com**

Once you're eligible to participate in the plan, you can choose to have a percentage of your paycheck automatically deducted and invested into your 401(k) account, within the limits set by federal regulations and plan guidelines.

To contact Fidelity directly, call **1.800.835.5097**. After verifying your identity, be sure to reference Sundt's plan number: **48551.**

INVESTMENT OPTIONS

Sundt's 401(k) investment lineup is carefully monitored by The Sundt Companies Advisory Committee, which reviews the performance of available investment options on a quarterly basis to ensure they continue to meet quality and diversification standards.

When you enroll and select your contribution percentage, you'll also choose how your money is invested. You can pick from a variety of investment options based on your comfort level with risk, time horizon, and financial goals.

If you're unsure about where to start, Fidelity offers free consultations with a Certified Financial Planner (CFP®) to help you make confident and informed investment decisions.

Your account value is updated daily, reflecting any new contributions, transfers between investment options, earnings or losses, and withdrawals. To view the most up-to-date list of investment options, visit **401k.com**.

> *Need Help with Your 401(k)?*
>
> For questions about your Fidelity 401(k) account, call Fidelity at **1.800.835.5097**, Monday through Friday, 8:30 a.m. to 8:30 p.m. Eastern Time.

MATCHING CONTRIBUTIONS

When you contribute to your 401(k), Sundt supports your retirement savings by making matching contributions into the Employee Stock Ownership Plan (ESOP). *See page 10 for more details.* These matching funds are 100% vested immediately—they're yours to keep from day one.

SUNDT OFFERS TWO TYPES OF MATCHES:

- **Up to 4% Safe Harbor Match**
- **Up to 4% Discretionary Match**

These matches are calculated annually based on your contributions during the ESOP plan year. You'll see the total matching amount reflected on your ESOP statement, which is distributed each year in late January.

To receive the maximum company match, you must participate in the 401(k) plan and contribute at least 5% of your eligible pay on an annualized basis. This ensures you're making the most of Sundt's investment in your retirement.

IN-SERVICE WITHDRAWALS AND LOANS

If you need access to funds from your 401(k) account while still employed, certain withdrawal and loan options may be available to you, depending on your circumstances and eligibility. You can contact Fidelity to explore your options and begin the process.

KEEP IN MIND THE FOLLOWING:

Taxable withdrawals that are not rolled over into an IRA or another qualified retirement plan will be subject to mandatory federal tax withholding and may also be subject to state income taxes.

If you are under the age 59½, your withdrawal may be subject to an additional 10% early withdrawal penalty unless you qualify for an exception under IRS rules.

DISTRIBUTION OF BENEFITS

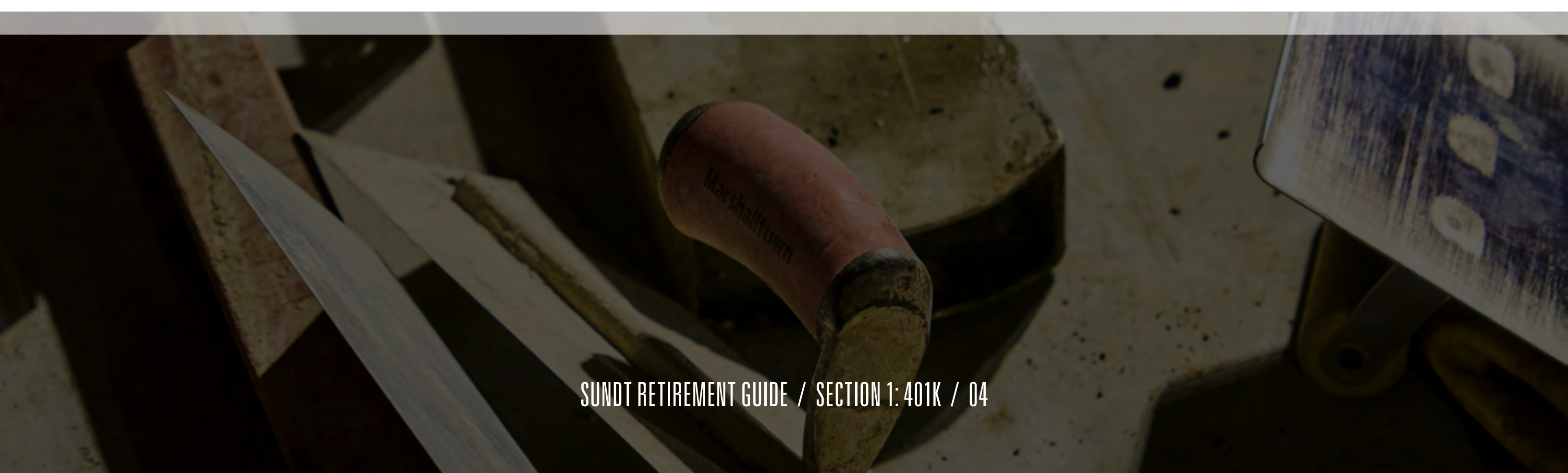
You may request a distribution of your 401(k) account balance when you experience a qualifying event such as retirement or termination of employment from Sundt. In the unfortunate event of your passing, your designated beneficiary may request a distribution of your vested account balance.

Your account will continue to reflect gains or losses based on market performance until the funds are fully distributed. Because distributions can have tax implications, it's strongly recommended that you consult with a tax advisor to understand how a distribution may affect your personal financial situation.

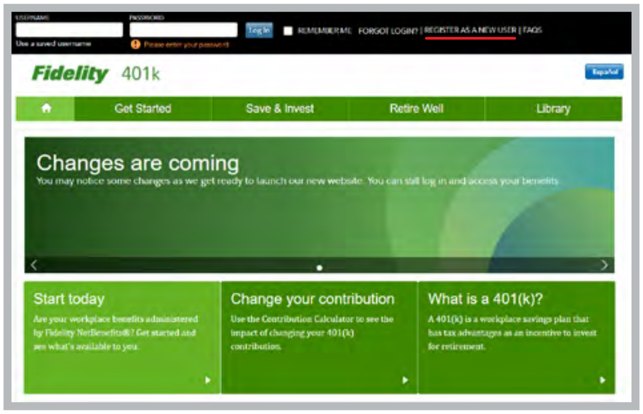
You may request a distribution through Fidelity by calling **1.800.835.5097** or by logging in to **NetBenefits®** at **401k.com.** Be sure to reference Sundt's plan number: **48551**.

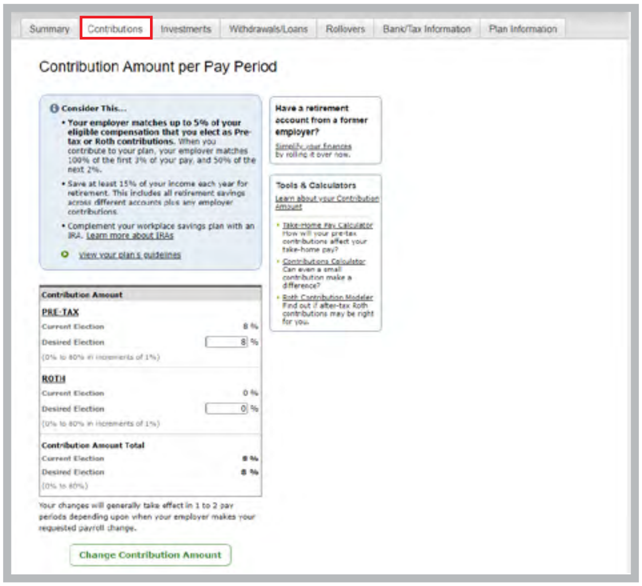
You are eligible to request a distribution upon the occurrence of any of the following events:

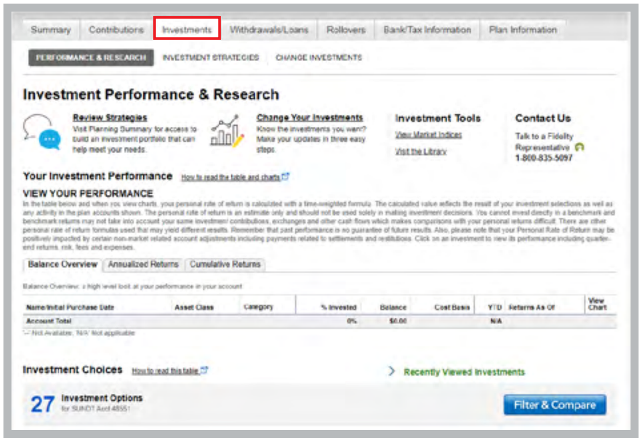
- Retirement
- Termination of Employment
- Death (by the beneficiary)



NEW HIRE/FIRST TIME ENROLLEES







HOW TO ENROLL IN 401(K)

Getting started with Sundt's 401(k) plan through Fidelity is simple, and it only takes a few steps to begin saving for your future.

You can enroll online or by phone:

- Online: Visit **401k.com** and log in to Fidelity **NetBenefits®**
- By Phone: Call Fidelity at **1.800.835.5097**

ENROLLMENT STEPS:

- **Step 1: Register Your Account**
  If this is your first time logging in, click "Register as a New User" on 401k.com and follow the step-by-step instructions to set up your account.
- **Step 2: Choose Your Contribution Amount**
  Decide how much of your paycheck you want to contribute and enter your election during enrollment.
- **Step 3: Select Your Investment Options**
  Choose how you'd like to invest your contributions based on the available plan options. You can review fund descriptions and performance information anytime on 401k.com, or by speaking directly with a Certified Financial Planner at Fidelity, for free.

HOW TO DESIGNATE BENEFICIARIES FOR YOUR 401(K)

Keeping your beneficiary information up to date is an important part of managing your retirement account. You can easily add or update your beneficiary designations by logging into Fidelity **NetBenefits®** at **401k.com** and follow these simple steps:

- Log in with your username and password, or register as a new user if it's your first time.
- On the right-hand side of the homepage, click *"Your Profile."* Scroll down and click on the *"Beneficiary"* tile. Select *"Get Started"* to begin the process.
- Complete *Steps 1–3* you'll need your beneficiaries' Social Security Numbers to complete this step.
- Once submitted, your beneficiary information will be saved and viewable anytime on the **NetBenefits®** site.

***Tip:** Keeping this information updated ensures that your retirement benefits are distributed according to your wishes.*

FOR EXISTING PARTICIPANTS

HOW TO UPDATE YOUR 401(K) CONTRIBUTIONS OR INVESTMENT ELECTIONS

You can adjust your 401(k) contribution amount or investment choices at any time to better align with your financial goals and risk tolerance.

HERE'S HOW TO MAKE CHANGES

Online: Log in to your account at 401k.com using your credentials. Once logged in, go to the Contributions section within Fidelity **NetBenefits®** to make your updates.

By Phone: Call Fidelity at **1.800.835.5097**, and a representative can assist you with updating your contribution elections. Any changes you make will generally take effect at the start of the next payroll period or as soon as administratively possible.

AUTOMATE YOUR FUTURE INCREASES

Want to grow your retirement savings over time without lifting a finger? You can enroll in Fidelity's Annual Increase Program, which automatically raises your contribution rate each year.

TO ENROLL IN THE ANNUAL INCREASE PROGRAM

Visit 401k.com and log in to your account, or call Fidelity at **1.800.835.8057**. When calling, be sure to reference Sundt's plan number: **48551**

Need help deciding where to invest?

Ask to speak with a Certified Financial Planner (CFP®) at Fidelity. They can help you understand your options and choose a strategy that fits your retirement goals—all at no cost to you.

MORE INFORMATION ABOUT 401(K) LOANS

While your 401(k) account is primarily intended to support your retirement, you may have the option to take out a loan from your account through Fidelity, if you meet eligibility requirements. When used wisely, a 401(k) loan can serve as a helpful financial tool for short-term needs.

IMPORTANT CONSIDERATIONS:

Repayment is required. Borrowing from your 401(k) means repaying both the loan amount and interest over time. Be sure to consider how repayment will affect your monthly budget and other financial priorities.

Leaving the company or defaulting can have serious consequences. If you leave Sundt or fail to repay the loan as scheduled, the full remaining loan balance, including any accrued interest, will become immediately due. If not repaid, it may be treated as a taxable distribution, possibly subject to an early withdrawal penalty.

Before taking a loan, it's a good idea to explore alternatives and speak with a financial advisor to fully understand the long-term impact on your retirement savings.

If you decide to take a loan, here's how to get started:

- Visit 401k.com or call Fidelity at **1.800.835.5097**
- On the right side of the home page click on the *Quick Links* drop down menu, select *Loans* or *Withdrawals*
- To request a loan, click *Explore your options* and confirm your address
- Explore available options, additional fees may be associated with taking a 401(k) loan

QUALIFIED DOMESTIC RELATIONS ORDERS (QDROS)

A Qualified Domestic Relations Order (QDRO) is a court-issued order, typically resulting from a divorce or legal separation, that assigns a portion of a participant's 401(k) benefits to another individual, known as the Alternate Payee.

What a QDRO Does:

Grants a spouse, former spouse, child, or other legal dependent the right to receive all or a portion of a participant's 401(k) account.

Must be reviewed and approved by the 401(k) plan sponsor to confirm that it meets both federal requirements and the provisions of Sundt's 401(k) plan.

To qualify as a QDRO under ERISA, the order must Include:

- The legal name of the plan(s) to which the order applies
- The full legal names and last known addresses of both the participant and the alternate payee
- The specific dollar amount or percentage, or a clearly defined formula for calculating the amount assigned to the alternate payee

To begin a QDRO with Fidelity, start the process online at **qdro.fidelity.com**. Be sure to reference Sundt's plan number: **48551**

Important Note: *The responsibility for drafting a QDRO lies with the parties involved. Neither Sundt, Fidelity, nor their employees or agents can provide legal or financial advice related to the preparation of a QDRO. It is strongly recommended that individuals consult with a qualified legal and/or financial advisor before preparing or submitting a QDRO. QDRO's for the ESOP have a specific template that must be followed provided to the employee requested through Sundt.*

LEAVING SUNDT - WHAT HAPPENS TO YOUR 401(K)

When your employment with Sundt ends, the company notifies Fidelity on a weekly basis. Once Fidelity updates your employment status to "terminated," you will become eligible to access or roll over your 401(k) account balance out of Sundt's plan.

Keep Your Address Updated.

To avoid delays, it's essential that your mailing address is current in Sundt's HCM system. If your address is out of date, Fidelity will be unable to process your distribution request and will refer you back to Sundt to make the necessary updates. You will not be able to access or roll over your 401(k) funds until your address is verified and correct. To ensure a smooth transition and avoid unnecessary delays, please log in to HCM and confirm your contact information is accurate before or shortly after your departure. For assistance with your 401(k) account, contact Fidelity at **1.800.835.8057** or visit **401k.com**.

Note: *If you have an outstanding loan, the amount of your loan will be due in full. Please call Fidelity for assistance with your loan.*

RETURNING TO SUNDT

If you were previously eligible for the 401(k) plan, your eligibility will resume immediately upon rehire, no waiting period required. Please allow 1–2 weeks after your rehire date for your updated employment status to be processed and sent to Fidelity. Once your information is received, Fidelity and Sundt will email enrollment instructions to your email address on file. If you do not receive any communication from Fidelity within that timeframe, please contact the **Sundt Benefits Team** at **benefits@sundt.com** or **480.293.3139.** We're here to ensure your transition back into the plan is smooth and timely.

FIDELITY FINANCIAL RESOURCES

Fidelity provides a wide range of financial tools and guidance to help you make informed decisions about your retirement and overall financial well-being, all available through the Plan & Learn section at **401k.com**.

EXPLORE RESOURCES TAILORED TO YOU

Through your **NetBenefits®** account, you'll have access to: interactive workshops, educational articles and videos, retirement planning tools, budgeting and loan calculators, and market insights and financial tips.

HOW TO ACCESS THESE RESOURCES:

Visit **401k.com** and log in to your **NetBenefits®** account. At the top of the page, explore tabs like *Get Started*, *Save & Invest, Retire Well,* and *Library.* You can also click on *Accounts & Benefits* or P*lan & Learn* to dive deeper into personalized content.

Need One-on-One Support?

Speak directly with a Certified Financial Planner (CFP®) at Fidelity for personalized financial advice, at no cost to you. Call Fidelity at **1.800.835.5097**

Section 2

ESOP

OVERVIEW

The Sundt Employee Stock Ownership Plan (ESOP) is a unique retirement benefit designed to share the success of the company directly with you. Through the ESOP, you become a beneficial owner of Sundt stock, at no cost to you.

This long-term retirement plan is 100% funded by the company and offers an opportunity to grow your financial future alongside Sundt's continued performance and growth.

WHILE SIMILAR IN CONCEPT TO A 401(K), THERE ARE KEY DIFFERENCES:

- The ESOP is not funded by employee contributions
- It is invested entirely in Sundt stock, rather than a range of market-based investment options
- It reinforces a culture of shared ownership, accountability, and reward

By participating in the ESOP, you help build the value of the company, and in return, you share in the value you help create.

PARTICIPATING IN THE PLAN

There are multiple contributions provided in the plan.

ESOP ELIGIBILITY AND DISCRETIONARY CONTRIBUTION

You'll become eligible to receive the ESOP discretionary contribution after completing 6 months of service with at least 1,000 hours worked. To continue receiving your share of this annual contribution, you must meet the 1,000-hour requirement each plan year, which runs from October 1 through September 30. The contribution amount is determined annually by Sundt's Board of Directors and is currently set at 8% of your eligible pay.

Prevailing wage projects could have a slightly different eligibility. For more detailed eligibility rules and plan guidelines, please refer to the official ESOP plan document.

VESTING FOR THE ESOP DISCRETIONARY CONTRIBUTION

Vesting refers to the portion of your ESOP benefit that you fully own and can take with you if you leave the company. For Sundt's ESOP discretionary contribution, vesting is earned based on your years of service. You'll earn one year of vesting credit for each plan year (October 1 – September 30) in which you work at least 1,000 hours. After 3 years of service, you become 100% vested in your ESOP discretionary contributions.

If you leave Sundt before completing 3 years of service, you may be partially vested based on the number of years you've met the 1,000-hour requirement.

Important Note: All 401(k) matching contributions a re 100% vested immediately, regardless of your years of service.

401(K) MATCHING CONTRIBUTIONS

Once you're eligible to participate in Sundt's 401(k) plan, you have the opportunity to earn two additional contributions to your ESOP, just by contributing a portion of your pay to your 401(k).

1. Safe Harbor Match (Up to 4% of Eligible Pay)
Sundt matches 100% of the first 3% you contribute to your 401(k). Plus 50% of the next 2%. In total, if you contribute at least 5% of your pay (on an annualized basis), you'll receive the full 4% Safe Harbor match, deposited into your ESOP account

2. Discretionary Match (Up to 4% of Eligible Pay)
This additional match is equal to 100% of the first 4% you contribute to your 401(k). The actual amount is based on Sundt's profitability and is determined at the end of each plan year (September 30).

By contributing to your 401(k), you're not only saving for your future, but you're also unlocking valuable contributions into your ESOP account, helping you grow your ownership and share in Sundt's success.

DIVIDENDS

Dividends are one of the ways Sundt shares its success with employee-owners. Each year, Sundt contributes 25% of its net income to the ESOP in the form of dividends. Once you become a participant in the ESOP and have shares in your account, you begin earning dividends. These dividends are not paid in cash but instead, they are reinvested into your ESOP account, helping your retirement savings grow over time. The number of dividends you receive is based on the number of shares you hold in your ESOP account.

ESOP DISCRETIONARY VESTING CHART

Years of Service	*ESOP Vesting Schedule*
1	33%
2	66%
3	100%
BOTH 401(K) MATCHES TO ESOP	ALWAYS 100%

SPECIAL VESTING CIRCUMSTANCES

Employees account becomes 100% vested and non-forfeitable, regardless of Credited Service, upon any of the following events:

A. reaching age 59½ while employed by Sundt, (must meet eligibility first)

B. incurring a Disability (defined by plan document), or

C. death (in which case the vested amount will be paid to the Participant's beneficiary).

YEARLY CONTRIBUTION

16%
of Annual Salary

8%
ESOP Discretionary Contribution

UP TO 4%
401(k) Safe Harbor Match

\+

UP TO 4%
401(k) Discretionary Match

STOCK VALUATION

Our stock value is determined annually. The ESOP trustee determines the price once a year with the help of an independent valuation firm, which follows Department of Labor guidelines. It's generally based on how well we performed and our financial projections, although the public market and other factors can be considered. After the plan year ends (September 30), the process can take a few months. Once the stock value is known, accounts are updated and statements are produced.

THE BASICS OF REPURCHASE LIABILITY

Because Sundt stock is privately held and not traded on public stock exchanges, the company is responsible for repurchasing shares from ESOP participants when they become eligible for a distribution.

As the stock value increases, the repurchase liability also grows, since the company must buy back shares at their current appraised value.

To support long-term planning, Sundt conducts regular repurchase liability studies, often projecting needs over a 10-year horizon. These studies help ensure that the company is financially prepared to meet its obligations to both current and future ESOP participants.

REPURCHASE LIABILITY OBLIGATION

Sundt has a fiduciary obligation to repurchase shares from ESOP participants who become eligible for a distribution after leaving the company or who qualify for diversification. This ensures that participants receive the value of their shares when entitled, even after their employment ends.

Managing this repurchase obligation is a critical part of long-term ESOP planning. It involves ongoing analysis to account for changes in:

- Company performance
- Workforce demographics
- Future business outlook

As these factors shift over time, projected repurchase liabilities are regularly reviewed and assessed to ensure the company is well-prepared to meet its obligations and maintain the sustainability of the ESOP for current and future participants.

QDRO'S - QUALIFIED DOMESTIC RELATIONS ORDERS

A Qualified Domestic Relations Order (QDRO) is a court order, signed by a judge under state domestic relations law, that assigns a spouse, former spouse, child, or other dependent of a participant (the "Alternate Payee") the right to receive all or part of the participant's ESOP benefits, and meets the specific requirements of federal law as well as the provisions of the ESOP, as determined by the Plan sponsor.

REQUIREMENTS FOR A QDRO

Under ERISA, a court order must include the following to qualify as a QDRO:

- The official legal name of the Plan(s) covered by the Order.
- The full name and last known mailing address of both the Participant and the Alternate Payee.
- The specific dollar amount or percentage of benefits awarded to the Alternate Payee, or a clear formula for calculating the amount.

GETTING STARTED

To begin, contact **benefits@sundt.com** or call **480.293.3139** to request information and a QDRO template. Using this template can help reduce legal costs, save time, and ensure compliance with plan rules for dividing assets. Once the QDRO is finalized and signed, submit it to Principal by calling **1.800.547.7754** and referencing plan number **706881**.

***IMPORTANT NOTES:** Individuals preparing a QDRO may not rely on the Plan sponsor, Principal, or their employees/agents for legal advice. These QDRO Guidelines are provided for informational purposes only and should not be considered legal advice. This information may change at any time due to updates in the Plan, federal law, or direction from the Plan sponsor. It is strongly recommended that parties consult with qualified legal and/or financial advisors before drafting any Order.*

DESIGNATING BENEFICIARIES FOR YOUR ACCOUNT

Naming a beneficiary for your ESOP ensures that your hard-earned savings are passed on to the people you care about most in the event of your death. Whether you want your benefits to go to your spouse, children, or another loved one, making this designation is an important step in protecting your legacy.

If you don't designate a beneficiary, your ESOP vested balance may have to go through probate, a lengthy and often costly court process, which can create unnecessary stress and expense for your loved ones.

HOW TO NAME OR UPDATE YOUR BENEFICIARY

Go to **principal.com/Legacy** and log in. Select *Add* or *Edit Beneficiaries*. Answer the marital status question and provide beneficiary details. (Have your beneficiaries' Social Security Numbers and Dates of Birth ready.) Click *Review* when finished. Verify your information and click *Submit.* You can also download a beneficiary form at **principal.com/Legacy** or request one from Sundt's Total Rewards Team at **benefits@sundt.com** or **480.293.3139.**

Need Help?

If you have questions, call **1.800.547.7754** and reference Sundt's plan number **706880** to speak with a Principal retirement specialist.

IN-SERVICE WITHDRAWAL / DIVERSIFICATION

As you approach retirement, you may have the opportunity to move a portion of your ESOP account into other investments or receive it as a cash payment. This option, called diversification, becomes available once you meet certain eligibility criteria.

When you qualify for diversification, you become eligible to diversify your ESOP account under either of the following conditions:

- Age 55 with at least 10 years of participation in the ESOP (and at least 1,000 hours worked in each of those plan years).
- Age 65 with at least 5 years of participation in the ESOP (and at least 1,000 hours worked in each of those plan years).

HOW DIVERSIFICATION WORKS

At age 55 with 10 years in the plan: You may diversify up to 25% of your account during each of the first five years. Beginning in year six, you may diversify up to 50% of your account each year.

At age 65 with 5 years in the plan: You may diversify up to 50% of your account each year.

***Note:** Diversification percentages are cumulative, not flat. This means any amounts you've previously diversified are considered when calculating your remaining eligibility.*

Important to Know

If you are eligible, you'll be notified each year of when and how much you can diversify. The preliminary letter gets mailed out October/November each year. Choosing to diversify is entirely voluntary, it's your decision, and there is no requirement to do so.

LEAVING SUNDT? TERMINATING EMPLOYMENT

Whether you are retiring or moving on to new opportunities, it's important to understand how and when your ESOP benefits are distributed. Payments are not immediate and follow specific plan timelines.

HOW YOUR DISTRIBUTION WORKS

Your account must first be updated for the fiscal year in which your employment ends. The value of your account is determined based on the ESOP stock price at the end of that fiscal year, which is finalized in December. If you are eligible for a distribution, a packet will be sent to you at the end of January. The election window typically runs through February, and distributions are made at the end of March.

IMPORTANT DISTRIBUTION RULES

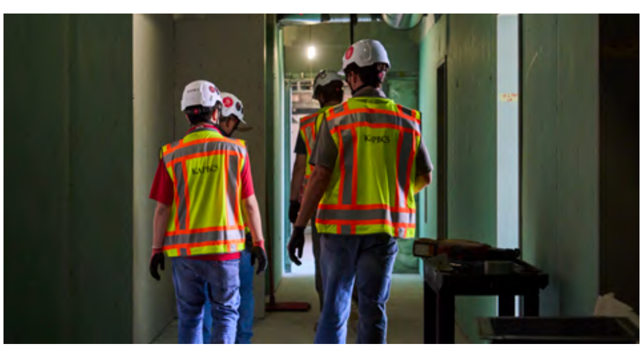
Mandatory distributions:
Vested account balances below a certain threshold (see plan document) will be automatically distributed if you do not make an election. If you are age 62 or older, your distribution is mandatory, regardless of your balance.

Timing of termination: If your termination occurs after the close of the plan year, your distribution eligibility will begin the following plan year.

Holding period: If you do not elect a distribution, your vested account balance will remain in the ESOP for up to five years. After that period, any vested balance will be automatically transferred to an IRA with Fidelity.

Elections through Principal: You may choose to have your vested account balance paid directly to you or rolled into a qualified retirement account. Distributions are processed at the end of March according to your instructions. Always consult with a tax advisor to understand potential tax implications.

Required Minimum Distributions (RMD): to terminated participants that are age 75 (or age 70-1/2 for participants born on or prior to July 1, 1949, age 72 for participants born after July 1, 1949 and before January 1, 1951, or age 73 for participants born on or after January 1, 1951 and before January 1, 1960) or older will be made prior to April 1, or December 31 each year, as determined and calculated by the ESOP recordkeeper. Active participants are neither eligible nor required to receive RMDs.



RETURNING TO SUNDT

If you were previously eligible to participate in the ESOP, you will rejoin the plan with the same status and vesting level you had before.

If you were not previously eligible, your prior employment dates and hours will be used toward determining your future eligibility and vesting once you return.

PRINCIPAL FINANCIAL RESOURCES

After you receive your ESOP statement, you'll have access to a comprehensive financial education hub on the Principal website. This resource is designed to help you build confidence in your retirement planning and offers tools such as:

- An overview of retirement basics
- Guidance on your first steps
- A retirement planner
- Educational articles and seminars
- Interactive calculators
- Frequently Asked Questions (Q&A)

We encourage you to take advantage of these resources and explore the tools available to support your financial future.

HOW TO ACCESS THE EDUCATION HUB

Log in to **Principal.com**. Go to *My Accounts › The Sundt Companies ESOP* (or open the Principal portfolio box and select ESOP Account - **706880**). Click on *Education Hub*.

Need Assistance?
If you have questions, call Principal at **1.800.547.7754** for support.

For detailed information, please review the Summary Plan Description (SPD) or contact the Sundt Benefits Team at benefits@sundt.com or 480.293.3139.

The information contained in Section 1 and Section 2 of this Retirement Guide highlights Sundt Companies, Inc. 401(k), and ESOP plans. Your actual rights and benefits are governed by the official plan documents. If any discrepancy exists between this communication and the official plan documents, the plan documents will prevail. Sundt Companies, Inc. reserves the right to change any benefit plan without notice. Benefits are not a guarantee of employment.

Section 3

MORE ABOUT RETIREMENT

Preparing for Retirement:

WHAT TO CONSIDER

As retirement approaches, it's important to take a close look at your financial and benefit needs. Careful planning now will make your transition smoother and less stressful later.

BUILD YOUR TEAM OF ADVISORS

Meet with trusted professionals who can help guide your decisions:

- A financial advisor or broker to create and manage your retirement strategy.
- A tax expert to help you understand the tax impacts of your choices.
- A Medicare or medical benefits broker to explain your healthcare options.
- A Social Security specialist to ensure you maximize your benefits.

Choose your advisors wisely. Ask about their credentials, years of experience, references, and fees. If someone offers services at no cost, be sure to ask how they are compensated. You may also find valuable insight and referrals by speaking with colleagues or friends who have recently retired.

FIND OUT WHERE YOU STAND

If you don't yet have a retirement plan, it's never too late to start. Many financial institutions, including banks, provide retirement planning resources. You can also explore tools at:

- 401k.com
- Principal.com
- Sundt's Employee Assistance Program (EAP)

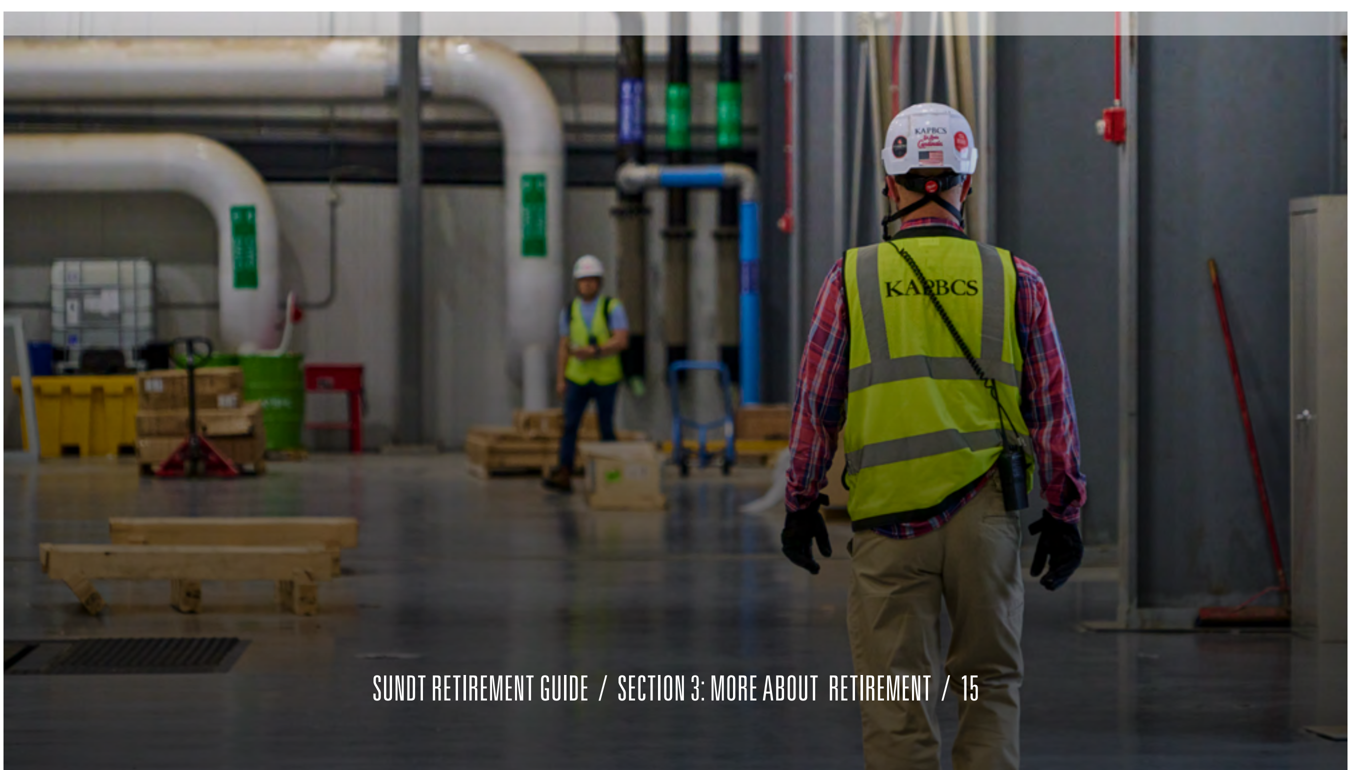
If you already have a plan, review it at least once a year to confirm it still aligns with your goals.

BOOST YOUR SAVINGS

Saving for retirement is often delayed, but the earlier and more consistently you save, the better prepared you'll be. A common guideline suggests that by age 60, you should aim to have 8–10 times your annual salary in retirement savings.

If you need to increase your savings, consider raising your 401(k) contributions.

Enrolling in the Annual Increase Program through your Fidelity 401(k) account. This feature allows you to automatically raise your contribution rate each year, helping you steadily grow your retirement savings.



PLAN AHEAD FOR RETIREMENT

SOCIAL SECURITY: KNOW YOUR OPTIONS

You can begin collecting Social Security benefits as early as age 62. However, you'll only receive full benefits once you reach your full retirement age. To estimate your monthly benefit or confirm your retirement age, visit **ssa.gov.**

SMART TAX STRATEGIES

One of the most important parts of retirement planning is learning how to minimize taxes on your income. While tax laws can change, you can still prepare for the future and improve your potential outcomes. Consider:

- Living in, or moving to, a tax-friendly state
- Reassessing your investment strategy
- Delaying or reducing Required Minimum Distributions (RMDs) when possible

Consult a financial advisor to create a tax strategy that fits your situation.

PREPARING FOR HEALTHCARE COSTS

Healthcare is one of the largest expenses in retirement. Being proactive now can save money later:

- Adopt a healthy diet and exercise routine
- Schedule regular wellness checks and screenings
- Review your family health history and medications
- Address health concerns early

Remember, Medicare is an important part of retirement healthcare but generally covers only about two-thirds of costs. You'll need to consider supplemental plans and out-of-pocket expenses. Learn more at **medicare.gov**.

UNDERSTAND YOUR INCOME AND EXPENSES

Retirement income may come from multiple sources, such as your 401(k), ESOP, brokerage accounts, Social Security, annuities, or HSA funds.

Take time to estimate your expenses, including:

- Everyday living costs
- Vacations and travel
- Vehicles
- Home repairs and maintenance

Also, plan how you will pay bills and manage your checking account once you no longer have a regular paycheck.

*This section was adapted from **"Make a Retirement Planning Checklist"** by Bob Sullivan and Benjamin Curry.*

THE MOST POPULAR MONTHS OF THE YEAR TO RETIRE AT SUNDT, AND WHY?

Mid-April

This is the time when most employee-owners typically reach 1,000 hours worked for the current plan year (October 1 – September 30). Reaching this milestone ensures that discretionary contributions can be calculated and credited.

September

As the final month of the plan year, September ensures that the ESOP discretionary contribution is maximized based on your eligible earnings. Retiring or leaving the company on or after October 1 means waiting an additional year before you can elect or receive your distribution.

WHEN YOU'LL RECEIVE YOUR MONEY AFTER LEAVING

401(k)

Once your status file is sent to Fidelity, you'll typically become eligible within 7–14 business days to either roll over your balance or withdraw your funds.

ESOP

Employee-owners who are eligible to take a distribution of their vested balance from the prior plan year will receive a packet in the mail at the end of January. This packet includes detailed instructions and a timeline for the distribution process.

HEALTHCARE

An unexpected illness, injury, or hospital stay can be very costly. Having health insurance is one of the most effective ways to protect both your health and your finances.

Since January 1, 2019, health insurance is no longer required at the federal level. However, several states still impose a tax penalty if you do not have coverage, including California, Massachusetts, New Jersey, Rhode Island, Washington D.C., and Vermont.

While going without health insurance may save you money on monthly premiums, it could leave you financially vulnerable if you need medical care.

Common Coverage Options to Consider

- COBRA: Allows you to temporarily continue your employer's health coverage after leaving a job.
- Short-Term Health Insurance: Provides limited, temporary coverage but may not cover pre-existing conditions.
- ACA Marketplace Plans: Health plans available through Healthcare.gov or your state's exchange, often with subsidies based on income.
- Private Health Insurance: Coverage purchased directly from an insurer.
- Medicare: Federal health coverage for individuals age 65 and older, or certain younger individuals with disabilities.

COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) allows employees and their families to continue health coverage from their group plan for a limited period of time after losing benefits. This may occur due to job loss (voluntary or involuntary), a reduction in hours, retirement, divorce, death, or other qualifying life events.

Qualified individuals pay the full premium for coverage, up to 102 percent of the plan cost. Current COBRA rates can be requested by emailing **benefits@sundt.com** or calling **480.293.3139**.

When you retire and elect COBRA coverage, it is generally available for up to 18 months.

ENROLLMENT PROCESS

Packet Delivery: Two weeks after your Sundt coverage ends, you will receive a COBRA packet from NueSynergy at your address on file. This will include information on Medical, Vision, Dental, and FSA continuation options.

Action Required: You must respond quickly if you wish to continue benefits. You have 60 days from your coverage termination date to elect COBRA.

Coverage Start: If elected, COBRA is effective retroactively back to the date you lost coverage.

HOW TO ENROLL AND GET HELP

To enroll visit **nuesynergy.com** or call **866.451.3399**. To get help with Your account, contact NueSynergy by email at **cobra@nuesynergy.com,** through live chat, or by calling **913.521.2310.**

Frequently Asked Questions

- **When will I get my packet?** About 2 weeks after your health coverage ends.
- **When can I enroll?** Within 60 days of losing coverage (see your packet for details).
- **How much does it cost?** Request details from benefits@sundt.com or see your separation packet.
- **How long does coverage last?** Generally up to 18 months. Refer to your COBRA packet for details.
- **Who can be covered?** Any dependents or family members who were enrolled under your plan.
- **How do I pay?** Premiums can be paid by mailed check or ACH transfer (see your packet for details).
- **What happens to my HSA?** You keep it, and funds remain available for qualified medical expenses until fully used.
- **What happens to my FSA?** If you were enrolled or eligible at termination, you may elect to continue your FSA with your COBRA benefits.

SHORT-TERM HEALTH INSURANCE

If COBRA coverage feels too expensive, a short-term health plan may help cover the gap between your current plan and a future plan, such as Medicare.

Short-term health insurance is designed as a temporary solution, not a long-term replacement. These plans are typically available for one month up to one year, depending on the state where you live. Many of them also include lifetime or annual dollar limits on coverage.

It's important to note that not all short-term plans qualify as insurance under ACA rules. This means they may not provide the full package of essential health benefits that ACA-compliant plans are required to include.

KEY FEATURES

Enrollment: You can apply at any time and, if approved, coverage may begin as soon as the next day.

Cost: These plans are generally less expensive than COBRA, but with more restrictions.

Limitations: Pre-existing conditions can result in denial of coverage. Certain types of care, such as mental health services, may not be included. Short-term health insurance may be helpful in bridging coverage gaps, but it is not intended to be a permanent or comprehensive health insurance option.

INDEPENDENT HEALTH INSURANCE

Independent health insurance plans are policies purchased directly from private insurers, outside of the ACA Marketplace. These plans may be a good option if you do not qualify for ACA subsidies or prefer to work directly with an insurance provider or broker.

KEY FEATURES

No Marketplace subsidies: Since these plans are outside of the ACA Marketplace, you will not be eligible for income-based premium assistance or tax credits.

ACA compliant: Most independent plans must follow ACA requirements, which means they cover preventive care and pre-existing conditions, and they cannot impose annual or lifetime dollar limits on essential benefits.

Long-term coverage: Unlike short-term insurance, independent health plans are intended to last as long as you maintain them, provided the insurer continues to offer the plan year after year.

Flexibility in cost and coverage: You can choose from a variety of deductible, copayment, and network options to fit your budget and health care needs.

Things to Keep in Mind

Rates may increase annually. Premiums typically go up over time, so it's important to review your plan each year during renewal.

Network size matters. Check whether your preferred doctors, hospitals, and specialists are included in the plan's provider network.

Shopping for plans. Because these plans are not listed on the ACA Marketplace, you can find them online directly from major insurance providers such as UnitedHealthcare, Blue Cross Blue Shield, Cigna, Aetna, or others, or by working with a licensed insurance broker.

Why Consider Independent Insurance?

- Greater flexibility in plan design and provider choice.
- Continuous coverage without worrying about short-term limits. Useful for those who do not qualify for ACA subsidies but want comprehensive coverage.

ACA MARKETPLACE HEALTH INSURANCE

Affordable Care Act (ACA) plans are an alternative to COBRA coverage. Through the ACA, you can purchase health insurance from your state's Health Insurance Marketplace, or from the federal Marketplace at **HealthCare.gov** if your state does not operate its own exchange. The Marketplace is designed as a "one-stop shop" to compare private health insurance options side by side. Before enrolling, you can review details such as:

- Monthly premiums
- Deductibles
- Out-of-pocket maximums
- Copayments and coinsurance rates
- Covered services and networks of doctors/hospitals

Many individuals and families may qualify for income-based subsidies or tax credits that can significantly lower the monthly cost of ACA coverage. Some may also qualify for cost-sharing reductions that lower deductibles and copays.

IMPORTANT ENROLLMENT INFORMATION

Losing your Sundt health coverage qualifies as a special enrollment event. You have 60 days from the date you lose coverage to enroll in a Marketplace plan. If you miss the 60-day window, you will generally need to wait until the annual open enrollment period to sign up, unless you experience another qualifying event. Being offered COBRA does not prevent you from choosing an ACA Marketplace plan instead.

Why Consider the Marketplace?

- Potentially lower costs if you qualify for subsidies.
- Comprehensive coverage that meets ACA requirements, including essential health benefits like preventive care, mental health, and maternity coverage.
- Flexibility to choose from different tiers of coverage (Bronze, Silver, Gold, Platinum) based on your health and budget needs.

FOR MORE INFORMATION OR TO EXPLORE YOUR OPTIONS, VISIT HEALTHCARE.GOV

MEDICARE 101

Medicare is a federal health insurance program administered by the U.S. government.

It provides coverage for:

› *Individuals age 65 and older*

› *People under 65 with certain disabilities*

› *People of any age with End-Stage Renal Disease (ESRD) or Amyotrophic Lateral Sclerosis (ALS)*

HOW MEDICARE WORKS WITH OTHER COVERAGE

If you are still working and covered under your employer's health plan, that plan is usually your primary coverage, and Medicare acts as secondary. If you are retired, Medicare typically becomes your primary coverage.

LEARNING MORE ABOUT MEDICARE

The best resource for Medicare information is the official *Medicare & You* handbook, published each year by the Centers for Medicare & Medicaid Services (CMS). You can access it by visiting **Medicare.gov,** logging in (or creating) your secure Medicare account, and requesting the electronic version of the handbook. You'll receive an email with a link to download the PDF. If you do not request the electronic version, a printed copy will automatically be mailed to you each fall.

Why This Matters

Understanding Medicare is critical to planning for retirement healthcare costs. The program includes different parts (A, B, C, and D) that cover hospital care, doctor visits, prescription drugs, and additional options through Medicare Advantage. Reviewing the handbook and your options annually will help you avoid late enrollment penalties and ensure you have the right coverage for your needs.

THE FOUR PARTS OF MEDICARE

PART A – HOSPITAL INSURANCE

Medicare Part A covers inpatient hospital stays, skilled nursing facility care, home health and hospice care. You can use any doctor or hospital that accepts Medicare nationwide, and referrals are generally not required for specialists. Most people do not pay a premium for Part A if they (or their spouse) paid Medicare taxes while working. However, individuals who do not meet those requirements may need to pay a monthly premium.

PART B – MEDICAL INSURANCE

Medicare Part B covers doctor's visits, outpatient services, X-rays and lab tests, durable medical equipment, preventive services, as well as physical and occupational therapy other services not covered by Part A.

Costs:

A monthly premium (standard amount published each year at Medicare.gov). Higher-income individuals may pay more. An annual deductible must be met before coverage begins. After that, you typically pay 20% coinsurance of the Medicare-approved amount. Original Medicare is made up of Part A and Part B. You can add a stand-alone Part D drug plan for prescription coverage. Original Medicare has no annual out-of-pocket maximum, unless you purchase additional coverage such as a Medicare Supplement (Medigap) policy.

PART C – MEDICARE ADVANTAGE

Medicare Part C, also known as Medicare Advantage, is offered by private insurers approved by Medicare. These plans bundle Part A (Hospital), Part B (Medical) and Usually Part D (Prescription Drugs)

Features:

- Often lower out-of-pocket costs than Original Medicare
- May include extra benefits like vision, hearing, dental, fitness, or transportation
- Generally requires you to use doctors and hospitals within the plan's network
- Some services or medications may require prior approval

***Important:** Neither Original Medicare nor most Advantage plans cover medical care outside the U.S.. If you travel internationally, consider a supplemental policy that covers emergency care abroad.*

PART D – PRESCRIPTION DRUG COVERAGE

Medicare Part D helps pay for prescription drugs. These plans are offered by private insurers, and premiums vary by provider. Each plan has its own list of covered drugs (formulary), so it's important to compare options based on your medications.

MEDIGAP (MEDICARE SUPPLEMENT INSURANCE)

Original Medicare covers many health care services and supplies, but it does not cover all costs. Medicare Supplement Insurance (Medigap), sold by private insurance companies, can help pay for some of the expenses not covered by Medicare such as copayments, coinsurance, and deductibles. It does not cover long-term care (such as care in a nursing home), vision or dental services, hearing aids, eyeglasses, or private-duty nursing.

Important: *Medigap policies sold after January 1, 2020 are not allowed to cover the Part B deductible.*

STANDARDIZED PLANS

Medigap policies must follow federal and state laws and must be clearly identified as "Medicare Supplement Insurance." Insurance companies can only sell standardized plans, identified in most states as Plans A–D, F, G, and K–N. Each plan offers the same basic benefits, but some may include additional benefits so you can select the one that best fits your needs.

ENROLLMENT AND COSTS

To purchase a Medigap policy, you must already be enrolled in Medicare Part A and Part B. You pay the private insurer a monthly premium for Medigap in addition to the monthly Part B premium you pay to Medicare. If you buy a Medigap policy and a Part D prescription drug plan from the same company, you may need to make two separate premium payments. Costs vary by company even for identical coverage and usually increase with age.

BEST TIME TO ENROLL

The best time to purchase a Medigap policy is during your Medigap Open Enrollment Period, which lasts six months starting the month you are 65 or older and enrolled in Part B. During this window, you have a guaranteed right to buy any Medigap plan available in your state without medical underwriting. Afterward, eligibility may be limited and premiums may be higher.

HOW TO DECIDE: WHAT COVERAGE IS RIGHT FOR YOU

The Medicare coverage you choose should reflect your health care needs, financial situation, and lifestyle. Enrollment is limited to specific times. Your Initial Enrollment Period begins 3 months before the month you turn 65 and lasts until 3 months after (7 months total). You may also qualify for a Special Enrollment Period (SEP) if you lose employer coverage, move, or have other qualifying life events. For detailed information, see the *Medicare & You* handbook available at **Medicare.gov**

WHERE TO GET HELP

State Health Insurance Assistance Program (SHIP): Free, personalized counseling on Medicare options. Call **1.877.839.2675** or check *Medicare & You* for your local SHIP contact.

Licensed Medicare Brokers: Provide education, plan comparisons, enrollment assistance, and ongoing support. They are paid by the insurance carriers, not by you. Look for brokers who are licensed in your state, experienced, transparent, and have access to multiple carriers.

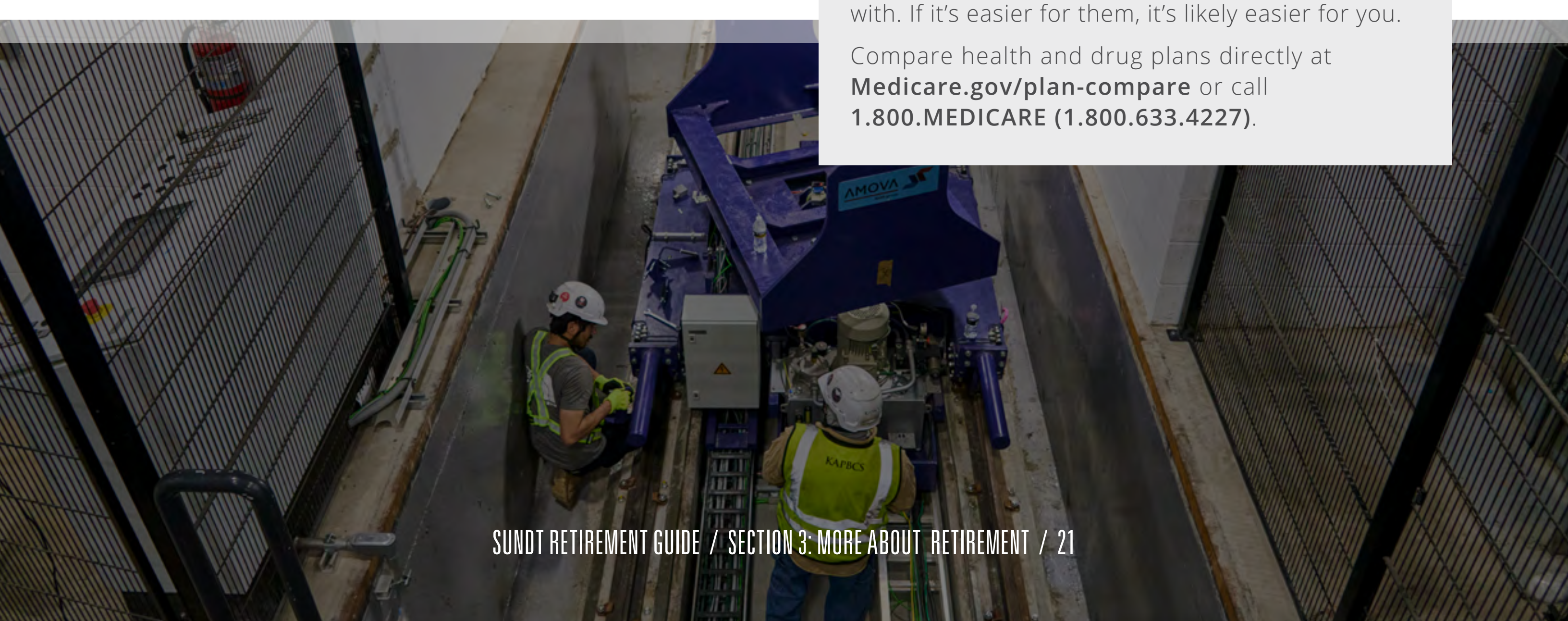
Medicare Support from Fidelity: Fidelity offers one-on-one Medicare guidance through licensed benefits specialists. They can explain what Medicare does and does not cover; review Medicare Advantage (Part C), supplemental (Medigap), and Part D prescription drug plans; and provide answer to your Medicare-related questions and guidance on enrollment and special enrollment Periods.

To connect with Fidelity's Medicare assistance:
Call **1.866.882.1835**, Monday – Friday, 8:30 a.m. – 8:00 p.m. ET or, visit **Fidelity.com/Medicare** anytime, 24/7.

Additional Tips

Ask a benefits administrator at your doctor's office which insurance providers they find easiest to work with. If it's easier for them, it's likely easier for you.

Compare health and drug plans directly at **Medicare.gov/plan-compare** or call **1.800.MEDICARE (1.800.633.4227)**.



SIGNING UP FOR MEDICARE

You become eligible for Medicare at age 65 (or earlier if you qualify due to certain disabilities or medical conditions). Enrollment depends on your circumstances:

Your Initial Enrollment Period (IEP) begins 3 months before the month you turn 65, includes your birthday month, and ends 3 months after (7 months total). If you are not receiving Social Security benefits when you turn 65, you will need to actively sign up for Medicare.

To apply for Part A (Hospital Insurance) and Part B (Medical Insurance) visit **ssa.gov/benefits/medicare**, or contact Social Security up to 3 months before your 65th birthday to schedule an appointment.

If you are already receiving Social Security benefits at least 4 months before you turn 65 you'll be automatically enrolled in both Part A and Part B. Your coverage will begin the first day of the month you turn 65. If your birthday falls on the first of the month, your coverage begins the month prior.

OPTING OUT OF PART B

Part B requires a monthly premium. If you are automatically enrolled but don't want Part B (for example, if you are still working and covered by an employer plan), you can opt out by following the instructions provided with your Medicare card. Your Medicare card will arrive about 3 months before your 65th birthday.

If you are not automatically enrolled

If you don't receive your Medicare card or an enrollment notice, you may need to manually enroll. Contact your local Social Security office or apply online at **ssa.gov/benefits/medicare**

IMPORTANT TO KNOW

If you delay signing up for Part B without having other qualifying coverage (such as employer coverage), you may face a late enrollment penalty. To avoid penalties, make sure you enroll during your Initial Enrollment Period or a Special Enrollment Period (such as when employer coverage ends)

GETTING MORE INFORMATION

For questions about your Medicare eligibility or to sign up for Part A and/or Part B, call Social Security at **1.800.772.1213** or visit **ssa.gov/benefits/medicare.**

You can also receive free, personalized health insurance counseling through your State Health Insurance Assistance Program (SHIP). To find your local SHIP contact information, see the *Medicare & You* handbook or visit **Medicare.gov.**

Once you have enrolled in Medicare Part A and/or Part B, you may begin exploring additional coverage options, such as:

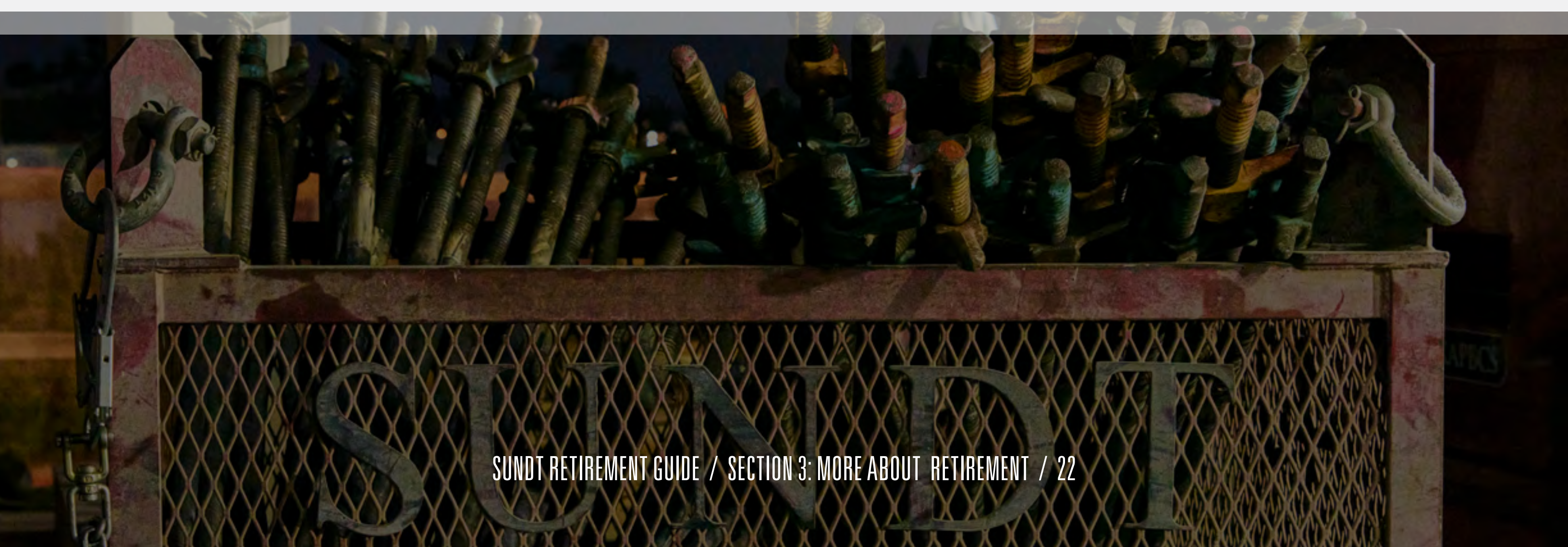
- Medicare Part C (Medicare Advantage)
- Medicare Part D (Prescription Drug Plans)
- Medicare Supplement Insurance (Medigap)

Additional Tips

Leverage your network: Talk with recently retired friends, neighbors, or community groups about their Medicare experiences.

Check with providers you trust: Your doctor's office or local hospital may also provide insights on which insurance carriers are easiest to work with for claims and service.

Stay informed: The official Medicare & You handbook, updated annually, remains the best comprehensive resource.



SOCIAL SECURITY INCOME

Nearly all workers, whether employed or self-employed, are covered by Social Security and Medicare because both employees and employers contribute payroll taxes to fund these programs. Social Security provides benefits when you retire, become disabled, or die, provided eligibility rules are met. In some cases, your spouse and children may also qualify for benefits.

QUALIFYING FOR BENEFITS

To qualify for retirement benefits, you must earn enough Social Security credits. Most workers need 40 credits (about 10 years of work) to qualify. You can apply to begin monthly retirement benefits anytime between age 62 and 70 at **ssa.gov**.

Your Full Retirement Age (FRA) depends on your birth year and is between 66 and 67 for most people. FRA is important because it determines your benefit amount.

At FRA, you receive 100% of your benefit. Claiming before FRA reduces your benefit permanently. Waiting beyond FRA increases your monthly benefit until age 70, when it reaches the maximum.

If you are working and have not yet reached FRA, starting benefits early may not be advantageous. Benefits can be temporarily reduced if your income exceeds annual earnings limits. After reaching FRA, you can work and earn without reducing your benefit.

Other factors that impact your monthly benefit

HEALTHCARE COSTS:
At age 65, you become eligible for Medicare. Enrollment in Part A (Hospital Insurance) and Part B (Medical Insurance) is handled through the Social Security Administration. If you enroll in Part B, the monthly premium is automatically deducted from your Social Security benefit. Be sure to plan for this reduction.

TAXES ON BENEFITS:
You may owe federal income taxes on your benefits if your combined income (50% of your Social Security benefit plus wages, pensions, or other income) exceeds:

- **$25,000/year if filing individually**
- **$32,000/year if filing jointly**

You can pay taxes directly to the IRS or have them withheld automatically from your benefit payments.

HOW TO GET ESTIMATES AND APPLY:
Use the tools at **ssa.gov** to estimate your monthly benefit, determine your FRA, and apply for benefits online.

You can also call **1.800.772.1213,** Monday–Friday, 8 a.m.–7 p.m., to schedule an appointment in English or other languages. Social Security will let you know if your appointment will be by phone or in person.

For more details, review the online Social Security Handbook – Your Basic Guide to the Social Security Programs at **ssa.gov/OP_Home/handbook/handbook-toc**.

This section is an adapted excerpt from the Social Security Handbook available at www.ssa.gov

FINANCIAL AND RETIREMENT PLANNING

FINANCIAL PLANNING

A financial plan is a roadmap that outlines your current financial situation, your goals for the future, and the strategies to achieve them. Good financial planning considers your income, savings, retirement accounts, debt, taxes, insurance, and other aspects of your financial life.

Unlike asset management, which generally focuses on managing investments, financial planning is a broader, ongoing process that takes a comprehensive look at your entire financial picture to help you meet both short-term and long-term goals. Some professionals provide both services, but it's important to understand the difference.

WHO PROVIDES FINANCIAL PLANNING?

A financial planner is one type of financial advisor. Many financial planners hold the Certified Financial Planner (CFP®) designation, which requires education, testing, and adherence to ethical standards. Financial planners may offer a wide range of services, including:

- Tax planning
- Estate and legacy planning
- Retirement planning
- Charitable giving strategies
- Education funding (college savings)
- Investment planning
- Insurance planning (life, disability, long-term care)
- Budgeting and debt management
- Choosing the Right Planner

Not every planner offers the same services, so choose one that matches your needs. Ask about credentials, experience, compensation structure, and services offered before committing. Financial planners are typically paid in one of three way, a percentage of the assets they manage for you, a flat fee (for a plan or project), or an hourly rate.

ACCESS AND COST

Some traditional advisors only accept clients with a minimum level of investable assets (often $250,000 or more). Others, including many fee-only financial planners, work with clients at all wealth levels. You can find a financial planner through professional associations like the CFP Board **(LetsMakeAPlan.org)** or by asking friends, neighbors, and community organizations for referrals.

WHY IT MATTERS

Financial planning helps you align your money with your goals—whether that's preparing for retirement, paying for education, building an estate plan, or simply managing your day-to-day budget with confidence. The earlier you begin, the more flexibility and security you'll have later in life.

RETIREMENT PLANNING

Planning for retirement is one of the most important steps in securing your financial future. A variety of resources are available through retirement planning firms, certified professionals, financial institutions, books, guides, and online tools.

GETTING STARTED

If you're beginning on your own, start by estimating how much money you'll need to retire. A common guideline is the "25x Rule"—multiply your estimated annual spending by 25 to get a rough idea of the savings required to retire comfortably. For example, if you plan to spend $60,000 annually, you may need about $1.5 million saved.

Online calculators, including those offered by major financial institutions, can provide more personalized estimates by factoring in life expectancy, inflation, investment growth, and lifestyle.

ACCUMULATION VS. DRAWDOWN

While you're working, you're in the "accumulation" phase, focusing on building savings and investments. In retirement, you move into the "drawdown" phase, where you begin living on what you've saved. Having a drawdown strategy is critical to make your money last.

Why a Drawdown Plan Matters

A well-structured drawdown plan helps you:

- Decide how much to withdraw each year without running out of savings.
- Balance withdrawals with investment growth and inflation.
- Coordinate income sources such as retirement accounts, Social Security, pensions, and annuities.

Working With Professionals

Certified financial planners can help you design a retirement plan that includes:

- Investment strategies that align with your risk tolerance and timeline.
- Guidance on when to start Social Security to maximize benefits.
- A healthcare expense plan, including Medicare, supplemental insurance, and long-term care considerations.
- Tax-efficient withdrawal strategies to minimize what you owe in retirement.

ESTATE PLANNING

WHY IS IT IMPORTANT?

Estate planning ensures that your assets are distributed according to your wishes and provides a smoother, less stressful process for your loved ones after you're gone. Without a plan in place, state laws—not you—decide how your property will be divided.

Your estate includes everything you own, such as:

- Checking and savings accounts
- Retirement accounts (401(k), IRA, ESOP) and investments
- Your home and other real estate
- Cars and other titled property
- Life insurance benefits
- Personal possessions and valuables

A clear plan gives your family peace of mind, reduces delays, and may minimize legal or financial complications.

BENEFICIARIES

One of the simplest and most cost-effective estate planning steps is to name beneficiaries. This allows specific assets to transfer directly to the people you choose, often avoiding probate.

Financial accounts: You can designate beneficiaries on life insurance, retirement accounts (401(k), IRA, ESOP), and similar plans.

Bank accounts: Many banks allow you to set up a "Payable on Death" (POD) or "Transfer on Death" (TOD) designation.

Vehicles: Some states, like Arizona, allow you to complete a beneficiary designation for vehicles so the title transfers automatically upon death.

Real estate: A Transfer-on-Death (TOD) deed allows you to name beneficiaries for property. Unlike a will, TOD deeds typically avoid probate.

PROBATE

Probate is the legal process used to settle a person's estate after death. It validates a will, appoints a personal representative (executor), ensures debts and taxes are paid, and oversees the distribution of assets.

Without a Will (Intestate):
If you die without a will, your assets are distributed according to state intestacy laws. This may result in outcomes you did not intend and can add stress for survivors.

With a Will:
Having a will does not avoid probate. The court reviews the will, and the appointed executor gathers assets, pays debts and taxes, and distributes property to beneficiaries.

WILL

A will is a legal document that provides instructions for how your estate should be managed and distributed. You appoint an executor (or personal representative)—someone you trust—to carry out your wishes. Depending on state law, a probate court may oversee this process to ensure the executor fulfills their duties.

LIVING WILL AND HEALTHCARE POWER OF ATTORNEY

Estate planning isn't just about money—it also includes medical decisions if you cannot speak for yourself.

Living Will (Advance Medical Directive): Outlines your wishes for medical treatment if you become incapacitated, including decisions about life support or life-sustaining care.

Healthcare Power of Attorney: Legally authorizes another person to make medical decisions on your behalf if you are unable. A durable healthcare power of attorney remains in effect even if you lose capacity.

These documents ensure that your healthcare choices are respected and that someone you trust is empowered to act on your behalf.

FINANCIAL POWER OF ATTORNEY

A financial power of attorney (POA) allows you to name a trusted person to manage your assets and financial affairs on your behalf. In most cases, this authority is durable, meaning it remains in effect if you become incapacitated or too ill to handle your own finances.

If you do not have a durable financial POA in place and later become unable to make decisions, a probate court may appoint someone to act on your behalf—someone you might not have chosen yourself.

Many banks and investment institutions require you to complete their own POA forms, so it's important to check with them directly when setting up this authority.

TRUSTS FOR ESTATE PLANNING

WHAT IS A TRUST?

A trust is a legal arrangement that can serve as a substitute for a will. Instead of routing assets through probate, assets in a trust are transferred directly according to the trust's instructions.

TRUSTS ARE OFTEN USED BECAUSE THEY CAN:

- Reduce estate taxes
- Avoid the cost and delay of probate
- Provide privacy (trusts are generally not public record like wills)
- Control how and when assets are distributed to beneficiaries

Note: *Trust laws vary by state. Always consult with an estate planning attorney before making decisions.*

TYPES OF TRUSTS

Revocable Trusts (Living Trusts)

- Can be changed or revoked during the grantor's lifetime.
- The grantor usually serves as trustee and can add/remove beneficiaries or change how assets are managed.
- Provides flexibility but limited asset protection, since creditors may still claim assets.
- Becomes irrevocable upon the grantor's death.

Irrevocable Trusts

- Once created, terms cannot be changed.
- Assets transferred into the trust are no longer legally the grantor's property.
- Offers stronger asset protection—creditors of the grantor or beneficiaries cannot access assets held in the trust.

This section is an adapted excerpt from The Most Important Differences Between Wills and Estate Planning by Mathew Courtney, Esq. | Reviewed by Catherine Hodder, Esq. | Last updated March 14, 2023.

HOW TO GET STARTED ON YOUR ESTATE PLANNING

There are many resources to help you begin, including books, online tools, and state-specific forms. Some basic planning can be done on your own, but if you're unsure, consider professional guidance.

Look for professionals with certifications such as:

- Certified Estate Planner (CEP)
- Chartered Trust and Estate Planner (CTEP)
- Accredited Estate Planner (AEP)
- Certified Trust and Fiduciary Advisor (CTFA)

ESTATE PLANNING: CONSIDERATIONS AND RESOURCES

Estate planning can be complex, but with the right guidance, you can create a plan that protects your loved ones and reduces the burden on them after your death.

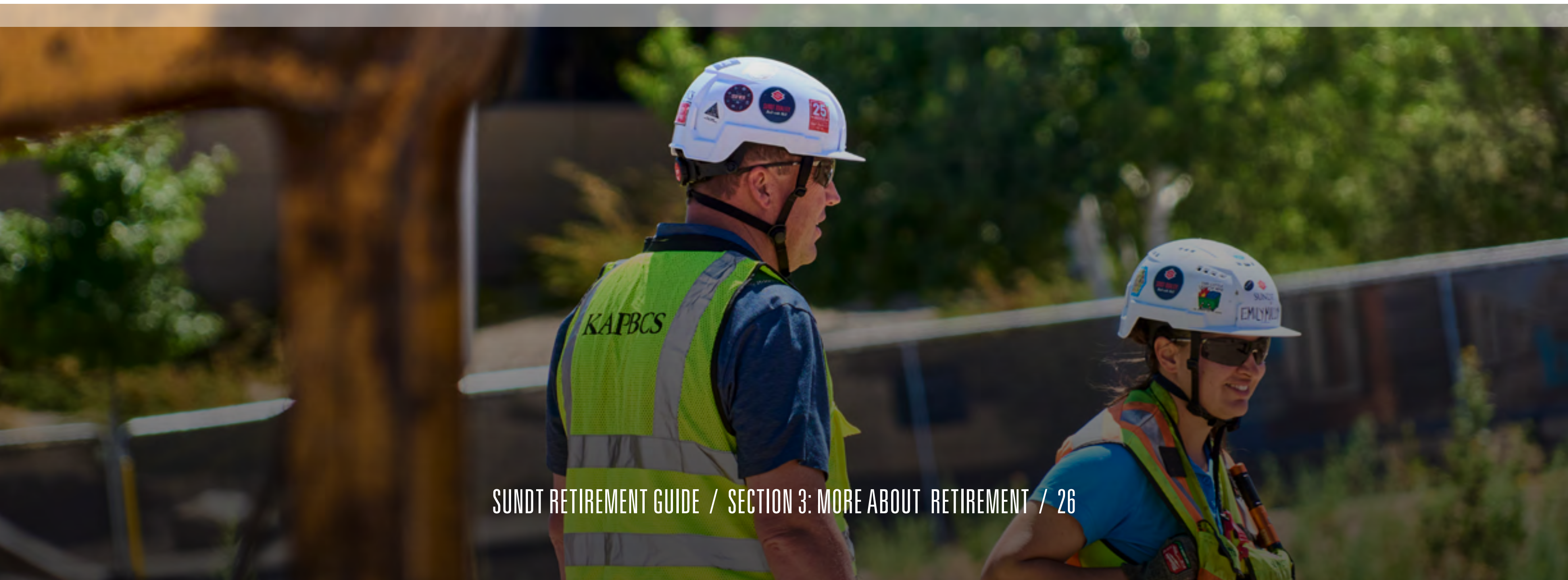
It's often best to work with a certified retirement professional, an estate planning attorney and a tax advisor. They can help you avoid costly mistakes, keep your plan up to date, and adapt it as your life circumstances change.

When looking for an attorney or advisor:

- Be clear about your needs and look for someone who specializes in those areas
- Interview multiple prospects and bring a prepared list of questions
- Ask about and understand their fee structure

Fidelity provides helpful guidance on finding an estate planning attorney.

Scan code to go Fidelity/Viewpoints



THE STAGES OF RETIREMENT

Being Happy, Active and Productive in Retirement

Retirement is more than a financial milestone—it's a major life transition that affects your identity, daily routines, and relationships. While many people focus on money, the emotional, social, and physical aspects of retirement are just as important to plan for.

For many, work has been a central part of life, providing structure, purpose, and a sense of self-worth. Leaving the workforce can sometimes create feelings of loss or uncertainty. The key to a fulfilling retirement is intentional planning beyond finances.

Tips for a Smooth Transition

Redefine your purpose: Consider new goals and ways to feel useful, whether through volunteering, mentoring, hobbies, or part-time work.

Stay socially connected: Maintain strong relationships with friends, family, and your community to avoid isolation.

Keep active: Regular physical activity supports both mental and physical health.

Balance your time: With more free hours, create a routine that mixes relaxation, activities, and personal growth.

Focus on well-being: Pay attention to your emotional health as much as your financial health. By setting objectives and personal goals for your "work-.

PLANNING TIME: PREPARING FOR RETIREMENT

Retirement is not just about leaving work—it's about building the life you want in your next chapter. While financial readiness is essential, your health, relationships, and sense of purpose are equally important to consider. Many people focus on the numbers but spend little time imagining what they will actually do in retirement.

Think ahead, what does your ideal retirement look like and what goals, dreams, or activities would make it meaningful?

Key Steps for a Successful Transition

- **Get your finances in order.** Your income will likely change in retirement, so review your budget and adjust your spending and saving habits. Consider downsizing your home to reduce costs, eliminating debt before you stop working and maximizing contributions to retirement accounts while you're still earning.
- **Take stock of your health.** Retirement often coincides with new or increased health needs. Stay proactive with preventive care, regular check-ups, and healthy habits like diet and exercise. Investing in your health now can reduce costs and improve your quality of life later.
- **Prioritize people.** Strong relationships are essential for happiness in retirement. Begin strengthening your support network of family, friends, and community connections. These bonds can help reduce the risk of loneliness and keep you socially active.
- **Decide when to retire.** Timing matters. Think about your financial readiness, health status, and personal goals. Whether you choose to retire early, at full retirement age, or later, make sure the timing aligns with both your financial security and your lifestyle plans.

THE BIG DAY: SMILES, HANDSHAKES, AND FAREWELLS

The day you officially leave work is often the shortest stage of retirement, but it's also one of the most memorable. By this point, you've already wound down and prepared for the transition, so the last few days are usually quiet and focused on closure.

WHAT TO EXPECT

Final paperwork: Make sure your manager has entered your termination date and details in the HR system (HCM) to ensure a smooth transition of benefits and payroll.

Return company property: If you haven't already, turn in your computer, badge, keys, company phone, or any other equipment (including items used while working from home).

Take personal items: Collect your personal belongings from your workspace and make arrangements to bring them home.

Farewells: This is the time for handshakes, hugs, and smiles as you say goodbye to colleagues and celebrate your contributions.

Why It Matters

Closing out properly helps avoid any delays with retirement benefits, ensures you leave on good terms, and allows you to walk away with a sense of completion. While this stage may be short, it marks the official start of your next chapter.

FREEDOM: ENJOYING YOUR NEWFOUND RETIREMENT LIFESTYLE

After the retirement parties and farewells, many retirees enter an exciting phase of freedom and possibility. This is the time when you can finally do the things you've dreamed about while working—whether that's traveling, pursuing hobbies, volunteering, spending more time with family, or simply relaxing at your own pace.

WHAT THIS STAGE LOOKS LIKE

There's no set timeline—it may last months or years, depending on your goals, health, and financial planning. At first, it can feel like an extended vacation, filled with energy and optimism. With fewer pressures and deadlines, you can focus on what matters most to you—rest, self-care, and personal fulfillment.

MAKING THE MOST OF IT

Explore new experiences: Take trips, try new activities, or dive deeper into hobbies you've always enjoyed. Strengthen relationships: Use this time to reconnect with family and friends or build new social circles.

Invest in yourself: Stay physically active, mentally engaged, and emotionally balanced.

Pace yourself: While freedom can feel endless at first, creating a rhythm of activities and relaxation can help this stage stay enjoyable and sustainable. Retirement freedom is your chance to shape a lifestyle that brings joy, health, and purpose—a reward for years of hard work.

MAYBE NOT ALL YOU HAD HOPED

Restlessness, Aimlessness, or Boredom

After years of planning and saving, some retirees discover that retirement doesn't always feel as rewarding as expected. Once the excitement wears off, it's common to experience a period of disillusionment or disappointment. You may feel restless, unmotivated, or bored as you try to fill your time. That unfinished "to-do list" or lack of structure can make it seem like you're just going through the motions.

Research highlights these challenges:

A study published in the Journal of Population Aging found that retirees were twice as likely to report symptoms of depression compared to those still working. The London-based Institute of Economic Affairs reported that the risk of clinical depression increases by about 40% after retirement.

SENSE OF PURPOSE

The good news is that this stage often leads to rediscovering purpose in life after work. Preparing for retirement means thinking beyond finances—invest in the emotional and social sides of your new chapter.

- Spend time with people outside of your former work circle.
- Try something new, or re-engage with old hobbies.
- Revisit your bucket list—what adventures, places, or activities are still waiting for you?
- Reflect on what's truly important, what do you want to change, and what do you want to keep the same?
- Make the effort to get out, connect with family and friends, join social clubs, or take part in group activities.
- Consider volunteering or taking classes to challenge yourself and meet new people.

ESTABLISHED ROUTINE

The final stage of retirement is about balance and stability. After the ups and downs, you settle into a "new normal." You've embraced your retirement identity and created a daily rhythm that works for you.

At this stage, life often feels more fulfilling—you spend your time on meaningful activities, enjoy hobbies you love, and surround yourself with people who bring energy and joy into your life.

The information contained in Section 3 of this Retirement Guide was gathered from publicly available resources and references. It is intended to give Sundt employee-owners educational information regarding retirement planning. This guide is not a substitute for specific legal or financial advice.

PRE-RETIREMENT CHECKLISTS

5 YEARS BEFORE RETIREMENT

- ☐ Begin envisioning your retirement lifestyle: Where do you want to live? How do you want to spend your time?
- ☐ Estimate your retirement spending needs and identify all expected income sources (401(k), IRA, ESOP, Social Security, pensions, annuities).
- ☐ Track your net worth annually to understand your financial position.
- ☐ Use at least three reputable retirement calculators (Fidelity, Vanguard, AARP, or Social Security's estimator) to get a clearer picture of your retirement outlook.

3 YEARS BEFORE RETIREMENT

- ☐ Build your first retirement cash flow model, projecting income and expenses.
- ☐ Track your actual spending for 6–12 months to confirm your estimates.
- ☐ Multiply annual expenses by 25–30 to calculate a target retirement portfolio value.
- ☐ Develop a plan to eliminate all debt before retiring, including mortgage, credit cards, and car loans.
- ☐ Estimate your Social Security benefits under different claiming strategies to see the impact of delaying versus starting early.
- ☐ Record your major annual expenses (e.g., property taxes, insurance premiums, travel).
- ☐ Consider hiring a certified financial planner for a second opinion on your retirement readiness.
- ☐ Evaluate long-term care insurance options—policies are generally more affordable and accessible in your 50s.

2 YEARS BEFORE RETIREMENT

- ☐ Find a way to track progress toward your retirement date (a financial app, spreadsheet, or even a visual tracker).
- ☐ Take a "mini-retirement" (10–14 days) to experience life outside of work and test your retirement vision.
- ☐ Consider living on your projected retirement income for 1–2 years as a trial run.
- ☐ Begin reviewing post-retirement insurance options: Medicare, supplemental plans, Medigap, or Medicare Advantage.
- ☐ Consider purchasing an independent life insurance policy if needed for family protection.
- ☐ If retiring early, develop a strategy to bridge healthcare and income needs until Medicare and retirement accounts become accessible.
- ☐ Explore new opportunities to create purpose after retirement—volunteering, hobbies, community work, or part-time projects.
- ☐ If relocating, spend extended time in your target retirement location to ensure it fits your lifestyle.
- ☐ Consider purchasing your retirement home before leaving full-time employment while you still qualify for a mortgage.
- ☐ Set up a secure password manager to organize and protect your digital accounts for retirement.

1 YEAR BEFORE RETIREMENT

- ☐ Talk with the Sundt Retirement Administrator. Review your retirement benefits, payout options, timelines, and ensure all required paperwork is in order.
- ☐ Track your countdown. Use a countdown app or calendar to stay motivated and visualize your progress toward retirement.
- ☐ Plan your living arrangements. If you plan to downsize or relocate, determine the timing for selling your primary residence and moving into your next home.
- ☐ Build your retirement bucket list. Write down experiences, travel plans, hobbies, or goals you'd like to pursue once retired.
- ☐ Review and update estate planning documents. Ensure your will, powers of attorney, healthcare directives, and trusts reflect your current wishes, family situation, and future plans.
- ☐ Maximize your final contributions. Fine-tune your 401(k) and IRA strategy to take advantage of catch-up contributions available after age 50.
- ☐ Create a withdrawal strategy. Decide how you'll draw income from your accounts (e.g., 4% rule, bucket strategy, or annuity options) to make your savings last.
- ☐ Finalize your Social Security plan. Choose a claiming strategy that balances your financial needs, health outlook, and long-term benefits.
- ☐ Establish a "retirement paycheck." Consider setting up a bucket system (short-term cash, medium-term bonds, long-term growth) to create reliable income while managing risk.
- ☐ Focus on your health. If you haven't already, begin or maintain an exercise program that supports mobility, strength, and overall well-being in retirement.
- ☐ Strengthen your social network. Begin cultivating relationships and communities outside of work to maintain purpose and connection.
- ☐ Review rollover strategies. Assess whether moving before-tax IRA or 401(k) assets into different accounts makes sense before Required Minimum Distributions (RMDs) begin (currently age 73 for most retirees).

6 MONTHS BEFORE RETIREMENT

- ☐ Talk with the Sundt Retirement Administrator. Review your retirement date, payout options, and ensure all necessary forms and documents are on track.
- ☐ Plan your notice. Decide when and how you'll inform your employer of your retirement date, and follow company guidelines for providing notice.
- ☐ Confirm departure requirements. Work with HR to finalize exit details, confirm your termination date, and ensure all employment records are accurate.
- ☐ Set up a personal email. Begin transferring personal information from your work computer to your personal computer (while following employer policies). Update subscriptions and online accounts with your new email address.
- ☐ Evaluate financial flexibility. Consider applying for a home equity line of credit (HELOC) if you own property with substantial equity. Approval is usually easier while you're still employed.
- ☐ Shift your mindset. Start focusing on how you'll spend your time outside of work—develop hobbies, explore volunteer opportunities, or practice living your new lifestyle.
- ☐ Make big purchases strategically. If you plan to buy "retirement toys" (like cars, RVs, or hobby equipment), consider doing so while you still have employment income.
- ☐ Complete medical and dental work. Schedule any surgeries, dental care, or major procedures before retirement. Update prescriptions and get new glasses if needed.
- ☐ Finalize insurance coverage. Review and lock in your post-retirement health insurance, Medicare supplemental policies, or other coverage to ensure continuous protection.

1 MONTH BEFORE RETIREMENT

- ☐ Create a final retirement checklist. Write down all outstanding tasks and deadlines to ensure nothing is overlooked before your transition.
- ☐ Confirm life insurance portability. Request Sundt's life insurance portability and conversion options from the Total Rewards Department at **benefits@sundt.com** to determine whether you want to continue coverage after leaving the company.
- ☐ Notify the right people. Talk with your manager, Total Rewards, and confirm details with the Sundt Retirement Administrator so everyone is aligned on your exit date.
- ☐ Discuss with your spouse/partner. Align expectations about roles, daily routines, and how you'll spend more time together in retirement.
- ☐ Transfer personal files. Migrate personal items, contacts, or documents from your work systems to your personal devices (while respecting company policies).
- ☐ Prepare a handoff list. Create a list of websites, accounts, or internal systems you have access to for your manager to ease the transition.
- ☐ Update your professional presence. Refresh your social media and professional profiles (like LinkedIn) to reflect your retirement status or new pursuits.
- ☐ Finalize your "retirement paycheck." Put your withdrawal strategy into practice, such as a bucket system or automated income plan, so your cash flow is set.
- ☐ Move to a personal calendar. Transition from your work calendar to a personal one to manage appointments, commitments, and activities.
- ☐ Check and update personal tech. Make sure your phone, computer, and other devices are in good shape for your retirement lifestyle.
- ☐ Say your goodbyes. Take the time to thank colleagues, attend farewell events, and leave on positive terms.
- ☐ File final expense reports. Submit any remaining reimbursements or expense claims before your official retirement date.

LAST DAY

- ☐ Share your contact information. Provide personal phone numbers, email, or social media handles to colleagues and friends you'd like to stay in touch with.
- ☐ Return all company property. This may include your phone, computer, monitors, printers, key card or badge, company credit card, and, if applicable, a company vehicle and keys.
- ☐ Complete your exit interview. If scheduled by HR, use this opportunity to provide feedback and close out your employment record.
- ☐ Make sure **HR** has your personal email address, personal phone number and mailing address in HCM. This helps with retirement distributions.
- ☐ Organize your workspace. Clean up, remove personal items, and leave your area ready for the next person.
- ☐ Send farewell messages. Email colleagues you worked with in other locations to thank them and share your appreciation.
- ☐ Say goodbye in person. Take the time to personally thank teammates, managers, and colleagues for their support and collaboration.

This section is an adapted excerpt from The Ultimate Pre-Retirement Checklist, posted on March 27, 2018, by fritz@theretirementmanifesto.com.

RETIREMENT CONTACTS

BENEFIT	CONTACT & PLAN NUMBER	TELEPHONE NUMBER	WEBSITE OR EMAIL
401(k)	Fidelity Plan 48551	English 800.835.5097 Spanish 800.587.5282	401k.com
ESOP	Principal Plan 706880	English or Spanish 800.547.7754	Principal.com
HealthCare Sundt COBRA coverage	NueSynergy	913.521.2310	cobra@nuesynergy.com
HealthCare Sundt COBRA Benefit Assistance	Sundt Benefits Department	480.293.3139	benefits@sundt.com
Healthcare ACA Marketplace	ACA Marketplace	800.318.2596	Healthcare.gov
Healthcare Medicare	Medicare	800.633.4227	Medicare.gov
Healthcare Medicare	State Health Insurance Assistance Program (SHIP) info@shiphelp.org	877.839.2675	www.shiphelp.org info@shiphelp.org
Healthcare Medicare	BlueCross BlueShield Medicare	888.288.4298	azblue.com/medicare/medicare-advantage
Social Security Income	Social Security Administration	800.772.1213	ssa.gov
Financial Planning Speak with Certified Financial Planner	Fidelity	English 800.835.5097 Spanish 800.587.5282	401k.com
Estate Planning Tips and finding an Attorney	Fidelity	English 800.835.5097 Spanish 800.587.5282	401k.com
Sundt Life Insurance Portability	Sun Life	888.444.0239	sunlife.com
Sundt Health Savings Account	HealthEquity	866.346.5800	AZBlue.com healthequity.com
Flexible Spending Account	NueSynergy	855.890.7239	nuesynergy.com/resources/for-participants

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