

Annual True-Up Match for Your 401(k) Plan

An important benefit of our 401(k) plan that helps ensure you maximize your retirement savings:

Annual True-Up Match. This provision is designed to ensure that you receive the full employer matching contribution you are entitled to under the plan, even if your contributions varied throughout the year (e.g., uneven contributions or front-loading).

What is a True-Up Match?

Since Lucid deposits the Company Match on a payroll-by-payroll basis, but the cap on the Company Match is based on the Eligible Pay you receive for the entire year, it may be necessary for Lucid to true-up the Company Match (i.e., make up the difference between the Company Match already deposited into your account during the year and the total Company Match you are entitled to receive under the formula).

For example:

- If you contributed a higher percentage of your salary early in the year and reached the IRS maximum contribution limit before year-end, or
- If you adjusted your contribution rate during the year, the true-up ensures you still receive your full employer match as calculated on an annual basis.

How Does It Work?

At the end of each plan year, we review all participant contributions and calculate whether any additional employer match is owed to align with our plan's matching formula. If applicable, a true-up contribution will be deposited into your 401(k) account.

Example 1: Assume \$0.50 per \$1.00 up to 4% employer match and employee contributes \$10,000 in first half of year

	Jan-Jun	Jul-Dec	Full Year
Gross Salary	\$50,000	\$50,000	\$100,000
401(k) deferrals	\$10,000	\$0	\$10,000
Employer match	\$1,000	\$0	\$1,000
Employer Match True Up			\$1,000
Total Match			\$2,000

True Up contribution made to capture full employer match (2% of \$100,000 is \$2,000)

Example 2: Assume \$0.50 per \$1.00 up to 4% employer match and employee contributes \$2,400 in December

	Gross Salary	401(k) deferrals	Employer match		
January	\$5,000	\$0	\$0		
February	\$5,000	\$0	\$0		
March	\$5,000	\$0	\$0		
April	\$5,000	\$0	\$0		
May	\$5,000	\$0	\$0		
June	\$5,000	\$0	\$0		
July	\$5,000	\$0	\$0		
August	\$5,000	\$0	\$0		
September	\$5,000	\$0	\$0		
October	\$5,000	\$0	\$0		
November	\$5,000	\$0	\$0		
December	\$5,000	\$2,400	\$100	Match True Up	Total Match
Full Year	\$60,000	\$2,400	\$100	\$1,100	\$1,200

True Up contribution made to capture full employer match (2% of \$60,000 is \$1,200)

When Will You See the True-Up Contribution?

The true-up process is conducted annually after the close of the plan year. In the first quarter of each year, Lucid will review the total Eligible Pay that you earned for the immediately preceding calendar year to ensure that the maximum Company Match provided during that year is equal to 50% of 4% of your Eligible Pay for such year, assuming that you contributed at least 4% of your Eligible Pay to the 401(k) Plan during that year. If the maximum Company Match (including any mid-year true-up contribution) has not been made in the prior year, then Lucid will contribute an additional amount in the first quarter of the next year to reach the maximum Company Match.

What Do You Need to Do?

No action is required on your part. However, we encourage you to review your contributions regularly to ensure you're maximizing your savings and taking full advantage of our matching program.