

## **Code §415 Required Annual Aggregation Notice If You Are “In Control” of Another Business**

Under IRS rules, in certain situations, Plan participants must aggregate Salary Deferrals and other amounts contributed to this Plan and other “qualified retirement plans” to determine whether they are within the maximum annual contribution limits under the law. If you meet all of the conditions below, the Internal Revenue Service requires that you contact the Plan Administrator to review whether or not you have exceeded your maximum annual contribution limit. ***Failure to provide the Plan Administrator with certain necessary and correct information may result in adverse tax consequences, including your inability to exclude the amounts contributed to this Plan from your taxable income.***

You must notify the Plan Administrator if you meet all the following conditions:

- You make contributions to this Plan,
- You are “in control” of another company, and
- The other company maintains a “qualified retirement plan” and makes contributions to your account.

### **What does it mean to be “in control” of another company?**

For you to be considered “in control” of another business, you generally must have a significant ownership interest in the other business. For example, you own 100% of a business that is separate from Baptist Health System, Inc.. Determining whether you are “in control” of another business is complicated. Your tax advisor can assist you in making this determination.

Example: You are a doctor or professor that participates in this Plan and you also own more than 50% of a private practice or consulting business. You are considered to be “in control” of the outside business.

### **What types of retirement plans fall within the meaning of a “qualified retirement plan?”**

For this purpose, a “qualified retirement plan” includes certain defined contribution plans that receive special tax benefits under the Internal Revenue Code. These include defined contribution plans that qualify under Code §401(a) (such as a profit sharing, 401(k) or money purchase plan), another 403(b) plan, or a simplified employee pension (SEP) plan.

### **What is the maximum annual contribution limit?**

The maximum annual limit for 2023 generally is \$66,000 (\$69,000 for 2024). *This annual contribution limit may change in 2025, depending on Social Security Administration Cost of Living adjustments, if any.* However, certain participants (such as those who are at least age 50) may have a higher limitation, if provided for under the Plan.

### **What amounts are counted for purposes of determining whether you exceed the maximum annual contribution limit?**

The following amounts are counted towards the maximum annual contribution limit:

- Employer contributions (including matching contributions and SEP contributions)
- Salary deferrals
- After-tax contributions
- Certain other amounts allocated to your account (this does not include earnings or rollover amounts)

**Additional information.** If you would like additional information regarding your right to make Salary Reduction Contributions under the Plan or the requirements for required contribution aggregation if you are “in control” of another business, please contact:

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