



SHEET METAL WORKERS' LOCAL UNION NO. 80

FRINGE BENEFIT FUNDS

P.O. Box 1408 / Troy, MI 48099-1408 / (248) 641-4980 (800) 400-7710

NOTICE

TO: Contributing Employers of Annuity Fund Participants

FROM: Board of Trustees,
Sheet Metal Workers' Local Union No. 80 Annuity Fund

RE: Pre-Tax Deferral (401(k)) Contributions Elective Deferral Rate Change and Revised Election Period

DATE: July 29, 2015

Effective July 1, 2015 the Board of Trustees has increased the maximum contribution for the pre-tax deferral contributions (401(k) contributions) from \$7.00 per hour to \$9.00 per hour. There has been no change to the minimum hourly contribution which is .50¢ per hour.

The Fund has also changed the election period. Once employed for more than six months by an employer, **an employee may only change or revoke his/her election once per year effective on the first day of July each year** (previously it was January 1). This change was made in order to permit participants to take advantage of any CBA hourly rate increases that normally become effective June 1 and/or July 1 of each calendar year.

To permit participants to take advantage of this, and make or change their current elections if they wish, the Fund is having a special election period from **August 1, 2015 through August 31, 2015**. After this special election period, all regular rules will resume.

As a reminder, employees may enter into a salary reduction agreement **within seven (7) calendar days** of their hire date, and that agreement terminates as of their last weekly wage from you. If employees work for you for more than six months, the employees may change or revoke their election **no more frequently than once each calendar year, effective July 1**. In order for eligible participants to elect, change or terminate a pre-tax deferral contribution, they must:

- (1) complete the Salary Reduction Agreement for Pre-Tax Elective Deferral - 401(k) Authorization, Election and Enrollment Form (available from the Fund Office and on the Fund's web site – www.sheet80fringe.org),
- (2) give the employer's Payroll Department the employer's copy of the Form, retaining the employee's copy of the Form for their records; and
- (3) mail the original to the Fund Office.

A copy of the Notice that was provided to eligible participants and the revised Form are enclosed for your reference.

Also as a reminder, if the Fund receives 401(k) contributions late, the Fund is obligated to report this on its annual governmental filings. The Department of Labor considers paying 401(k) contributions late as a "prohibited transaction" on the part of the employer and the employer may be liable for certain excise taxes imposed by IRS. Thus, it is critically important that all contributions, and especially 401(k) contributions, be paid in full and when due. The consequences of remitting those contributions late are expensive and time-consuming for all concerned.

Should you have any questions, please feel free to contact the Fund Office at (248) 641-4980.

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