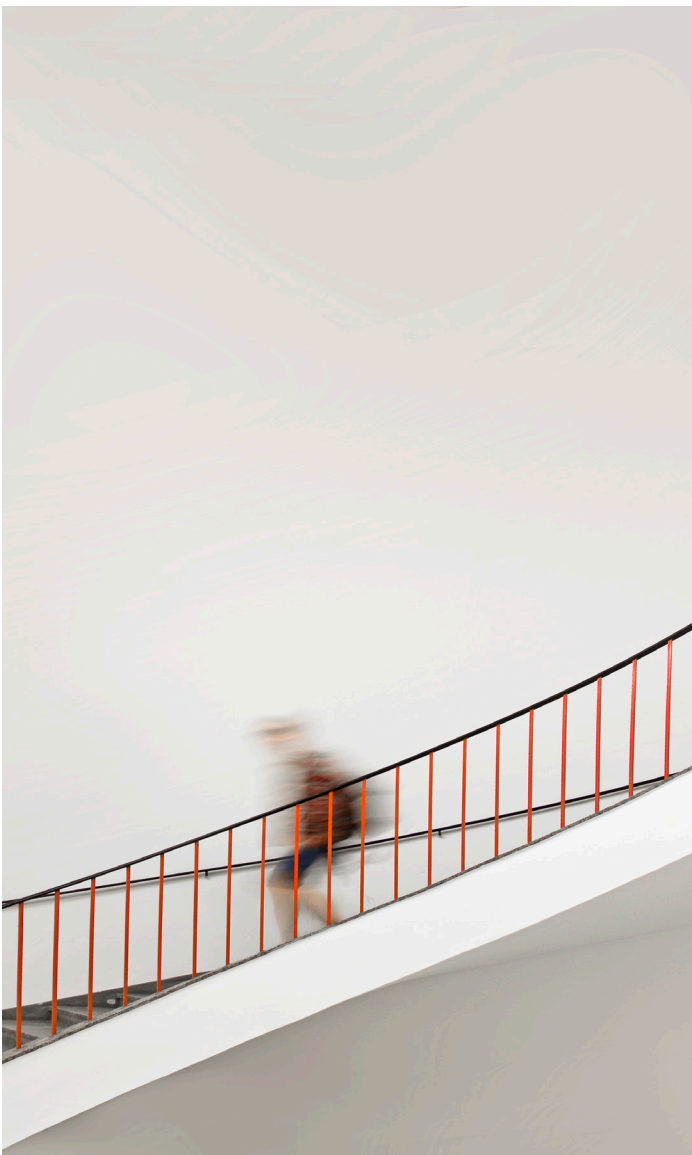


P&G Retirement Plan Changes



In a recent communication from the company to employees in March, there are some changes coming for Highly Compensated Employees (HCE's) in the upcoming fiscal year beginning on July 1, 2024. For the 2025 Fiscal Year, HCE's will be ineligible to make contributions to their Savings Plans, outside of those over the age of 50, who will only be eligible to contribute the catch-up contribution portion.

The reason for this change / restriction is mainly due to another change that will likely come as a surprise to many company veterans and will impact all employees of the company: P&G will no longer be contributing Preferred Shares to employees' PST Plans on an annual basis.

Why is P&G no longer contributing Preferred Shares, and why is this material?

In 1989, P&G's PST Plan borrowed \$1,000,000,000 in order to help fund the annual PST contribution that is given to employees, creating what is known as a leveraged ESOP, which has many tax advantages associated for the company and its employees. Under the rules associated, the portion of the contribution to the PST Plan that consisted of the Preferred Shares was not included in the contribution limits that the IRS imposes on the funding of retirement plans under section 415 of the tax code.

The ESOP loan that originated in 1989 will be paid back in full during the 2024 fiscal year, which means there will be no more contributions made to employees' PST's in the form of Preferred Shares. P&G has also communicated that there are no plans at present to purchase additional Preferred Shares. This will not impact the total dollar contributions that P&G is making within employees' PST Plans – but now every dollar contributed will count towards the Section 415 Contribution Limits, hence the elimination in 401(k) eligibility for Highly Compensated Employees.

One more expected consequence of this change is we expect more employees to begin receiving ERISA RSU's as a part of their annual contribution from the company. You have options on how to elect receipt of this award once separated from the company: there are installment and lump-sum options available to all employees.



To learn more about Proctor & Gamble retirement services visit: [PG.marinerwealthadvisors.com](https://www.pg.marinerwealthadvisors.com)

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