

# IBEW Local No. 461

## Defined Contribution Pension Fund

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### December is Open Enrollment Month for the 401(k) Feature in your Local Retirement Plan

You are receiving this letter as a **personal invitation to reenroll in the 401(k) feature** of the IBEW Local No. 461 Defined Contribution Pension Fund. But you have to act in December to take advantage of the many powerful reasons to participate in this important retirement benefit:

- ✓ **Save Taxes:** When you enroll in the 401(k) feature you will save about 25% in deferred state and federal income taxes. Each dollar you contribute to your account is taken from your highest marginal tax bracket, so for most members it's like getting a **25% return on your contribution**. Why pay more in taxes than you need to, deposit that money to your own 401(k) account.
- ✓ **A Secure Retirement:** Recent studies have shown that most Americans **do not have enough saved for retirement**. IBEW 461 members work in a cyclical industry, with rising healthcare costs, so we need to save even more to have a comfortable early retirement. We know that it is tough to make ends meet while you're working, but it is even tougher to retire without enough savings.
- ✓ **The Reward, Compound Interest:** Your 401(k) contributions will not only save taxes, they will compound your earnings. Compound interest is called the Eighth Wonder of the World, so don't wait even one more year to earn what you deserve. Did you know that the earnings on your 401(k) account are also tax deferred?
- ✓ **Quality Investments:** The Trustees have a fiduciary duty to protect your assets until you retire, so your Pension Fund is one of the safest ways to save for retirement. We have **hired experienced professionals** to manage the Fund, and an independent investment consultant to monitor each investment. The Plan also offers a self-directed brokerage account with more than 1,000 mutual funds.

#### Don't Wait, Act Today

Please **complete the attached 401(k) enrollment form**, and submit it to the Union Office, the Fund Office, or your employer. **The deadline is December 28, 2020**. Each pay period 5% of your eligible pay will be contributed to your individual account in the Plan. You can contribute at the rate of 5% or opt out; no other contribution rates are available. The Trustees will automatically invest your 401(k) contributions in the risk-managed IBEW 461 Core Fund, unless you have selected other investments for your account.

# IBEW LOCAL NO. 461 FRINGE BENEFIT FUNDS

IBEW Local No. 461 Welfare Fund  
IBEW Local No. 461 Defined Contribution Pension Plan

Managed for the Trustees by:  
TIC INTERNATIONAL CORPORATION

## 401(k) OPT-IN ELECTION FORM

(Please submit the completed form to the IBEW Local 461 Union Office)

By completing this form, you will be automatically enrolled at a contribution rate of 5% in the 401(k) feature of the IBEW Local No. 461 Defined Contribution Pension Plan (the "Plan"). You may choose to opt out of the 401(k) feature of the Plan in the future by completing the "Opt-Out Election form" (supplied separately). Please note: you will be given the opportunity to change your choice of election or opting-out when you change employers and once each year during the December enrollment period to be effective on the first business day of the new year.

<b>Participant Information</b>	<div style="display: flex; justify-content: space-between; margin-bottom: 5px;"> <span>Name _____</span> <span>XXX-XX- Social Security Number (last 4 digits)</span> </div> <div style="margin-bottom: 5px;">Street Address _____</div> <div style="margin-bottom: 5px;">City, State, ZIP Code _____</div> <div style="display: flex; justify-content: space-between; margin-bottom: 5px;"> <span>Daytime Phone Number _____</span> <span>Evening Phone Number _____</span> <span>Email address _____</span> </div>
<b>401(k) Election</b>	<input type="checkbox"/> By checking this box I hereby acknowledge that I wish to participate in the automatic 401(k) feature of the Plan. I understand 401(k) contributions will now be withheld from my pay as soon as administratively feasible (generally one payroll cycle is required for the election to become effective).

**Employee Acknowledgement:**

I acknowledge receipt of information regarding my right to make a 5% 401(k) contribution to the Plan, and I hereby elect to participate in the 401(k) feature. I understand that I must submit a copy of this 401(k) Opt-In Election Form to the Local Union Office and my election will continue until changed by me. I understand that I will be given the opportunity to participate or not to participate in the 401(k) feature during the annual December enrollment process (effective the following January), or when I am referred to a new employer.

Signature of Employee: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Current or Future Employer: \_\_\_\_\_

<b>(Local Union Office Use Only)</b>	Received by the IBEW Local 461 Union Office  <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <span>_____</span> <span>_____</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span>Date</span> <span>Signature of IBEW Local 461 Union Office</span> </div>
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*Distribution: Original to the IBEW Local 461 Union Office; copy to employer; copy to employee*

**Administrative Office:**  
TIC International Corporation  
6525 Centurion Drive, Lansing, MI 48917  
(866) 461-IBEW (4239)  
(517) 321-7502/ (517) 321-7508 fax

[www.IBEW461benefits.org](http://www.IBEW461benefits.org)

**IBEW 461 Union Benefits Office**  
591 Sullivan Road, Suite 100  
Aurora, IL 60506  
(630) 897-2911  
(630) 897-7605 fax

# Plan for tomorrow

**TAKE CONTROL OF YOUR FUTURE TODAY**



**WHAT IS A 401(k) PLAN?**

**POTENTIAL TAX SAVINGS**

**AUTOMATIC PAYROLL DEDUCTIONS**

**THE POWER OF COMPOUNDED EARNINGS**

**IT'S NEVER TOO LATE TO START**

**WHY MAKE A PLAN FOR RETIREMENT?**

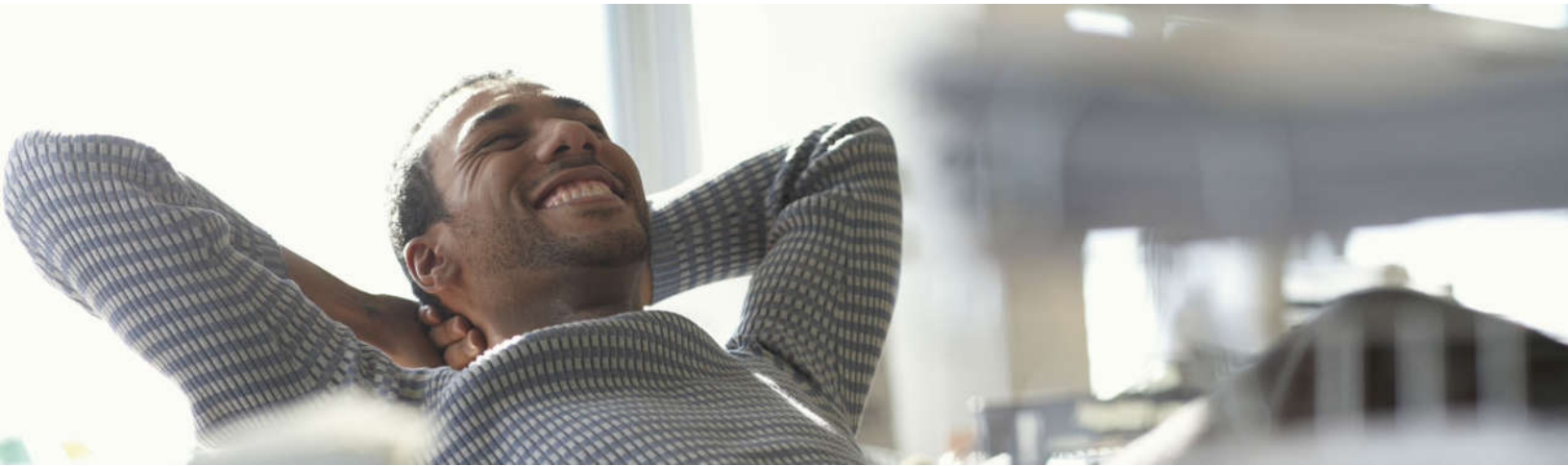
**WHO IS JOHN HANCOCK?**

## **Welcome**

A financially secure retirement doesn't happen by accident—it takes planning. Joining and contributing to your employer's qualified retirement plan is one of the most effective ways to prepare for your future.

Whether you were enrolled in a retirement plan with a previous employer or you're just starting fresh, participating is important. It's never too early—or too late—to start saving for your future.

# Potential tax savings



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Perhaps the biggest advantage of the 401(k) plan is tax deferral. Pre-tax wages contributed to your 401(k) plan account are not subject to federal income tax at the time of the contribution.

Taxes can slow the growth of your retirement savings. With a 401(k) plan, any savings grow without being taxed until the funds are withdrawn. Since you may be in a lower tax bracket when you retire, you may end up paying less in taxes when the money is withdrawn than if you were taxed on the funds today.

# Automatic payroll deductions



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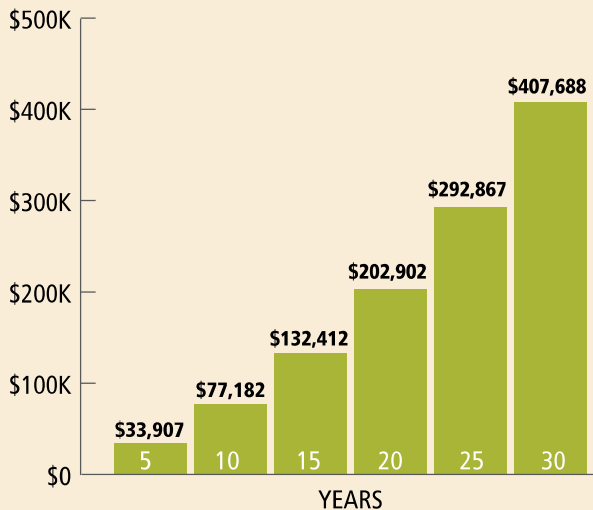
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Paying yourself first is an effective way to help achieve your savings goals.

With automatic payroll deductions, your contributions are automatically deducted from your paycheck each pay period and deposited into your retirement account. There's no scheduling required. It's an easy, convenient way to save—and it works!

You choose how much to contribute and you have the flexibility to change it at any time.

# The power of compounded earnings



Hypothetical mathematical illustration only. This example is not intended to represent investment advice. Talk to your financial representative about how this situation may relate to your own. This hypothetical example is for illustrative purposes only. There is no guarantee that the results shown will be achieved or maintained over any time period. This example assumes no withdrawals, does not take into account fees associated with investing which, if included, would reduce the account balance, and assumes reinvestment of earnings. Taxes are due upon withdrawal.

You do not have to pay taxes on your contributions (or on the investment income those contributions generate) while they are held within your 401(k) account. This means your contributions and earnings are allowed to grow tax-deferred. This tax-deferred growth of your principal and investment earnings is known as compound earnings.

### Here's an example of how compound earnings work.

If Leslie and John saved \$500 a month for 30 years, and earned an average tax-deferred annual return of 5%, they would end up with \$407,688! Their contributions would total \$180,000. All the rest—\$227,688—would be compounded earnings!

As you can see from this illustration, compound earnings can really add up over time!

### Dollar cost averaging can help you get there sooner.\*

By making regular contributions to your retirement account over time, you can take advantage of something called "dollar cost averaging". By contributing the same amount each month, you're buying units/shares at different prices and in different quantities. When markets go down, you can buy more units/shares at a lower price and vice versa. Over time, this can help lower the average price per units/shares of the funds you're investing.

\* Dollar cost averaging does not assure profit or protect against loss in declining markets. Systematic investing involves continuous investment in securities regardless of price level fluctuation. Participants should consider their financial ability to continue making purchases through periods of low price levels.

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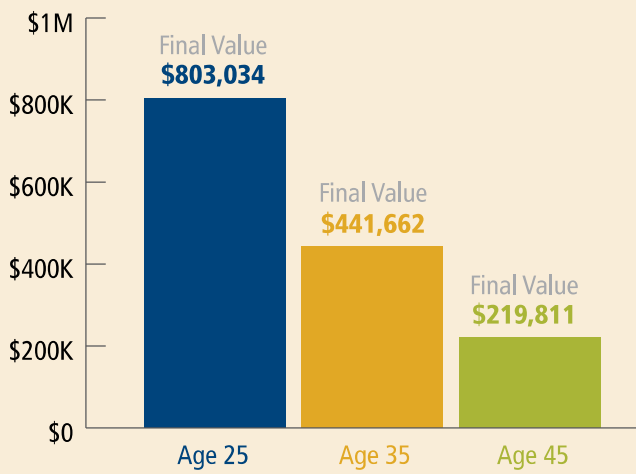
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## Did you know?

**Dollar cost averaging only works if you contribute to your account on a regular basis. Automatic payroll deductions can help keep your contributions consistent.**

# It's never too late to start



This chart is for illustrative purposes only and is not meant to portray actual investments. There is no guarantee that the results shown will be achieved or maintained over any time period.

Starting early can have a significant impact on the growth of your retirement savings. At the same time, it's never too late to start.

Your savings will need to last the rest of your life. And since Americans are living longer than ever, it's important to start saving for retirement at your earliest opportunity.

If you are a mature investor, you will need to carefully assess your current savings, monthly earnings, and retirement lifestyle goals before making a decision. If you have concerns about being able to meet your retirement income goals, discuss your situation with an investment advisor. They can give you valuable advice before you make an investment decision.

This chart shows an annual investment of \$6,500 from the ages of 25, 35, and 45 until the age of 65. It assumes a steady return of 5%.

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