

LABOR UNIONS 401(k) PLAN

The Board of Trustees would like to wish all of the participants in the Labor Unions 401(k) Plan a Happy and Prosperous 2018, and bring you updated news on your 401(K) Plan!

Your 401(k) Plan ended 2017 with a fantastic investment return of 17.23%!! Over the last four years the Plan had investment gains of \$12.5 million, and now exceeds \$50 million in the accounts.

The Trustees are pleased to announce that the following changes will be made to your cast for participation in the Plan.

- Effective March 1, 2018 the monthly fee for participants with an account balance of **under \$1000 will be reduced from \$10 to \$7**, and accounts **under \$500 will be reduced from \$10 to \$3 per month**.
- Effective January 1, 2018, the fee charged when a participant's loan payment is returned due to insufficient funds will be reduced from \$75 to \$25.

Your Account: January is a good time to review how much you are deferring to your 401(k) account and how your money is invested. Diversification is the most important component to help you reach your long-range financial goals. Most of the participants in the Plan are taking advantage of the Target Date funds that use your age and projected retirement year to calculate your ideal risk level. These funds are reviewed and adjusted annually by Vanguard, so they grow more conservative as you get closer to retirement.

If you wish to increase your pre-tax contribution to the Plan, please complete the attached form and submit it to your Payroll department. You have the ability to change your investment selection at any time and can do so by going to the Labor Unions 401(k) website at www.laborunions401k.com or by filling out our change of investment form.

Your Plan Options: In times of need your 401(k) Plan provides the following loan and Hardship Withdrawal options:

Loans – You may have up to two (2) loans at any one time. The minimum loan is \$1,000 and the maximum is one-half (1/2) of your account balance or \$50,000, whichever is less. The maximum term of the loan is five (5) years unless it is for the purchase of your primary home, which has a maximum term of fifteen years. The interest rate charged on the loan and paid back to your account is the prime rate plus one percent, currently 5.5%.

Hardship Withdrawal – You may take a withdrawal from your account for the following reasons:

- To apply to the purchase of your primary residence
- Prevention of eviction or foreclosure of your primary residence
- Payment of tuition and related educational expenses for you, a dependent or designated beneficiary
- Medical expenses for you, a dependent, or designated beneficiary
- Expenses for repair or damage to your principal residence
- Burial expenses for a dependent, parent, or designated beneficiary

Participation in the Plan: The number of employers with employees participating in the plan continues to grow every year which makes your plan stronger.

When you contribute to your 401(k) the money is not taxed at the time it is contributed to the plan. Contributing money to your 401(k) plan will help you in retirement to live a better life.

For example, if you earn \$30,000 in annual wages and you save \$3,000 in your 401(k) plan, your reduction in your take home pay would only be \$2,500 (approximately) which is \$500 more in your pocket than if you had deposited the money in a bank. Of course, these amounts vary based on your total wages and the amount deferred to your 401(k). Historically, the earnings on your 401(k) are much better.

Like the contributions themselves, any interest or investment growth earned on the employee's individual account is free from federal income tax until it is distributed.

Your 401(k) is one of the finest 401(k) plans in the nation. The trustees of the fund receive no money for serving for the benefit of the participants. They believe that a 401(k) is the best way to save for your retirement, buy a home, pay for education, and for assistance during times of financial difficulty.

If you have any questions, you can contact Coast Benefits where you can always reach a live person who can assist you.

Sincerely,

Jef Eatchel, Chairman
Terry Ryan, Secretary
John Vingas, Trustee
Debra Radovich, Trustee

*By participating in the
LABOR UNIONS 401(k) PLAN
you are investing in your future!*