# Executive Deferred Compensation



**Enrollment Brochure for 2013** 



#### **Executive Deferred Compensation Enrollment**

You are invited to participate in the Executive Deferred Compensation (EDC) Plan for 2013.

### Eligibility

Because eligibility is based on a forecast of your annual earnings, a final review is conducted in January to ensure everyone has met the eligibility criteria. If you are determined to be ineligible, you will receive information on your other savings options. By law, you cannot participate in the EDC Plan if your compensation is not equal to or above \$115,000 for 2012.

#### **Saving for Retirement**

Because you are forecast to be a highly compensated employee in 2013, you are limited to contributing 5% of regular pay (including sales commissions) to the Sodexo 401(k) Retirement Savings Plan. The EDC Plan helps you reach your savings goal by allowing you to save up to an additional 85% of your regular pay and up to 85% of your Annual Incentive Plan (AIP) Payment.

#### Advantages of the EDC Plan

- Meeting your overall savings goal
- Deferring taxes
- Maximizing your company match on regular pay and AIP

#### **Company Match**

In 2013, the company will match 50 cents for each dollar you contribute to the 401(k) Plan and the EDC Plan, up to the first 6% of your regular pay and up to 6% of your AIP payment.

Before enrolling, read the EDC Plan-

Guide, available by logging on to

www.MySodexoSavingsPlan.com.

For 2013, the maximum contribution allowed in the 401(k) Plan for highly compensated employees is 5% of regular pay. If you contribute 5% to the 401(k) Plan, the company will match another 1% that you contribute to the EDC Plan. The company also will match up to 6% of your AIP payments that you contribute to the EDC Plan. AIP is not eligible for deferral into the 401(k) Plan.

## How Can I Get the Maximum Company Match?

To get the full company match, elect to save 5% of your regular pay in the 401k and 1% of your regular pay in the EDC Plan. Then elect to save 6% of your AIP payment in the EDC Plan. This will ensure you maximize your company match.

#### **Enrolling in the EDC Plan**

To participate, you must enroll in the EDC Plan each year after being invited. Participation from 2012 will not continue into 2013 unless you enroll. Enrollment is only from Nov. 1 to Nov. 30, 2012.

To enroll, log on www.MySodexoSavingsPlan.com and go to the EDC.

When you enroll, you will need to select:

- Your EDC elections Choose the percentage (1% to 85%) of your regular pay and AIP payment to contribute to the EDC Plan.
- Your Sodexo 401(k) Plan election Elect up to 5% of your regular pay to defer to the Sodexo 401(k) Plan. You can change this election at any time.
- Your beneficiary Review your beneficiary on file and if necessary, complete the beneficiary form at <u>www.MySodexoSavingsPlan.com</u>.
- Your EDC Plan payment option You will be prompted to choose a payment option. If you receive your account balance in installments, your balance will continue to accrue earnings until you are paid your entire balance. You must choose one of the following:
  - ° Lump sum paid 45 days after your separation from Sodexo
  - ° Four annual installments beginning the January following your separation from Sodexo
  - ° Ten annual installments beginning the January following your separation from Sodexo

You will receive an email confirmation of your elections. If you have questions about enrolling in the EDC Plan, call ING at 866 7MY PLAN (866 769 7526). You can email questions to EDCPlanQuestions@Sodexo.com.

#### **Deferred Taxes**

You don't have to pay federal tax and generally don't have to pay state income tax on your contributions to the EDC Plan until you take your money out of the Plan. However, EDC Plan contributions are subject to FICA and Medicare, which are deducted when contributions are withheld from your pay. FICA and Medicare are payable on company matching contributions and are collected quarterly.

## **Changing Your Elections**

EDC Plan participants are not allowed to change their elections during the Plan year. If you participate in the Plan for 2013, your elections will remain fixed and irrevocable for the entire 2013 Plan year.

## **Rate of Return**

The rate of return applied to balances in the EDC Plan is based on the Hueler Analytics Stable Value Fund Index, with any adjustments as determined by the Plan Administrator.

### **Payments from Your Account**

Your EDC Plan balance will be paid if you:

- Retire
- Separate from Sodexo
- Become totally and permanently disabled
- Die

#### **Pay Deductions**

- Your 2013 Plan year pay deductions will begin for the week ending Jan. 25, 2013, that is paid on Jan. 31, 2013.
- There will be no EDC deductions for the week ending Jan. 11, 2013, to allow close out of 2012.

#### **Enrollment Website**

You must enroll in the EDC Plan each year. Enrollment will be held from Nov. 1 to Nov. 30, 2012. To enroll, log on to <u>www.MySodexoSavingsPlan.com</u>.

The EDC enrollment website will be available only from Nov. 1 through Nov. 30.

## **Important Information**

The EDC Plan is a "non-qualified plan." all amounts due to you under the EDC Plan are unsecured unfunded obligations of Sodexo. In the event of the financial distress of Sodexo, you will be a general creditor of Sodexo and you may lose part or all of your EDC Plan benefit (including your own contributions).

