



# Benefits Upon Leaving AFS: Know What You Need to Do

Below is important information on when benefit coverage ends and what you can expect in terms of continuation opportunities when you are no longer employed by the firm.

## Health and Welfare Plans

---



### Employee Assistance Program

Your coverage ends as of the last day of the month in which your employment ends. You will have the opportunity to elect COBRA continuation coverage. Information on how to make this election and the related cost of coverage will be sent to you from our COBRA administrator, Flores & Associates, after your exit date. Please read this information carefully and, if desired, make any election and payment promptly as there are deadlines for electing this coverage and making payment. In the meantime, should you have any questions, please contact Flores & Associates at 800-532-3327.

## Retirement Plans

---



### 401(k) Plan

If you participated in and have made contributions to the firm's 401(k) plan, you have certain rights regarding your vested interests in the plan upon your termination of employment.

- **If your vested balance is greater than \$5,000** at the time benefits are payable, you may choose to leave your account balance in the plan until a later date. You may request and receive a distribution or roll over at any time in the future.
- **If your vested account balance is \$5,000 or less, and greater than \$1,000** at the time benefits are payable and you do not choose to receive a distribution within 90 days, your account balance will be rolled into an Individual Retirement Account (IRA) at Empower, regardless of any prior elections or provisions.
- **If your vested account balance is \$1,000 or less** at the time benefits are payable, your benefits will be paid in a lump sum, regardless of any prior elections or provisions.

The standard 20% will be withheld for federal income taxes on all distributions. For additional information about your options, call Empower (formerly Prudential Retirement) at 800-992-4472 to speak to a Distribution Assistance Specialist.

If you participated in the legacy Schiff Hardin LLP 401(k) plan, please contact Empower Retirement at 855-756-4738 to learn more about the options that are available to you.



## Profit Sharing Plan

Contributions made to the ArentFox Schiff Profit Sharing Plan for the 2023 calendar may only be allocated and retained in the accounts of participants who complete 1,000 hours or at least one hour of service for any six months during 2023. If contributions are provisionally allocated to the account of a participant at the beginning of the calendar year but the participant does not complete the hours requirement during the calendar year, the contributions that were provisionally allocated to the participant's account at the beginning of the year must be reallocated away from such participant's account and used to either fund future plan contributions or to fund plan expenses.

Rights regarding your vested interest in the Profit Sharing Plan upon your termination of employment are the same as outlined in the above section on the 401(k) Plan.



## Outstanding Retirement Plan Loans

If you have an outstanding retirement plan loan, you have two options available to you for loan repayment upon the termination of employment. Repaying your loan both keeps you from having a taxable event and allows you to continue to save for retirement.

- **Option 1:** Repay your loan in full no later than 90 days from your date of termination or before distribution of your account, if earlier.
- **Option 2:** Convert your loan to a coupon loan within 90 days of your date of termination. This option allows you to continue making monthly loan repayments; not have a taxable event; and save for retirement. More information on Option 2 is outlined below.
  - Continue to make loan repayments on a monthly basis
  - Loan administration cost of \$100
  - You will be required to leave your account balance in the applicable ArentFox Schiff LLP retirement plan
  - You will receive modified loan information and monthly payment requests from Empower

**Important Loan Repayment Information:** Regardless of the repayment option you may choose, if you miss a loan payment or your loan is not repaid in full, the loan will be in default. This means that for tax purposes you will be deemed to have received a distribution from the plan equal to the amount of the loan balance. The distribution will be subject to federal, and, if applicable, state and local income taxes and may be subject to an additional 10% federal excise tax if you are under age 59 ½ at the time of distribution.



# Benefits Upon Leaving AFS: Know What You Need to Do

---

## Other Information



### Address Change

After you leave the firm, please keep the firm informed of any address changes through January of the year after the year that you leave the firm. Doing so will help to ensure that your year-end tax form is mailed to your correct address.



### Personal Charges

Outstanding personal charges will be deducted from your last check. Any personal charges which have not yet been recorded by Accounting will be billed to you at a later date.

**Questions:** If you have general questions, please contact the Benefits team at [benefits@afslaw.com](mailto:benefits@afslaw.com). If you have questions regarding COBRA or a specific benefit plan, contact the number provided in the applicable section of this communication.