

**U.A. LOCAL 350 HEALTH, WELFARE & VACATION TRUST FUND
U.A. LOCAL 350 RETIREMENT TRUST**

445 APPLE STREET, PO BOX 11337, RENO, NV 89510
(775) 826-7200

November 1, 2017

To: ALL ACTIVE EMPLOYEES AND DEPENDENTS

FROM: BOARD OF TRUSTEES
U.A. LOCAL 350 RETIREMENT TRUST

RE: SUMMARY OF MATERIAL MODIFICATIONS TO THE U.A. LOCAL 350
RETIREMENT TRUST

The Trustees of the U.A. Local 350 Retirement Plan are pleased to inform you that the Plan has been amended to include a 401(k) option. **As of January 1, 2018, you will have the option of deferring a portion of your wages to the 401(k) Plan as follows:**

1. **Annual Election—First Election Period as of January 1, 2018/Deferral Amounts.** You will be permitted to elect a specific amount that you wish deferred to the 401(k) Plan. Those amounts are: \$1.00, \$2.00, \$3.00, \$4.00, \$5.00, \$6.00, \$7.00 and \$8.00 an hour (subject to the maximum limits summarized in number 3 below).

The first enrollment period in which you would be able to elect to have amounts deferred to the 401(k) Plan is with payroll periods after January 1, 2018. An Employee's election would remain in place until changed semi-annually. In the future, changes can be made semi-annually (effective January 1 and July 1). Any deferral amounts are in addition to any "Mandatory" Employer Contribution provided in the Collective Bargaining Agreement.

Please complete the attached form and return it to U.A. Local 350 no later than December 15, 2017 (must be received by that date). The changes will be implemented through the dispatch system to go into effect as of January 1, 2018. July 1 changes must be received by June 15, 2018.

2. **Operating Expenses.** Plan expenses shall be charged to the 401(k) account in addition to the annuity account. The Trustees are authorized to establish a monthly fee to be charged against each account based on the Plan's expenses (and anticipated expenses). The Board of Trustees has total and absolute discretion in making the determination of the fee amount and the process for assessing the fee. The first established fee is \$10.00 per account per month (\$30.00 per account per quarter), to be reduced from the January 31, 2018 largest mutual fund balance in the participants account.

3. **\$18,500 and \$24,000 Deferral Limits Established by the IRS.** Pursuant to IRS guidelines, the maximum amount that can be deferred to a 401(k) Plan during 2018 is \$18,500 each calendar year; however, for Employees who are age 50 or older, the IRS permits an additional catch-up deferral of \$6,000 each year. Thus, the maximum amount that a person age 50 or older can defer is \$24,000. These amounts, which are established by the IRS, could change in 2019 and future years. Usually, the IRS announces in December what the limits will be for the following year. Under the Plan, these amounts are automatically adjusted when the IRS changes the maximum levels.

An Employee may be prevented from deferring a specific amount if that would result in the Employee's total deferral exceeding the above IRS limits. Any excess amount deferred to the 401k Plan will be refunded to the Employee as compensation.

4. **FICA/FUTA Withheld from Deferral Amounts/No Taxes Withheld.** Pursuant to IRS guidelines, amounts deferred by an Employee to a 401(k) Plan are subject to Social Security and Medicare withholdings ("FICA") and Federal Unemployment ("FUTA") taxes. As a result, FICA and FUTA withholdings will be deducted by your Employer from the deferral amounts. **But, there is no federal or state income tax on these deferral amounts. Thus, there is no federal tax withholdings (and no state withholding in those states with a state income tax).**
5. **Investment Options Remain the Same.** Your Plan assets will continue to be invested in the same manner as in the past. While in the future you will receive two statements, the funds will be invested together. One statement will detail your 401(k) balance and one will detail your Defined Contribution balance. Your existing Plan election will be used to allocate your 401(k) contribution investments.
6. **Investment Option Changes.** Investment options may be changed on a monthly basis. Changes will become effective on approximately the first of the month provided the form is received by the Fund Office by the 20th of the previous month.

Please contact the Plan Office at 775-826-7200 if you have any questions.