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Transition of Retirement Savings Plans from Vanguard to Schwab for SCPMG Non-Represented Employees

Kaiser recently announced modifications to their retirement plan options, and the chart below describes how Southern California Permanente Medical Group Employees may be able to change your contributions to maximize tax benefits. For California non-represented executives and employees are now eligible for the Personal Choice Retirement Account (PCRA), allowing new options to maximize your 401K and retirement plan savings.

Who is affected by this transition?

Non-represented executives and employees of SCPMG are affected. This includes:

- Podiatric Physicians and Surgeons, and Oral Surgeons
- Administrative Leaders of SCPMG
- Salaried Employees of SCPMG

What is transitioning?

Expected in August, 2021, non-represented employees of the Southern California Permanente Medical Group (SCPMG) who participate in a retirement savings plan administered by Vanguard, will move to retirement savings plans administered by Schwab Retirement Plan

Why is this transition happening?

SCPMG is transitioning non-represented employees' retirement savings plans to align retirement savings benefits for non-represented employees with the benefits offered to SCPMG physicians. It will make administration of our retirement plans easier and allow plan participants some additional flexibility in how they manage and receive payment from their accounts.

Who is eligible to participate in a SCPMG retirement plan?

Generally, all employees (including Per Diem Podiatric Physicians), regardless of their work schedule, are eligible to participate in a SCPMG retirement savings plan.

What changes can plan participants expect as a result of the transition?

- Plan participants will be able to choose a self-directed brokerage option, known as a Personal Choice Retirement Account (PCRA), for up to 50% of their plan balance under the new 401(k) plan, and up to 99% of their Plan B balance.

- The self-directed brokerage option will no longer be limited to mutual funds – a wide range of investment options will be available.

Will there be any changes to the automatic enrollment rules?

Yes. New hires after the transition will be automatically enrolled in the 401(k) for PMGs plan at a rate of 3% of eligible earnings, instead of the current 2%. Auto-increases will stop at a maximum deferral rate of 10%, instead of the current 6%.