

## **SPS US Benefits FAQ**

### **Q: When will my final paycheck be processed by the Parent Company?**

A: Your final paycheck will be paid on the regularly scheduled pay date from the Parent Company, which will include wages, commissions and bonuses earned through October 4, 2022. Your first paycheck from SPS will be for wages beginning October 5, 2022 and will be paid on the October 21, 2022 paycheck.

### **Q: When will my benefit coverage through the Parent Company end?**

A: Your coverage with the Parent Company will end on October 31, 2022. This will be the last day any claims can be incurred through your current medical insurance carrier.

### **Q: If I elect benefits through SPS, what day will my coverage start?**

A: Your SPS coverage will start on November 1, 2022. Any service you receive before your benefit enrollment is complete will be paid out-of-pocket. However, the SPS insurance provider can re-process all claims once your enrollment is complete.

### **Q: What if I have appointments scheduled or need prescriptions filled on November 1, 2022?**

A: Any prescriptions or claims incurred starting November 1, 2022 will be under SPS' insurance. You will want to make sure you are seen at providers in the SPS benefit carrier networks. SPS' medical and dental carriers are UnitedHealthcare and Delta Dental of Minnesota, respectively. Both carriers offer nationwide coverage. Please review the "SPS Benefits In-Network Provider Search" document on the transitional resource website for directions on how to find providers near you.

### **Q: When do I have to elect benefit coverage by?**

A: You will have until November 5, 2022 to enroll in benefits via SPS' HR system, [UKG Pro](#). You will receive an email within 1 week after the Close Date to access UKG Pro. If you take no action with SPS benefits upon hire, you will have no insurance coverage for the remainder of 2022. You can make changes to your insurance coverage mid-year if you experience a life event such as marriage, birth/adoption, loss of other coverage, etc.

### **Q: When is open enrollment for 2023 benefits?**

A: The 2023 open enrollment dates are October 24, 2022 – November 4, 2022. All full-time employees located in the United States are required to complete their enrollment for 2023 benefits in UKG Pro. More information regarding benefit changes and how to enroll will be sent out in the next few weeks.

**Q: What type of benefits does SPS offer?**

A: SPS is proud to offer a comprehensive benefits package that includes medical, dental, vision, 401(k), Employee Stock Purchase Plan (ESPP), disability benefits (short-term and long-term), term life and AD&D, paid time off, parental leave, and several other voluntary benefits. The 2022 Benefits Guide contains plan designs and premiums. Please contact [AskHR@spscommerce.com](mailto:AskHR@spscommerce.com) if you have any questions.

**Q: If I have Flexible Spending Accounts (medical, limited purpose, dependent care) through my current provider, what will happen to my unused 2022 balance?**

A: Your FSA will end on October 4, 2022 and you can use your remaining balance for any claims incurred up to that date. Any remaining unused funds will be forfeited. If you are electing an FSA at SPS, you can only elect the 2022 maximum limit, less what you've contributed to date. For example, if you elected \$2,850 for medical FSA effective January 1, 2022 and have contributed \$1,500 through October 4, 2022, you would only be able to contribute \$1,350 for your SPS FSA.

**Q: If I have a Health Savings Account (HSA) with my current provider, how do I roll that over to SPS?**

A: You will be able to rollover your HSA into SPS's vendor, Fidelity. Once you complete enrollment, you will receive an email from Fidelity within 1-2 weeks to register for an account. Contact your former HSA provider and ask for a rollover form to receive the money currently in the account. Once you have the check, you will complete the rollover process through your online Fidelity account.

**Q: Am I eligible to join the SPS Commerce, Inc. 401(k) plan now?**

A: You become eligible for the SPS Commerce, Inc. 401(k) plan effective November 1, 2022.

**Q: Should I register with Fidelity, the SPS Commerce, Inc. 401(k) plan vendor? How do I register?**

A: If you wish to make contributions to your Fidelity SPS Commerce, Inc. 401(k) plan, you should register for an account with Fidelity. From your Fidelity account, you set your contribution percentage amount and elect your investments. The SPS payroll team receives contribution changes weekly and will subsequently update your 401(k) percentage in UKG Pro. Please allow a one paycheck buffer for your enrollment or any changes to your contribution amount to be reflected on your paycheck.

You will receive an email from Fidelity within the first 1-2 weeks of employment at SPS to register for an account. You can also use the instructions below to get started:

**EasyEnroll now in your SPS Commerce, Inc. 401(k) Plan:**

- Go to [NetBenefits.com/Easy](https://NetBenefits.com/Easy)
- Need help enrolling? Talk to a Fidelity Representative at 1-800-835-5097.

**Q: What is the SPS 401(k) plan employer match and vesting schedule?**

A: SPS' employer match is 50% up to the first 6% of employee contributions. Employee and employer match contributions will be deposited into your account following each payroll. Half of the employer match portion will be invested into SPS stock, and the other half will be invested into your elected investment portfolio. You can transfer the SPS stock portion into your elected investment portfolio at any time.

SPS' 401(k) vesting schedule is 100% after two years of employment. If you leave SPS prior to your 2-year anniversary, you will not receive any employer 401(k) match that you've received to that date.

**Q: What options to do I have regarding my Parent Company 401(k) account balance?**

A: The acquisition caused a "distributable event" meaning that you can:

- Rollover your vested balance into your SPS Commerce 401(k) account
- Cash out your vested balance in a lump sum payment – please review the Parent Company 401(k) plan documents for any tax/fee withholding information for lump sum distributions
- Leave your 401(k) account balance in the Parent Company's plan indefinitely

**Q: How do I rollover or take a lump sum distribution on my Parent Company 401(k) balance?**

A: Since both SPS and the Parent Company use Fidelity for 401(k) administration, you can call Fidelity's planning and investing services contact number at: 1-800-835-5097 to discuss the best way to process a rollover to SPS' 401(k) plan or how to take a lump sum distribution.

**Q: What is the Employee Stock Purchase Plan (ESPP) and when can I start contributing?**

A: The ESPP gives employees the opportunity to become a shareholder in SPS Commerce. You can purchase SPS Commerce stock (NASDAQ: SPSC) at a 15% discount through after-taxpayroll deductions, which is the maximum benefit employers can offer. You are eligible for the ESPP as of your Transition Date and can enter the plan effective January 1, 2023.

Enrollment for the January 1<sup>st</sup> entry date will be communicated later in 2022.

**Q: How does my Paid Time Off (PTO) change?**

A: SPS Commerce has an accrual-based PTO plan, with a PTO accrual cap. You earn PTO hours on a bi-weekly basis and your PTO accrual rate will be based on your previous tenure with the Parent Company. Your starting PTO balance with SPS Commerce will be 40 hours (one week).

**Q: Will I have a gap in my benefit coverage?**

A: No, you will have no gap in your coverage. Your coverage with SPS insurance will be effective November 1, 2022, as long as you *complete your enrollment by November 5, 2022*. Eligible expenses, claims, etc. can be re-processed through your SPS benefits once your enrollment is complete.

**Q: What benefits am I eligible for as a part-time employee (those averaging under 30 hours/week)?**

A: SPS part-time employees are eligible to participate in the 401(k) and ESPP plans. Part-time employees working a minimum of twenty (20) hours per week also accrue a pro-rated PTO amount, based on their regularly scheduled work hours and length of service. All regular part-time employees may take time off during the observed holidays without needing to obtain permission from their managers. Use of floating holidays must be pre-approved by your manager, like use of PTO.

**Q: Does the SPS HSA plan have an investment option?**

A: Yes, you can choose to direct your HSA contributions into investment funds through your Fidelity account, with no minimum balance required.

**Q: If I leave SPS Commerce, how am I able to continue my benefit coverages?**

A: Employees can continue their benefit coverage after leaving SPS through COBRA, which is administered through our vendor, WEX. Full details regarding this process can be found on the [Benefit Information Summary for Terminating Employees](#) document.

**Q: Does SPS offer Whole Life Insurance coverage?**

A: No, SPS only offers the Company Paid and Supplemental Term Life and AD&D coverage at this time.