

# Plan Highlights

## Kimball Electronics Retirement Plan (094144)

This material has been designed to give you a general description of the main features of the Kimball Electronics Retirement Plan. To find up-to-date information on your plan's features, log in to your account at [vanguard.com/retirementplans](https://vanguard.com/retirementplans).

**Note:** If you hold multiple accounts with Vanguard, you may need to select **Employer plans** after logging in to [vanguard.com/retirementplans](https://vanguard.com/retirementplans).

You can also refer to the Summary Plan Description or contact Vanguard.

### Let One Step® do it for you

The Kimball Electronics Retirement Plan is an easy way to save for your future. Thanks to the plan's One Step feature, you don't even have to sign up.

For your convenience, One Step will automatically:

- **Enroll** you in the plan approximately 45 days after your hire date and deduct 5% from your pay on a pre-tax basis.
- **Invest** your contributions in the Vanguard Institutional Target Retirement Fund with the target date closest to the year in which you will reach age 65.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. The Income Fund has a fixed investment allocation and is designed for investors who are already retired. An investment in a Target Retirement Fund is not guaranteed at any time, including on or after the target date.

- **Increase** your contribution rate by one percentage point each July to help you save more in the future.

Saving and investing are great ways to achieve long-range financial goals. One Step helps you do both—automatically.

Be sure to name beneficiaries for your account. See the "Beneficiaries" section for instructions.

If you do not want to participate, you must contact Vanguard within 45 days of your hire date to prevent any payroll deductions from occurring.

### Or make your own choices

If you would like to make your own choices, be sure to read the following plan provisions, then contact Vanguard.

## Connect with Vanguard

- **Online.** Log in to your account at [vanguard.com/retirementplans](https://vanguard.com/retirementplans) for 24-hour access to information about your account, your investments, and Vanguard's advice services. Not yet registered for immediate, secure online account access? You can use your plan number: **094144**. To receive information and notices from Vanguard by email, sign up for e-delivery, a fast and secure way to receive your plan communications. Just log in to [vanguard.com/retirementplans](https://vanguard.com/retirementplans) to change your mailing preference.
- **On your mobile device.** Go to [vanguard.com/bemobile](https://vanguard.com/bemobile) to download the Vanguard app so you can access your account on the go.
- **By phone.** Call **800-523-1188** to reach Vanguard's 24-hour interactive VOICE® Network. You'll need your Social Security number and a personal identification number (PIN) to use VOICE. To create a PIN, follow the prompts. Or you can speak with a Vanguard Participant Services associate Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

### Provision

#### Eligibility

You are eligible to participate on the first day you are employed with the company.

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#### Enrollment

Unless you specify otherwise, you will be enrolled automatically approximately 45 days after your hire date. If you do not want to be enrolled, you must contact Vanguard within 45 days of your hire date.

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#### Beneficiaries

Be sure to name beneficiaries for your account. Properly designating beneficiaries ensures that, when you die, your hard-earned savings are distributed according to your wishes.

To name beneficiaries, log in to your account at [vanguard.com/retirementplans](https://vanguard.com/retirementplans).

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#### Employee contributions

When you are automatically enrolled, your pre-tax contribution rate will be 5% of your pay. If you want to enroll at a different rate, you can contribute from 1% to 50% of your pay on a pre-tax, traditional after-tax, or Roth 401(k) after-tax basis.

The IRS also limits contributions. For current IRS limits, visit [vanguard.com/contributionlimits](https://vanguard.com/contributionlimits).

If you contributed to a previous employer's plan this year, be aware that the annual IRS limit applies to the sum of your contributions to all employer plans for this year. You should monitor your contributions to ensure that your total contributions for this year do not exceed the annual IRS limit.

If you are age 50 or older, or will turn 50 by year's end, *and* you contribute the maximum allowed, you may make catch-up contributions. Catch-up contributions allow you to save above the normal IRS annual limit on a pre-tax or Roth basis.

**Note:** The plan does not require that you make a separate election for catch-up contributions.

To help you save more, One Step automatically increases your pre-tax payroll contribution rate by one percentage point annually in July or whatever month you choose. These annual increases will continue until your contributions reach the plan's limit of 20% or the annual IRS limit, whichever is less.

You can change or stop your automatic annual contribution increases at [vanguard.com/retirementplans](https://vanguard.com/retirementplans) or by speaking with a Vanguard Participant Services associate at **800-523-1188**. You cannot access this service through VOICE.

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#### Company contributions

For every \$1 you contribute (up to 6% of your pay), Kimball Electronics will contribute \$0.50 to your account. Additionally, Kimball Electronics will make a discretionary profit-sharing contribution to your account whether or not you contribute to the plan. If you do not choose investments for your plan account, the company profit-sharing contribution will be invested in the Vanguard Institutional Target Retirement Fund with the target date closest to the year in which you will reach age 65.

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#### Rollovers

If you have money in a former employer's qualified retirement plan or an IRA, in most cases you can roll it over to your current employer plan account at Vanguard.

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## Provision

### Vesting

Vesting refers to your right of ownership to the money in your account.

You are immediately vested in all contributions and earnings.

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### Investment options

For the most up-to-date information about the funds available through the plan, please go to

<https://retirementplans.vanguard.com/PubFundChart/kimball/8196>.

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### Managing your account

You can take the following actions anytime by logging in to [vanguard.com/retirementplans](https://vanguard.com/retirementplans) or calling Vanguard at **800-523-1188**:

- Stop or change your payroll deductions.
  - Change how your contributions are invested.
  - Move money between funds.
  - Request loans and withdrawals.
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### Loans

Although the plan is designed for long-term savings, you can borrow from your account. Keep in mind that your paycheck would be reduced to repay the loan with interest, and that you could owe taxes and a 10% federal penalty tax if you fail to repay on time or when you leave Kimball Electronics.

Here are the loan provisions:

- Minimum amount: \$1,000.
  - Maximum amount: 50% of your vested account balance up to \$50,000 (or less if you have had an outstanding loan in the past 12 months).
  - Maximum outstanding loans: one.
  - Repayment: up to 5 years for a general purpose loan; up to 10 years for a loan taken to purchase a principal residence.
  - Origination fee (per loan): \$40 when applying online or through VOICE; \$90 when applying by phone with personal assistance from a Vanguard associate.
  - Maintenance fee (per year): \$25.
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### Withdrawals\*

You can withdraw money from your account under certain circumstances.

**Age 55 plus five years of service withdrawals.** Once you reach age 55 and have five years of service, you can make withdrawals from your employer profit-sharing contributions.

**Age 59½ withdrawals.** Once you reach age 59½, you can make withdrawals from your entire vested account balance.

**Hardship withdrawals.** You can withdraw money from your account for a serious financial hardship, including:

- Purchase of a principal residence.
- Unreimbursed medical expenses.
- Tuition and fees for postsecondary education.
- Prevention of eviction or mortgage foreclosure.
- Burial or funeral expenses for a parent, spouse, child, or dependent.
- Certain expenses for repairing your principal residence if the expenses qualify as a casualty deduction.

**Rollover withdrawals.** You can withdraw all or part of any money that you rolled over from another plan.

**Roth after-tax withdrawals.** You can withdraw all or part of your Roth contributions and earnings. The withdrawal can be tax free if you meet certain conditions.

**Traditional after-tax withdrawals.** You can withdraw all or part of your traditional after-tax contributions. Investment earnings on after-tax contributions are taxable when you withdraw them.

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### Distributions\*

You are eligible to receive your vested account balance upon retirement, termination of employment, or total and permanent disability.

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**\*Taxes:** Taking money from your retirement account can affect how much you'll have to pay in taxes. You'll owe taxes on pre-tax money. You won't owe taxes on Roth earnings as long as you are age 59½ or older and it's been at least five years since your first Roth contribution. If required by law, Vanguard will withhold some taxes for you. You may need to pay a 10% federal penalty tax if you take money out early.

**Connect with Vanguard®**

vanguard.com/retirementplans > 800-523-1188

*Whenever you invest, there's a chance you could lose the money.*

*Before you invest, get the details. Consider the fund's objective, risks, charges, and expenses. The fund's prospectus (or summary prospectus, if available) will tell you these important facts and more. So read it carefully. Call Vanguard at 800-523-1188 to get one. Or you can find one at vanguard.com.*

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UBBBJDYB 012022