

**GOODWILL OF CENTRAL AND NORTHERN ARIZONA  
RETIREMENT PLAN**

**NOTICE TO EMPLOYEES**

**January 2020**

TO OUR EMPLOYEES:

The Plan Administrator for the Goodwill Industries of Central Arizona Retirement Plan has adopted a plan amendment. The following "Summary of Material Modifications" will explain this change.

Please mark your Summary Plan Description with this change and keep this notice with it.

**GOODWILL INDUSTRIES OF CENTRAL ARIZONA RETIREMENT PLAN  
SUMMARY OF MATERIAL MODIFICATIONS**

The purpose of this Summary of Material Modifications is to inform you of changes that have been made to the Goodwill Industries Of Central Arizona Retirement Plan. These changes affect the information previously provided to you in the Plan's Summary Plan Description. The Summary Plan Description is modified as described below.

Due to changes affecting the Hardship Distribution section, the entire section is provided below along with any special effective dates.

Hardship Distributions

General Rule. You may receive a distribution on account of hardship from the following Accounts but only if you are fully vested in such Account.

- 401(k) Account, including certain earnings of your 401(k) Account effective January 1, 2020.
- Effective January 1, 2020, Safe Harbor Contribution Account and, if available, Qualified Non-Elective Contributions Account.
- Rollover Contribution Account.

Immediate and Heavy Financial Need. You may receive a hardship distribution only if the Plan Administrator finds that you have an immediate and heavy financial need where you lack other available resources. The following are the only financial needs considered immediate and heavy:

- (1) Expenses incurred or necessary for medical care, described in Code section 213(d), for you or your spouse, children, or dependents;
- (2) The purchase (excluding mortgage payments) of a principal residence for the Participant;
- (3) Payment of tuition and related educational fees for the next 12 months of post-secondary education for you or your spouse, children or dependents;
- (4) The need to prevent the eviction of you from your principal residence (or a foreclosure on the mortgage on your principal residence);
- (5) Payments for burial or funeral expenses for your deceased parent, spouse, children or dependents;
- (6) Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction; or
- (7) Expenses incurred on account of a federally declared disaster.

Effective January 1, 2020, there will no longer be a 6-month suspension period for your 401(k) Contributions, if applicable, after the receipt of the hardship distribution. In addition, any remaining portion of the 6-month suspension period for a prior hardship distribution will be discontinued on that date.

Amount Necessary to Satisfy Need. Effective January 1, 2020, a distribution will be considered as necessary to satisfy your immediate and heavy financial need only if:

- (1) You have obtained all distributions, other than hardship distributions, under all plans maintained by the Employer;
- (2) The distribution is not in excess of the amount of an immediate and heavy financial need (including amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution).
- (3) You have represented in writing that you have insufficient cash or other liquid assets to satisfy the financial need.

**Effective January 1, 2020, Page 1, Matching Contributions and Profit Sharing Contributions shall be replaced by the following:**

Matching Contributions and Profit Sharing Contributions

You will become a Participant eligible to begin receiving Matching Contributions and Profit Sharing Contributions on the first day of each plan quarter coincident with or next following the date you complete 12 consecutive month of service provided that you are an Eligible Employee at the end of that period. If the service requirement is not met in the first consecutive period of months, you will also be eligible for the Plan if you complete one Year of Eligibility Service, provided that you are an Eligible Employee at the end of that period.

**Effective January 1, 2020, Page 1, Computing Service shall be replaced by the following:**

Computing Service

With respect to eligibility to receive Matching Contributions and Profit Sharing Contributions, "Year of Eligibility Service" means an Eligibility Computation Period during which you complete at least 1,000 Hours of Service.

"Eligibility Computation Period" means a 12-consecutive month period beginning with your first day of employment. Any succeeding Eligibility Computation Period will then switch to the Plan Year, beginning with the Plan Year that includes your first anniversary of employment. You will generally earn an hour of service for each hour you are paid for the performance of duties for the Employer (however, numerous exceptions and special rules apply).

All eligibility service with the Employer is taken into account except the following:

A "One-Year Break in Service" means an Eligibility Computation Period during which you are credited with 500 or fewer hours of service (special rules exist for absence from work for maternity or paternity reasons).

If you do not have any nonforfeitable right to the Account balance derived from Employer contributions, service before a period of five (5) consecutive One-Year Breaks in Service will not be taken into account in computing eligibility service (this is referred to as the "rule of parity").

Years of service will be treated as service with the Employer for eligibility purposes for the following Employer(s) subject to any listed limitations: other Goodwill organizations, up to 5 Years of Service.

If you make or receive eligible contributions you will be a "Participant" in the Plan.