

MONARCA ACADEMY 403(B) RETIREMENT PLAN

ANNUAL NOTICE

INTRODUCTION

This Notice contains information related to the Monarca Academy 403(b) Retirement Plan (the "Plan") for the plan year beginning on 01/01/2026. The plan year is each 12-month period ending on 12/31.

The safe harbor, automatic enrollment and qualified default investment alternative (QDIA) features apply to the Plan. This Notice gives you important information about these Plan features and how they will affect you. For further information about the Plan, please see your copy of the Plan's Summary Plan Description (SPD). If you need a copy of the SPD, would like a copy of other Plan documents, or if you have any further questions on the information contained in this Notice, please contact the Plan Administrator at:

Alianza Community Schools Inc.
Address: 1630 N Meridian St, Indianapolis, Indiana 46202
Phone number: 317-693-5235
Email: valdiosera@monarcaacademy.org

AUTOMATIC ENROLLMENT

The automatic contribution arrangement (ACA) provisions apply to the Plan. This type of automatic enrollment allows the Plan Administrator to enroll certain employees in the Plan who have not previously elected to participate in the Plan.

Do the Plan's automatic enrollment features apply to me if I have already made a deferral election?

No, if you have already made a deferral election that amount will continue to be withheld from each of your paychecks until you make a new election.

What happens if I do not make a deferral election by 08/01?

If you are eligible to make elective deferrals and you do not make a deferral election by 08/01, the Plan Administrator will begin deducting automatic deferrals from each of your paychecks and will submit those amounts to the Plan (automatic deferrals) on your behalf. An automatic deferral amount of 5% of your compensation will be withheld from each of your paychecks. The automatic deferral amount will be contributed as a pre-tax elective deferral to the Plan.

If you do not wish to have automatic deferrals withheld from each of your paychecks or if you want to change the amount withheld, you must make a deferral election. If automatic deferrals have already started, you may make a deferral election to change the amount being withheld or to stop the deferrals entirely.

Will the amount of the automatic deferrals increase?

Yes, if you do not make a deferral election the automatic deferral amount will increase in the following manner: 1% per year to a maximum automatic enrollment level of 10%.

ELECTIVE DEFERRALS

Your elective deferrals are amounts that you chose to (or are assumed to have chosen to) have withheld from your paycheck and contributed to the Plan in your name. Please see the section of your SPD titled "Eligibility for Participation" to determine if you are eligible to make elective deferrals and "Contributions to the Plan" for the type of compensation you may defer into the Plan.

How do I make or change my deferral election?

You may make or change your deferral election by returning a deferral election form to the Plan Administrator.

Once I make a deferral election, how often can I change, stop, or re-start the election?

You may change or re-start your deferral election as of Participants may cease deferrals at any time, and may elect to restart deferrals but must provide a minimum of 30 days of notice of intent to reinstate deferrals prior to the payroll period. The employer may allow participants to

restart deferrals with less than 30 days if the them employer determines if the implementation of the new election is administratively feasible. . You may stop your deferrals at any time.

If I make a deferral election is the amount withheld from my paychecks taxed?

You will have the option to decide if the amount you elect to defer into the Plan is taxed or not. If you chose to have your elective deferrals go into the Plan as pre-tax elective deferrals, you will not be taxed until you take the money out of the Plan. If you chose to have your elective deferrals go into the Plan as Roth elective deferrals, you will be taxed on that money when it is taken out of your paycheck, but it will not be taxed again when you take it out of the Plan. The earnings on those Roth elective deferrals may be taken out tax-free if certain conditions are met. Please see the SPD for more information on Roth elective deferrals.

Are there any limits to how much I can defer into the Plan?

Your elective deferrals are subject to the following limits:

- The maximum amount you can defer is 100% of your compensation.
- Your total amount of deferrals cannot be more than \$23,500 (for 2025).
- If you are age 50 or over, you may defer an additional amount, called a "catch-up contribution," of up to \$7,500 (for 2025).
- New for 2025, if you are between the ages of 60 - 63 as of the end of the calendar year, you may be able to defer an additional amount, increasing your catch-up limit to the "enhanced catch-up limit" of up to \$11,250 (for 2025).
- If you have fifteen years of service (disregarding any period during which you are not an Employee of an eligible employer) you may be entitled to make a special Code section 403(b) catch-up contribution (a maximum of \$3,000). Contact the Plan Administrator for more information about this special catch-up contribution.

The Plan Administrator may establish additional rules you will need to follow when making your deferral election. Your deferral election is only effective for compensation you have not received yet. The Plan Administrator may also reduce or totally suspend your election if they determine that your election may cause the Plan to fail to satisfy any of the requirements of the Internal Revenue Code.

SAFE HARBOR CONTRIBUTIONS

The Plan Administrator intends the Plan to be a safe harbor plan. In a safe harbor plan, if certain requirements are met, the Plan will be deemed to automatically pass certain IRS required non-discrimination testing (ADP, ACP, and top-heavy). One of these requirements is a minimum level of employer contributions to the Plan. The Plan may be amended during the plan year to reduce or suspend the safe harbor contributions. The reduction or suspension will not apply until at least 30 days after you are provided notice of the reduction or suspension.

Am I eligible to receive safe harbor contributions?

Once you meet the eligibility requirements below, you will be eligible to receive safe harbor contributions unless you fall into one of the following categories.

- You are an employee covered by a collective bargaining agreement where retirement benefits were the subject of good faith bargaining.
- You are a non-resident alien with no U.S. sourced income.

What eligibility requirements do I have to meet to receive safe harbor contributions?

You will be eligible to receive safe harbor contributions immediately upon the day you meet the following requirements.

- You complete 1000 hours of service in a 12-month period.

Will safe harbor contributions be made to my account under the Plan?

Yes, as long as you are eligible to receive safe harbor contributions, a safe harbor matching contribution will be made to your account according to the following formula:

- 100% of your deferrals up to 3% of your compensation; plus
- 50% of your deferrals over 3% but that do not exceed 5% of your compensation.

Will any additional contributions be made to my account under the Plan?

Additional contributions may be made to your account under the Plan. Please see the section of your SPD titled "Contributions to the Plan" for information on any further contributions.

VESTING

Vesting refers to the amount of money you have in the Plan that you have a non-forfeitable right to receive. You may be required to work a certain amount of time to earn certain contributions to the Plan. Please see your SPD section titled "Vesting" for more information about vesting and how it is calculated.

Do I need to work a certain amount of time to keep my elective deferrals, safe harbor contributions, matching contributions and non-elective contributions?

No, you will always be immediately 100% vested in your elective deferrals, safe harbor contributions, matching contributions and non-elective contributions.

DISTRIBUTIONS

Can I take a distribution of my account balance after my employment terminates?

Yes, you can take a distribution of your account balance after the end of the plan year in which your employment terminates.

Can I take a distribution of my account balance if I am still working when I reach normal retirement age?

Yes, you can take a distribution of all of your fully vested account balances when you reach normal retirement age (age 65) while you are still working.

Can I take a distribution of my account balance while still working when I reach age 59.5 and have completed 2 years?

Yes, you can take a distribution of all of your fully vested account balance when you reach age 59.5 and have completed 2 years.

Can I take a distribution of my account balance when I reach age 59.5?

Yes, you can take a distribution of all of your fully vested account balance when you reach age 59.5.

Can I take a distribution for the birth or adoption of my child?

Yes, you can take a "qualified birth or adoption distribution" up to \$5,000 of your vested account balance within one year of the birth or legal adoption of your child. Please see the section of your SPD titled "In-Service Distributions" for information.

Can I take a distribution of my account balance while still working if I become disabled (as defined in the Plan)?

Yes, you can take a distribution of your fully vested account balances if you become disabled (as defined in the Plan).

Can I take a distribution of my elective deferrals while still working if I am called to active duty?

Yes, you can take a distribution of your elective deferrals while still working if you are called to active military duty for at least 30 days. However, if you are not called to active duty for at least 180 days, you will not be able to have elective deferrals withheld from your pay for 6 months from the date of the distribution.

Can I take a distribution of my account balance while still working if I incur a hardship?

Yes, you can take a hardship distribution of your fully vested account balances while still working if you incur a hardship.

When can I take a distribution of my In-Plan Roth rollover account balances?

You can take a distribution of your In-Plan Roth rollover account balances at any time.

Can I take a loan from the plan?

Yes, you may be able to take a loan secured by your assets in the plan.

Please see the SPD section titled "Distributions" for further information on your distribution options.

PLAN INVESTMENTS

Can I direct how my account balances will be invested?

You may make or change your investment elections by returning an investment election form to the Plan Administrator.

How often can I change my investment election?

Subject to any additional restrictions placed on investment timing by the actual investment, you may change your investment elections daily.

How will my account balances be invested if I do not make an investment election?

The Plan's default investments are intended to meet the requirements to be a qualified default investment alternative (QDIA).

Default Investment Information

The Target Date Fund Series provided by the current investment provider will be the QDIA account

Right to Self-Direct

Participants may self direct all funds within their account by making positive investment elections or by providing investment instructions through the investment recordkeeping website or by calling the participant services line provided by the recordkeeper.

Additional Information

Distributed by Plan Sponsor

Does the Plan have a financial advisor that I can contact for more information about Plan investments?

Yes, you may contact the Plan's financial advisor at:

Name: Jim Gillen

Address: 24635 Ridge Rd, Colona, IL 61241

Phone number: (847) 778-1522

Email: JGillen@RetirementPlanTeam.com