

# Sleep Number Profit Sharing and 401(k) Plan



# Welcome to the Sleep Number Profit Sharing and 401(k) Plan!

When you enroll, you are able to save through convenient payroll deduction, access multiple investment options and tools, and make changes to your contribution amount or investment elections at any time. Read on to learn more or go to [MillimanBenefits.com](https://www.millimanbenefits.com) to get all the details.

## Plan Facts

### ELIGIBILITY

As a Sleep Number team member, you are immediately eligible to participate in the Sleep Number Profit Sharing and 401(k) Plan. Keep in mind that Milliman will not have your new hire information until after your first paycheck. That is when you will be able to get started with creating an account with Milliman and making your initial plan elections.

### YOUR CONTRIBUTIONS

You can save up to 50% of your total pay (subject to IRS limits that are not plan-specific). You may elect to save in one or a combination of the following ways:

- ▶ **Pre-tax 401(k) contributions**, which are deducted from your paycheck before income taxes are withheld. You pay taxes on these contributions and earnings when you withdraw the money from the Plan.
- ▶ **Roth after-tax 401(k) contributions**, which are deducted from your paycheck after income taxes are withheld. You will not pay taxes again on these contributions or on the earnings if you receive the money as a qualified distribution.

### COMPANY CONTRIBUTIONS

#### Matching Contributions

To help your savings grow, Sleep Number will match your contributions to the plan dollar for dollar up to the first 4% of eligible compensation that you contribute. Both pre-tax and Roth after-tax contributions will be matched. Sleep Number's matching contributions are deposited in your Plan account with each pay period. Save at least 4% of your pay to take advantage of the full matching contribution!

#### Vesting

You are immediately 100% vested in Sleep Number's matching contributions that are made starting in 2022.

## Your Investment Options

You may choose your investment strategy at any time at [MillimanBenefits.com](https://www.millimanbenefits.com). Go to Account Details at the top of the page and then select Investments.

You can choose from these investment approaches:

- 1. Target Date Funds (Tier 1)** — if you want some help with your investment approach.
- 2. Core Options (Tier 2)** — if you want to do it yourself.
- 3. Self-Directed Brokerage Account (Tier 3)** — if you want even more control.

If you don't make an investment election, your account will be automatically invested in the plan's Qualified Default Investment Alternative (QDIA), which is the Vanguard Target Date Retirement Fund that most closely aligns with your normal retirement date.



# Taking Your Money Out

Leaving your money alone to grow is best. However, if you need to access the funds in your account, you may be able to take a loan or an in-service withdrawal (a withdrawal while you're still working at Sleep Number). If you leave Sleep Number or retire, you have several options. Consider your distribution options carefully as taxes and penalties may apply. To take your money out, you will need your Withdrawal Lock code. You will get your code in the mail after you register your account online.

## Simple Steps To Get Started

### ① REGISTER YOUR ACCOUNT

Visit **MillimanBenefits.com** (choose English or Spanish), select Register and follow the prompts. Registering is the No. 1 step you can take to protect your retirement money and avoid delays when trying to access your account or withdraw funds.

### ② DECIDE HOW MUCH TO SAVE

Save up to 50% of total pay on a pre-tax and/or Roth after-tax basis, up to IRS limits.

### ③ CHOOSE YOUR INVESTMENTS

Specify how to invest your contributions among the investment options.

### ④ NAME A BENEFICIARY

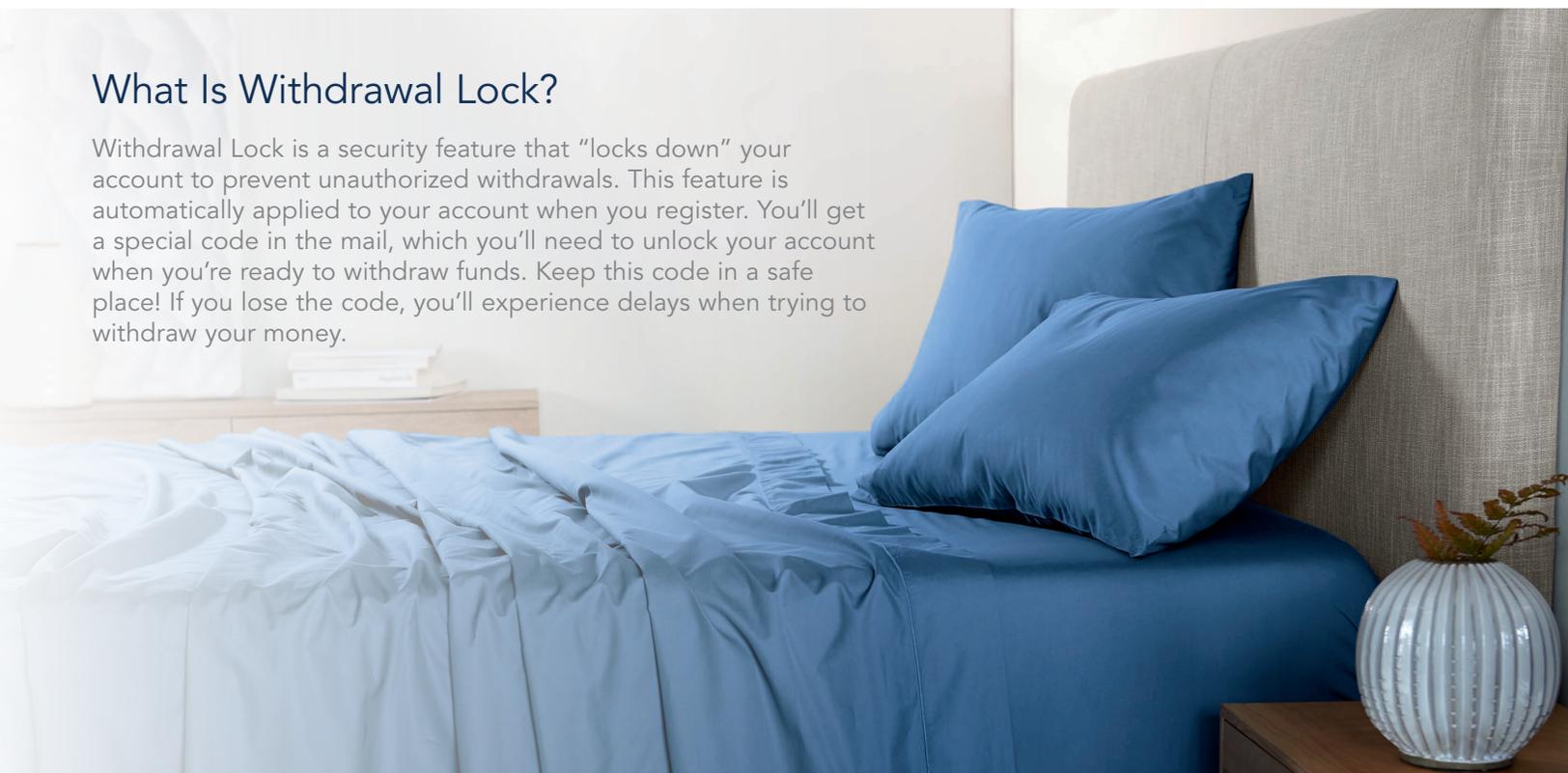
Designate who you want to receive your account balance in the event of your death. Make sure to have your beneficiary's Social Security number handy.

### NEED HELP?

Call the Benefits Service Center at **1.866.767.1212** or use Web Chat on **MillimanBenefits.com**. Representatives are available Monday through Friday from 7 a.m. to 7 p.m. Central time.

## What Is Withdrawal Lock?

Withdrawal Lock is a security feature that "locks down" your account to prevent unauthorized withdrawals. This feature is automatically applied to your account when you register. You'll get a special code in the mail, which you'll need to unlock your account when you're ready to withdraw funds. Keep this code in a safe place! If you lose the code, you'll experience delays when trying to withdraw your money.



## Get Your RISE Score™ at MillimanBenefits.com

The goal — retire with enough money. How will you get there? Your Retirement Income Security Evaluation Score (RISE Score) measures how prepared you are for financial risks in retirement. Your score is expressed as a single number, like a credit score, that helps you assess how well you are doing. The higher your score, the more likely you'll be able to achieve a healthy financial outcome.



## Access When You Need It

Information about your account is updated daily and you can access it through the plan's secure website at **MillimanBenefits.com**. You can monitor your investments and request transactions at any time. Milliman will summarize your activity in a quarterly statement. Your statement will be provided electronically or mailed to you, depending on your contact information on file.

You can change the way you receive your statement at **MillimanBenefits.com** by going to Personal Information under the profile icon at the top of the web page.

### Read. Watch. Learn.

Take advantage of the free resources on **MillimanBenefits.com**. You'll find articles, calculators and videos to help you make the most of your plan. Learn saving basics, explore age-based checklists and use the tools to run your numbers. To access these resources, click on Financial Wellness at the top of the page.



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This brochure is intended to provide a brief review of certain key aspects of the Plan. If there are any discrepancies between the contents of this brochure and the Plan Document, the terms of the Plan Document shall govern.

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