

## **IMPORTANT NOTICE TO ELIGIBLE ECI PARTICIPANTS IN THE 401(k) PLAN**

Following are some Annuity Plan 401(k) Questions & Answers:

### **1.) How do I enroll in the 401(k) plan?**

You may obtain an enrollment form from your current employer. Should you move to a new contractor, it will be necessary for you to complete a new enrollment form in order for your 401(k) withholding deductions to continue. Information will not be transferred from one employer to another.

### **2.) What is the 401(k) feature in our retirement plan?**

A 401(k) plan is a qualified defined contribution retirement plan that is employee-funded and company-sponsored. As a defined contribution plan, the amount the participant gets in retirement is based on the amount contributed to the plan and the investment returns on those contributions.

### **3.) What is the difference between the current Electrical Construction Industry Annuity Plan and the Electrical Construction Industry 401(k) Plan?**

Actually, the two plans are one in the same. They are really just two options or sources inside the plan. In the past and in the future, your employer has and will continue to make contributions to the Annuity option in the plan on your behalf. The new 401(k) option allows you to save your own money for retirement by taking advantage of the new 401(k) source inside the plan. It allows you to save beyond just what your employer contributes.

### **4.) If I am already getting contributions made into the Electrical Construction Industry Annuity Plan by my employer, why should I utilize the new 401(k) source in the plan?**

Saving and investing are made easy. Your contributions are automatically deducted from your paycheck so you save regularly and don't miss the money. You get an immediate tax break, because contributions come out of your paycheck before taxes are withheld. Plus, you get tax-deferred growth—meaning you don't pay taxes each year on capital gains and dividends.

**5.) How much can I contribute to the plan?**

As a participant under the age of 50, you will have the option of deferring up to 20% from your paycheck into the plan. For those participants age 50 or older, in addition to the amounts listed previously, you can choose to defer up to 30% of your paycheck into the 401(k) option in the plan. Keep in mind that each calendar year, tax laws limit pre-tax savings to a maximum dollar amount. For example, the limit for participants under the age of 50 in 2019 is \$19,000. Participants age 50 or older are allowed to contribute up to an additional \$6,000 under current tax laws in 2019. This amount is subject to change annually.

**6.) What happens if I put more than the federally mandated tax limit listed above?**

You will have the amount of money you over-contributed into the plan returned to you and you will be responsible for reporting that amount as income. For example, you are age 30 and choose to have 20% of your pay deducted from the account which resulted in a total contribution of \$19,500. \$500 would be returned to you by the 401(k) Trust and you would report that amount as income.

**7.) What investment options are available to me under the 401(k) plan?**

The investment options are exactly the same under the 401(k) option as they are under the Annuity option. Again, it is the same plan, just two different sources of funding: One source is made by your employer (Annuity contribution) and one source is made by you the participant 401(k) withholding.

**8.) If I already have investments selected under the Annuity source in the plan, do I need to make new investment elections for the 401(k) dollars?**

No, any dollars you contribute into the plan under the 401(k) option will be invested exactly as you have the dollars contributed for you under the Annuity source in the plan. Again, it is the same plan, just different sources of contribution.

**9.) Can I choose to have my 401(k) contributions invested differently than my Annuity contributions?**

No, the two sources are really joint pieces in your investment pie. You need to combine both sources when making or changing your investment elections in the plan.

**10.) Are there any additional costs to me for taking advantage of the 401(k) option?**

No, there are no additional costs in making 401(k) contributions into the plan.

**11.) Are there any different rule changes to the plan because of the addition of the 401(k) option into the plan?**

No, the rules that govern the Annuity source in the plan will also apply to the 401(k) source within the plan. **However**, only contributions, which an employer is required to make on a participant's behalf, may be reciprocated to your home local.

**12.) Can I stop making 401(k) contributions into the plan in an emergency?**

Yes, you can stop making contributions into the plan at any time. However, you may only re-start contributions on one of the semi-annual enrollment dates (June and December) unless otherwise specified by your individual employer.

**13.) How much control do I have over my account?**

You maintain day to day control of your account. You can move your money among the different investment options on a daily basis. This is of course, subject to the individual fund offerings rules on short-term investing. You can be as risky or conservative with your investment elections as you choose.