

## **IMPORTANT NOTICE TO EMPLOYEES ELIGIBLE FOR THE 401(k) PLAN 401(k) Pre-tax and Roth After-Tax**

An option is available for members of Laborers LU 113 and Painters LU 781 to make 401(k) contributions to the Electrical Construction Industry Annuity Plan (the "401(k) Plan").

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

### **1.) What is the 401(k) Plan?**

A 401(k) plan is a qualified defined contribution retirement plan that is employee-funded. There are no employer contributions made to this Plan on your behalf. 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. The 401(k) Plan allows you to save your own money for retirement. It allows you to save beyond what your employer contributes to your other retirement plan(s).

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. You do not pay taxes on your account until you receive a distribution following your termination of employment (and even then you can defer taxation by taking a tax-free rollover to an IRA or another employer retirement plan).

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

In order to participate in the Plan, you must complete an enrollment form and submit it to your employer. In the enrollment form, you elect the percentage of pay that you would like to contribute to 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.**

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.

You will receive an enrollment kit from John Hancock Retirement Plan Services once your first contribution is received. The first contribution will be invested in a target date portfolio based on your birth date. You may change your investment choices 24 hours a day, seven days a week by using John Hancock Retirement Plan Services account management system. Access the system online at [www.mylife.jhrps.com](http://www.mylife.jhrps.com) (MyLifeNow) or toll-free at 1-833-388-6466 (1-833-38UNION).

You will need to set up a User ID and PIN/Password, then go to the “Manage My Account” tab and select “Investment Election Change.” You will be able to select your investments from that screen.

**3.) May employee elective deferral (401k type) contributions be transferred to my home local?**

No. Only contributions, which an employer is required to make on a participant’s behalf, may be transferred.

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

You will have the option of deferring up to 75% from your paycheck into the plan. Keep in mind that each calendar year, tax laws limit pre-tax and after-tax savings to a maximum dollar amount. For example, the limit for participants under the age of 50 in 2022 is \$20,500. Participants age 50 or older are allowed to contribute up to an additional \$6,500 under current tax laws in 2022. This amount is subject to change annually.

**5.) 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, if you are age 30 and choose to have 20% of your pay deducted from your pay which resulted in a total contribution of \$21,000, then \$500 would be returned to you by the 401(k) Plan, and you would report that amount as income.

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

The 401(k) Plan's Trustees have retained John Hancock Retirement Plan Services to serve as the recordkeeper for the Plan. You can choose from 24 funds selected by the

Trustees of the 401(k) Plan, including eleven target date retirement funds and two asset allocation funds in which to invest. The target date funds are one-step options that make it easy for you to invest for retirement. They are “targeted” to help meet your retirement needs, based upon your estimated retirement date. Each fund is professionally managed and automatically adjusted with a specific target retirement date in mind.

You may change your investment choices 24 hours a day, seven days a week by using John Hancock Retirement Plan Services account management system. Access the system online at [www.mylife.jhrps.com](http://www.mylife.jhrps.com) (MyLifeNow) or toll-free at 1-833-388-6466 (1-833-38UNION).

You can access the system after your first contribution has been invested with John Hancock Retirement Plan Services. You’ll need to set up a User ID and PIN/Password, then go to the “Manage My Account” tab and select “Investment Election Change.” You’ll be able to select your investments from that screen.

If you do not make a choice for your investments, your contributions will be invested in a target date retirement fund most suitable for you, based on your date of birth. You can change your investment mix at any time through MyLifeNow website.

## **7.) When can I get my money out of the Plan?**

Distributions. You can receive a distribution of your Plan account after you terminate employment with an employer participating in the Plan. The Plan does not allow loans or in-service distributions while you are still in covered employment (employment with a participating employer). Distributions are allowed as follows:

- (a) Disability. If you are totally disabled, you can receive a distribution of your account at any age.
- (b) Age 55. If you have attained age 55 and terminated covered employment, you can request a distribution at any time.
- (c) Less than \$1,000. If your account is less than \$1,000, and you have terminated covered employment for a period of 12 months, then you will receive a lump sum distribution of your account.
- (d) Six-Month lapse in Cover Employment. If you terminate employment with an employer that contributes to the Plan on your behalf at any age, you may elect to receive a distribution of your account after a 6-month lapse in covered employment. If your account balance equals less than \$5,000, you must elect to receive your entire account balance. If your account balance equals \$5,000 or more, you must elect to receive at least \$5,000.

## **8.) Am I vested in my contributions to the Plan?**

You are always 100% vested in the contributions you make to the Plan.

**9.) What happens to my account if I die?**

Your account will be paid to your designated beneficiary. It is important that you submit a current beneficiary designation form to the Plan office.

**10.) Who can I contact with questions?**

You can contact John Hancock Retirement Plan Services using the contact information above. Or you can contact the Plan administration office at: ECI Annuity Plan, 11001 W. Plank Court, Suite 120, Wauwatosa, WI 53226 – telephone number 414-778-0068.