

# **BROWN INVESTMENT PROPERTIES, INC. PROFIT SHARING RETIREMENT PLAN**

## **ANNUAL NOTICE**

### **INTRODUCTION**

This Notice contains information related to the Brown Investment Properties, Inc. Profit Sharing Retirement Plan (the "Plan") for the plan year beginning on 01/01/2024. The plan year is each 12-month period ending on 12/31.

The safe harbor and automatic enrollment features apply to the Plan. This Notice gives you important information about these Plan features and how they will affect you. For further information about the Plan, please see your copy of the Plan's Summary Plan Description (SPD). If you need a copy of the SPD, would like a copy of other Plan documents, or if you have any further questions on the information contained in this Notice, please contact the Plan Administrator at:

Brown Investment Properties, Inc.  
Address: 1007 Battleground Ave, Suite 401, Greensboro, North Carolina 27408  
Phone number: 336-379-8771

### **AUTOMATIC ENROLLMENT**

The automatic contribution arrangement (ACA) provisions apply to the Plan. This type of automatic enrollment allows the Plan Administrator to enroll certain employees in the Plan who have not previously elected to participate in the Plan.

#### **Do the Plan's automatic enrollment features apply to me?**

The automatic enrollment provisions will only apply to All newly Eligible Employees who have not made an elective deferral election.

#### **What happens if I do not make a deferral election by 30 days after the form is received?**

If you are eligible to make elective deferrals and meet the automatic enrollment provisions and you do not make a deferral election by 30 days after the form is received, the Plan Administrator will begin deducting automatic deferrals from each of your paychecks and will submit those amounts to the Plan (automatic deferrals) on your behalf. An automatic deferral amount of 3% of your compensation will be withheld from each of your paychecks. The automatic deferral amount will be contributed as a pre-tax elective deferral to the Plan.

If you do not wish to have automatic deferrals withheld from each of your paychecks or if you want to change the amount withheld, you must make a deferral election. If automatic deferrals have already started, you may make a deferral election to change the amount being withheld or to stop the deferrals entirely.

### **ELECTIVE DEFERRALS**

Your elective deferrals are amounts that you choose to (or are assumed to have chosen to) have withheld from your paycheck and contributed to the Plan in your name. Please see the section of your SPD titled "Eligibility" to determine if you are eligible to make elective deferrals and "Compensation" for the definition of compensation you may defer into the Plan.

#### **How do I make or change my deferral election?**

You may make or change your deferral election by returning a deferral election form to the Plan Administrator.

#### **Once I make a deferral election, how often can I change, stop, or re-start the election?**

You may change or re-start your deferral election once each pay period. You may stop your deferrals at any time.

#### **If I make a deferral election is the amount withheld from my paychecks taxed?**

You will have the option to decide if the amount you elect to defer into the Plan is taxed or not. If you choose to have your elective deferrals go into the Plan as pre-tax elective deferrals, you will not be taxed until you take the money out of the Plan. If

you choose to have your elective deferrals go into the Plan as Roth elective deferrals, you will be taxed on that money when it is taken out of your paycheck, but it will not be taxed again when you take it out of the Plan. The earnings on those Roth elective deferrals may be taken out tax-free if certain conditions are met. Please see the SPD for more information on Roth elective deferrals.

**Are there any limits to how much I can defer into the Plan?**

Your elective deferrals are subject to the following limits:

- Your total amount of deferrals cannot be more than \$23,000 (for 2024).
- If you are age 50 or over, you may defer an additional amount, called a "catch-up contribution," of up to \$7,500 (for 2024).

The Plan Administrator may establish additional rules you will need to follow when making your deferral election. Your deferral election is only effective for compensation you have not received yet. The Plan Administrator may also reduce or totally suspend your election if they determine that your election may cause the Plan to fail to satisfy any of the requirements of the Internal Revenue Code.

**SAFE HARBOR CONTRIBUTIONS**

The Plan Administrator intends the Plan to be a safe harbor plan. In a safe harbor plan, if certain requirements are met, the Plan will be deemed to automatically pass certain IRS required non-discrimination testing (ADP, ACP, and top-heavy). One of these requirements is a minimum level of employer contributions referred to as "safe harbor contributions". Please see the section of your SPD titled "Compensation" for the definition of compensation used to determine safe harbor contributions. The Plan may be amended during the plan year to reduce or suspend the safe harbor contributions. The reduction or suspension will not apply until at least 30 days after you are provided notice of the reduction or suspension.

**Am I eligible to receive safe harbor contributions?**

Once you meet the eligibility requirements below, you will be eligible to receive safe harbor contributions unless you fall into one of the following categories:

- You are a leased employee.

**What eligibility requirements do I have to meet to receive safe harbor contributions?**

You will be eligible to receive safe harbor contributions on the first day of each plan quarter coincident with or next following the day you meet the following requirement(s):

- You attain age 18.
- You complete 1000 hours of service in a 12-month period.

**Will safe harbor contributions be made to my account under the Plan?**

Yes, as long as you are eligible to receive safe harbor contributions, a safe harbor matching contribution equal to 100% of your deferrals up to 5% of your compensation will be made to your account.

**Will any additional contributions be made to my account under the Plan?**

Additional contributions may be made to your account under the Plan. Please see the section of your SPD titled "Contributions" for information on any further contributions.

**VESTING**

Vesting refers to the amount of money you have in the Plan that you have a non-forfeitable right to receive. You may be required to work a certain amount of time to earn certain contributions to the Plan. Please see your SPD section titled "Vesting" for more information about vesting and how it is calculated.

**Do I need to work a certain amount of time to keep my elective deferrals and safe harbor matching contributions?**

No, you will always be immediately 100% vested in your elective deferrals and safe harbor matching contributions.

**Do I need to work a certain amount of time to keep my matching contributions and non-elective contributions?**

Yes, your matching contributions and non-elective contributions will vest as specified below:

- Less than two years of vesting service - 0%
- Two years but less than three years of vesting service - 20%
- Three years but less than four years of vesting service - 40%
- Four years but less than five years of vesting service - 60%
- Five years but less than six years of vesting service - 80%
- Six or more years of vesting service - 100%

**DISTRIBUTIONS**

**Can I take a distribution of my account balance after my employment terminates?**

Yes, you can take a distribution of your account balance immediately after your employment terminates.

**Can I take a distribution of my account balance when I reach age 59-1/2?**

Yes, you can take a distribution of all of your vested account balance when you reach age 59-1/2.

**Can I take a distribution of my account balance while still working at any time?**

Yes, you can take a distribution of your rollover contribution account balances at any time.

**Can I take a distribution of my account balance while still working if I incur a hardship?**

Yes, you can take a hardship distribution of the following vested account balances while still working if you incur a hardship:

- elective deferrals
- safe harbor contributions
- if available, qualified non-elective contributions (QNECs)

**Can I take a loan from the plan?**

Yes, you may be able to take a loan secured by your assets in the plan.

Please see the SPD section titled "Distributions" for further information on your distribution options.

**PLAN INVESTMENTS**

**Can I direct how my account balances will be invested?**

Yes, you can direct how your entire account balance will be invested from among the different investments offered under the Plan.

You may make or change your investment elections by: completing a paper form or by logging on at <https://www.yourplanaccess.net/nwps/>

**How often can I change my investment election?**

Subject to any additional restrictions placed on investment timing by the actual investment, you may change your investment elections daily.

**How will my account balances be invested if I do not make an investment election?**

If you do not make an investment election your account balances will be placed in investments selected by the Plan Administrator.



## **2024 ANNUAL NOTICE SUPPLEMENT FOR LONG-TERM PART-TIME EMPLOYEES**

Effective in 2024, new rules relating to certain Long-Term Part-Time (LTPT) employees go into effect that impacts information contained in your Annual Notice ("Notice").

To be eligible to participate in the 401(k) Plan as a LTPT employee, you must have worked at least 500 hours of service in each of the previous three plan years (e.g. starting with the 2021 plan year).

NOTE: If you have ever completed 1000 hours of service in a year, then you are not a LTPT employee. Likewise, if you are otherwise eligible under the plan's terms, you are not a LTPT employee.

Starting January 1, 2024, LTPT employees are eligible to save for retirement by deferring compensation to the Plan, and are eligible to receive any employer contributions, including safe harbor, matching contributions, or employer non-elective (profit sharing contributions). As a LTPT employee you choose whether to defer and how much you wish to defer to the Plan. If you elect to defer into the Plan those deferrals will be withheld from your periodic compensation and will be deposited in an account for you in the Plan.

The Notice may describe certain automatic enrollment provisions in which an employee will be automatically enrolled unless an affirmative election is enacted. These provisions apply to you as a LTPT employee.