

LABOR UNIONS 401(k) PLAN

3737 Camino Del Rio South Suite 300 * San Diego, California 92108 * (833) 908-0855

Participant
LABOR UNIONS 401(k) PLAN

Re: Enrollment Information

Dear Participant:

Your Collective Bargaining Agreement gives you the ability to participate in the Labor Unions 401(k) Plan by making tax deferred wage contributions, also known as voluntary contributions, to the Plan.

The Board of Trustees of the Labor Unions 401(k) Plan is pleased to provide you with the enclosed enrollment materials. The following materials are included in this package:

- **Important Questions and Answers** - contains highlights of the 401(k) Plan, basics of investing, an overview of the investment options and frequently asked questions.
- **Investment Profiles** - provides the objective, historical returns, portfolio holdings and fee information for each of the available investment options in the 401(k) Plan
- **Enrollment Form** - simply complete and return to your Payroll Department to start contributing pre-tax dollars to the 401(k) Plan today
- **Beneficiary Designation Form** - designate the primary and contingent beneficiaries that would be entitled to receive the value of your account in the event of your death.

You may join the 401(k) Plan by completing the enclosed enrollment and beneficiary forms and returning them to your Human Resource Department who will forward it to the Payroll Department to get your deductions started. You determine the percentage of wages to be deducted, and this percentage can be changed at any time by notifying your employer.

Should you have additional questions you may contact BeneSys Inc., the Labor Unions 401(k) Plan service provider, at 1-833-908-0855. Customer Service Representatives are available Monday through Friday between 8:00 a.m. and 5:00 p.m. PST on any business day. Additional information regarding the Plan can be found on the website www.laborunions401k.com.

We encourage you to enroll in the Labor Unions 401(k) Plan so that you may secure your financial future.

Sincerely,
Administrative Office

LABOR UNIONS 401(k) PLAN

3737 Camino Del Rio South Suite 300 * San Diego, California 92108 * (833) 908-0855

Enrollment Form

I. EMPLOYEE INFORMATION

Name (Last, First, MI)			Social Security Number		
Address			Date of Birth		
City	State	Zip	Home Phone		
Email Address			Cell Phone		
Current Employer			Marital Status		
Are you a union member? <input type="checkbox"/> Yes <input type="checkbox"/> No			Date of Hire		

II. CONTRIBUTION RATE

<p>A. I authorize the following percentage or flat amount of my pre-tax compensation to be contributed to the plan each pay check. If you do not want any of your compensation contributed to your Plan account, enter '0%'.</p> <p>B. I authorize the following percentage or flat amount of my post-tax compensation to be contributed to the plan each pay check.</p> <p>C. This amount will apply until written direction for change is received.</p> <p>D. The election will be effective as soon as received and processed by your employer's payroll office/department.</p>	<p>Pre-Tax: _____% or \$ _____ The maximum pre-tax contribution amount is \$23,500 for 2025. An additional annual catch-up contribution of \$7,500 is allowed for participants aged 50 and older.</p> <p>ROTH: _____% or \$ _____ The maximum pre-tax contribution amount is \$23,500 for 2025. An additional annual catch-up contribution of \$7,500 is allowed for participants aged 50 and older.</p> <p>For Roth and Pre-Tax: An additional enhanced catch-up contribution limit for those ages 60-63 will be \$11,250. Criteria applies. Call for details.</p> <p>Post-Tax: _____% or \$ _____ The maximum post-tax contribution amount is 10% of your annual compensation.</p>
--	--

III. AUTHORIZATION AND SIGNATURE

I hereby authorize payroll deduction of plan contributions in accordance with the percentage or amount I have indicated above. I understand this constitutes a "cash or deferred" arrangement under section 401(k) of the IRS and that my contributions are subject to the withdrawal restrictions of the Plan.

I further authorize and direct the administrator to invest my contributions as detailed in Section V.

_____ Date

_____ Signature

V. INVESTMENT SELECTION FOR CONTRIBUTIONS:

1. Select your own individual investment choices. If you do not direct the investment of your contributions, or if your selection of investments does not cover 100% of your contributions, any undirected portion of your contributions will be invested in the appropriate Vanguard Target Retirement fund based on your age and anticipated retirement date

Individual Selections

I hereby authorize and direct the Plan administrator to invest my incoming contributions as follows:

Vanguard Target Retirement Income	_____ %	Vanguard Target Retirement 2065	_____ %
Vanguard Target Retirement 2020	_____ %	Vanguard Target Retirement 2070	_____ %
Vanguard Target Retirement 2025	_____ %	Vanguard Small-Cap Index	_____ %
Vanguard Target Retirement 2030	_____ %	Vanguard Mid-Cap Index	_____ %
Vanguard Target Retirement 2035	_____ %	Vanguard 500 Index Fund	_____ %
Vanguard Target Retirement 2040	_____ %	Vanguard Developed Markets Index	_____ %
Vanguard Target Retirement 2045	_____ %	Vanguard Total Bond Market Index	_____ %
Vanguard Target Retirement 2050	_____ %	Vanguard Short-Term Bond Index	_____ %
Vanguard Target Retirement 2055	_____ %	Vanguard Federal Money Market	_____ %
Vanguard Target Retirement 2060	_____ %		

2. Transfer of existing account balances:

Please note, if you do not make a selection, your money will be left in the current fund(s).

I recognize that I have an existing account balance in the _____ Fund(s) and I hereby authorize and direct the Plan administrator transfer my existing account balance(s) as follows:

_____ (a) conform existing balances using the target percent(s) above; or

_____ (b) entire balance of _____ to _____; or
Name of Fund Name of Fund

_____ (c) leave as is; or

_____ (d) other: _____

Name (Please Print)

SSN

Signature

Date

LABOR UNIONS 401(k) PLAN

WHAT IS A 401(k) PLAN?

The 401(k) Plan is a tax-deferred retirement plan that is qualified under Section 401(k) of the Internal Revenue Code. It has been by far the most popular type of retirement savings plan in the past several years. In fact, virtually all Fortune 500 companies, as well as thousands of smaller employers and union groups, have established 401(k) plans.

Under a 401(k) plan, no current federal income tax is due on deferred earnings contributed to the plan. Each employee can elect to reduce his or her wages by a certain amount, and have that amount contributed to the plan. The deferred amount does not appear as taxable income on the employee's W-2 statement. Thus, the contributions are not subject to current federal or state income tax until the employees receive the money from the plan.

Employees' elective contributions are only subject to Social Security tax and federal unemployment tax. However, this means that there are no reductions in benefits from these government programs due to 401(k) contributions.

Contributing money to a 401(k) plan before taxes immediately increases the amount employees can save for retirement, compared to saving with after-tax money. For example, if an employee in the 28% tax bracket elects to defer \$500 of earnings each year, his or her federal tax savings would total \$140 - an actual reduction in spendable income of only \$360.

Below is an example illustrating the advantage of savings with before-tax dollars in a 401(k) plan, compared to saving after-tax income in a personal savings plan. The example is based on a \$30,000 of annual wages.

	PERSONAL SAVINGS	401(K)
Annual Wages	\$ 30,000	\$ 30,000
401(k) Savings	\$ 0	\$ 3,000
Taxable Income	\$ 30,000	\$ 27,000
Federal Income Tax (M-3)	\$ 2,445	\$ 1,995
State Income Tax	\$ 160	\$ 99
FICA	\$ 2,295	\$ 2,295
Spendable Income After Taxes	\$ 25,100	\$ 22,611
Equivalent Savings Outside Plan	\$ 3,000	\$ 0
Net Spendable Income	\$ 22,100	\$ 22,611
Increase in Spendable Income Due to Savings From 401(k) Plan Contribution	\$ 0	\$ 511

Like the contributions themselves, any interest or investment growth earned on the employee's individual account is free from federal and state income tax until it is distributed. Generally, distributions are available at age 59½, retirement, or termination in the form of a lump-sum payment.

The convenience of wage or salary reduction retirement savings through regular automatic payroll reduction makes the savings easy and routine. Contributions are not missed because a predetermined percentage of wages is deposited into each employee's 401(k) account before the paycheck is received.

A 401(k) plan is better than an IRA because of the limitations on deductions for IRA contributions, and because employees can make a higher contribution to a 401(k) plan than to an IRA. A 401(k) plan enables employees to contribute up to \$23,500 (adjusted periodically for cost-of-living increases) in 2025 to their tax-deferred account.

Federal law governs the operation of the plan and the plan's rules for participation, timing and amount of contributions, investment of funds, and withdrawal or distribution of benefits.

LABOR UNIONS 401(k) PLAN

IMPORTANT QUESTIONS AND ANSWERS

WHEN AM I ELIGIBLE TO PARTICIPATE?

In most cases, you are eligible to participate immediately upon employment under a collective bargaining agreement (CBA) or non-bargaining participation agreement that permits wage reduction contributions to the Plan. You can check your CBA, ask your Human Resource Department, or contact BeneSys Inc. to confirm this.

WILL THE EMPLOYER CONTRIBUTE?

The amount of mandatory employer contributions or employer matching contributions are specified in a collective bargaining agreement between the employer and sponsoring union.

HOW DO I MAKE CONTRIBUTIONS?

You contribute through payroll deduction by completing an enrollment form and giving it to your employer.

HOW MUCH CAN I CONTRIBUTE?

Pre-Tax Contributions. You can contribute up to 100% of your wages, in whole percentages, up to a maximum of \$23,500 per year in 2025. This dollar amount is adjusted periodically for cost-of-living increases. Call BeneSys Inc. for the most recent maximum.

Voluntary After-Tax Contributions. You may contribute between 1-10% of your compensation in the form of after-tax contributions via payroll deductions. These contributions will be placed in an After-Tax Savings Account, are 100% vested at all times, and may be withdrawn at any time.

Total Contributions/Annual Limits. Total contributions to the Plan from voluntary contributions, employer contributions and employer matching contributions cannot exceed the lesser of 100% of compensation or \$70,000. (Catch-Up and After-Tax Contributions are excluded).

WHAT ARE CATCH-UP CONTRIBUTIONS?

Participants age 50 and over will be allowed to make annual "catch up" contributions of \$7,500 a year. If you intend to take advantage of this "catch up" provision, contact your employer to coordinate the contribution through your employer's payroll office. Additionally, an enhanced catch-up contribution limit for those ages 60-63 will be \$11,250. To qualify for the enhanced catch-up contributions, an otherwise eligible participant must meet specific criteria: attain age 60, 61, 62, or 63 by the end of the calendar year and generally, have already contributed the maximum salary deferral amount. Once a participant turns age 64, they revert (back) to the age 50 catch-up contribution limit in effect for that year.

CAN I LOSE MY CONTRIBUTION?

No. All contributions, employee and employer, are 100% vested.

Remember, depending upon the investment fund or funds you choose, the value of your account may, at any time, be more or less than the amount of your contributions based on investment performance.

WHEN CAN I RECEIVE FUNDS FROM MY ACCOUNT?

You are eligible for benefits when you satisfy one of the following conditions:

You attain age 59½ or older. You do not need to terminate covered employment to receive a distribution of benefits at age 59½ .

You terminate employment for any reason (including death, disability, layoff, etc.) with any employer maintaining this Plan prior to age 59½ . Your contributions and investment earnings are available for distribution as soon as practical following termination of employment and receipt of an application for benefits, but may be subject to early withdrawal penalties. The Summary Plan Description describes these options in more detail.

CAN I TAKE A LOAN ON MY 401(k)?

Yes, you may have up to 2 loans at any one time. The minimum loan is \$1,000 and the maximum is one-half of your account balance or \$50,000, whichever is less. The maximum term of the loan is 5 years unless it is for purchase of your principle residence, which has a maximum term of 15 years. The interest rate charged on the loan, and paid back to your account, is the prime rate plus one percent, currently 8.50%.

CAN I TAKE A HARDSHIP WITHDRAWAL?

You may take a hardship 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 primary residence
- \$ Burial expenses for a dependent or designated beneficiary

CAN I REVOKE MY ELECTION?

Yes, at any time. Contact your employer to stop contributions. A revocation will be effective as soon as it can be processed by your employer's payroll office. You cannot withdraw any funds at that time unless you also satisfy one of the eligibility for benefit rules.

HOW AND WHERE ARE MY FUNDS INVESTED?

You will have the opportunity to direct your funds to be invested in one or more different investment funds offered by the Trustees. The investment funds are described later in this packet.

HOW OFTEN CAN I SWITCH MY INVESTMENT SELECTION?

Under the Labor Unions 401(k) Plan, you may switch your investment selection(s) or transfer existing account funds any time you want. Changes will be effective by the end of the next business day, following the receipt of the request. Changes can be made by accessing your account online or by submitting the Change of Investment Form both of which can be found on the website, *laborunions401k.com*. You can submit the form via mail, fax, or email to BeneSys Inc.

WILL I BE CHARGED ANY FEES FOR PARTICIPATING IN THIS PLAN?

Administrative Fees are expenses for record keeping and administrative services which includes; legal, accounting, consulting, recordkeeping etc. All participant accounts are charged a flat monthly fee based on their account balance. The fee for accounts under \$500 is \$3 per month. In addition, investment management fees will be deducted as described in general detail in the prospectus of the mutual funds.

HOW WILL THE PLAN BE ADMINISTERED?

The Plan is sponsored and administered by a joint labor management Board of Trustees, with the assistance of a third-party administrator.

HOW DO I KNOW MY ACCOUNT BALANCE?

Statements are mailed out quarterly, generally 30 days after the end of the quarter (March 31, June 30, September 30, and December 31). At any time between quarters, you may call the administrator to check your account balance. You can also access your account online at *laborunions401k.com*.

The Advantage of Starting Early...

		Invested		
		<u>Starting Age</u>	<u>\$25/week</u>	<u>Total Saved</u>
	Janice	Age 25	10 Years	\$13,000
	Rick	Age 33	32 Years	\$41,600

Who will retire with more money?

Assuming 8% compounded average annual return.

		<u>At Age 65</u>
Janice	→	 \$225,000
Rick	→	 \$188,436

If Janice continued to save from age 35 to 65, she would end up with \$363,715.

LABOR UNIONS 401(k) PLAN INVESTMENT SELECTIONS

The Plan allows participants to direct the investment of their accounts balances. For participants who do not make an investment choice, federal rules allow the Plan Sponsor to choose an investment (known as the “default investment option”) on behalf of these participants. These federal rules are known as the Qualified Default Investment Alternatives (or “QDIA”) rules. Under these QDIA rules, the default investment option must include equity-based investments. **The Plan has designated age-appropriate Vanguard Retirement Funds as the QDIA for the Plan.**

Each Vanguard Target Retirement Fund invests in several Vanguard funds, primarily low-cost index funds, to create a broadly diversified mix of stocks and bonds. The year in a Target Retirement Fund’s name is its target date, the approximate year in which an investor in the fund expects to retire and leave the workforce. For example, if the participant’s date of birth is 1970, it is anticipated that they will retire in 2035 when they turn age 65. This individual would be defaulted into the Target Retirement 2035 Fund which has an allocation of 71.8% stocks and 28.2% bonds unless they had already made an investment selection. **A participant does not have to choose the fund that matches their expected retirement year but has the option to select one or more investment options.**

A Target Retirement Fund will hold more stocks the further it is from its target date, seeking the high potential growth of stocks. Stocks also have the highest risk of loss. To reduce risk as the target date approaches, Vanguard’s investment managers will gradually decrease the fund’s stock holdings and increase its bond holdings. Bonds usually have a lower risk of loss, though they also have lower potential gains.

Your contributions will be invested in the default fund unless you make a different investment choice by completing the form provided. Investments can be changed at any time by completing the necessary form which can be downloaded from the website at laborunions401k.com.

INVESTMENT OPTIONS
Vanguard Mid-Cap Index – Stock Fund
Vanguard 500 Index Fund – Stock Fund
Vanguard Developed Markets Index – International Stock Fund
Vanguard Total Bond Market Index – Bond Fund
Vanguard Short-Term Bond Index – Bond Fund
Vanguard Small-Cap Index – Stock Fund
Vanguard Federal Money Market Fund – Money Market Fund
TARGET DATE DEFAULT FUNDS
Vanguard Target Retirement Income
Vanguard Target Retirement 2020
Vanguard Target Retirement 2025
Vanguard Target Retirement 2030
Vanguard Target Retirement 2035
Vanguard Target Retirement 2040
Vanguard Target Retirement 2045
Vanguard Target Retirement 2050
Vanguard Target Retirement 2055
Vanguard Target Retirement 2060
Vanguard Target Retirement 2065
Vanguard Target Retirement 2070