

Subject: Upcoming change to your UC 403(b) Plan loan repayment



Important Update: Changes Are Coming to How You Repay Your UC 403(b) Plan Loan

You are receiving this notice because you have an outstanding loan in your UC 403(b) Plan, and a change is taking place to the process of how your loan will be repaid. Currently, your repayments are deducted from your paycheck and repaid directly to your retirement account.

Beginning in April 2026, loan repayments will stop being deducted from your paycheck. Instead, your loan repayments must be made using Fidelity's Automated Clearing House (ACH) service, which deducts the repayment from your bank account.

What this means for you:

- Loan repayments deducted from your paycheck are scheduled to end with paychecks **issued after April 8, 2026.**
- You will need to set up ACH loan repayments to continue repaying your loan. Instructions will be shared in future communications.
- If you are a bi-weekly paid employee, your repayment schedule will change from bi-weekly to monthly.

How you can prepare:

You will be able to set up your ACH loan repayments starting April 13, 2026. In the meantime, you can prepare for this change by:

- Ensuring you have an active bank account that can be used for ACH loan repayments.
- Considering how a monthly payment schedule may differ from your current bi-weekly deductions.
- Watching for emails beginning in March, which will include step-by-step instructions on how to set up ACH loan repayments.

IMPORTANT: *If you do not establish your ACH loan repayment, your plan loan could "default" and be treated as a taxable distribution for the outstanding loan balance. This makes your loan balance subject to income tax and possibly a 10% early withdrawal penalty. A defaulted loan may also impact your eligibility to request additional loans.*

If you have questions about this transition or how to set up ACH loan repayments, please call a Fidelity representative at 1-866-682-7787.

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