

# Plan Highlight

## TruWest 401(k) Retirement Plan

Plan Year 1/1/2018 to 12/31/2018

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### **Important information about my Plan Highlight**

This Plan Highlight is provided as a quick reference to certain key provisions of your retirement plan. Since the plan is based on a complex legal document, the Plan Highlight does not attempt to describe every aspect of the plan or to detail all of its terms. For more complete descriptions of plan provisions, refer to the Summary Plan Description (SPD). If there is a conflict between this Plan Highlight and the SPD, the SPD will prevail.

### **Who can participate?**

Unless you are part of an excluded class of employees, you are eligible for the plan upon your date of hire.

Please review your Summary Plan Description (SPD) to determine if you are a member of an excluded class of employees.

### **When can I start contributing?**

Once you are eligible for this program, you may begin participating on the Plan's "Entry Date." The entry date(s) will be **immediate**. You will become a participant on the Entry Date immediately following or coinciding with the date the eligibility requirements are satisfied. Your Employer has elected automatic enrollment therefore 6.00% of your compensation each payroll period will be contributed to the Plan as an elective deferral. You may change this percent or choose to not participate in this program by following your employer's opt out procedures.

### **How much can I contribute?**

You may defer as much as **100%** of your eligible wages up to the indexed IRS dollar limitation which is \$18,500 in 2018. If you are age 50 or older by the end of plan year, you are also eligible to make additional 'catch-up' contributions up to the IRS limitations of \$6,000 this year. All contributions are made on a pre-tax basis for federal income tax purposes and may be made on a pre-tax basis for state income tax purposes, if applicable in your state. Contributions are not made before Federal payroll tax (FICA).

You can also designate your salary deferrals as Roth after-tax contributions. Roth contributions will be included as taxable income. Earnings on the Roth contributions will accumulate tax free and retirement withdrawals may be exempt from federal income tax.

### **Can I rollover existing retirement accounts into my account?**

Yes, if you have an existing pre-tax individual retirement account (IRA), Roth account or qualified retirement plan with a prior employer, you may rollover that account into the Plan. To rollover your existing accounts please complete the Participant Rollover Form. If you have any questions please contact our Member Service Center at 888-762-6088, Monday through Friday 8AM-6PM EST.

### **How does TruWest Credit Union contribute to my account?**

Your Employer may make a Profit Sharing contribution. The amount of this contribution, if any, will be determined by your Employer. You will be eligible for your company's Profit Sharing contribution when you meet the initial entry requirements for the plan and completed 12 months of service with a minimum of 1,000 hours of service. To receive a contribution in subsequent years, you must continue to work 1,000 hours. You must also be employed on the last day of the Plan Year. This contribution type's entry date(s) will be immediate. You will become a participant on the Entry Date immediately following your entry into the plan.

Your Employer may make a Employer Match contribution. The amount of this contribution, if any, will be determined by your Employer. You will be eligible for your company's Employer Match contribution when you meet the initial entry requirements for the plan.

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### **How do I become vested?**

Vesting is your ownership in your retirement account balance. You are always 100% vested in your Employee Deferrals, Rollover Contributions and in the associated investment gains. However, money contributed by the Employer may be subject to a vesting schedule.

Service for vesting purposes starts from your original date of hire. For each year that you complete 1,000 hours of service, you will be credited with one Year of Service for vesting purposes. Should you leave the company prior to the required service to be fully vested in your entire account balance, you will be entitled to receive an applicable percentage of the employer's contribution as shown below, plus the entire balance of your deferral contributions, Rollover Account(s) and any Employer Contributions made to a fully vested account (examples include Safe Harbor contributions).

Source	Vesting Schedule
Profit Sharing	100% after 3 years of employment
Employer Match	100% vested immediately

### **When can money be withdrawn from my account?**

You may receive a distribution from the Plan upon separation of service.

Your plan also allows in-service distributions. You may be permitted to take a distribution of all or a portion of your vested account while still an active employee. Please review your SPD to determine if you are eligible for this type of distribution.

### **May I withdraw funds in the case of a financial hardship?**

You may take a distribution from your account if a heavy financial burden can be demonstrated to the Plan Administrator. You must demonstrate that you are unable to obtain funds from any other source. The IRS has provided guidance to assist Plan Administrators in identifying a qualified hardship. A hardship distribution may be distributed only from eligible accounts for the following reasons.

- buying a principal residence,
- paying for your or a dependent's college education,
- paying certain medical expenses,
- preventing eviction from or foreclosure on your principal residence,
- paying for funeral expenses, or
- paying for qualifying repairs to your principal residence, within tax law limits.

Once a hardship distribution is approved and released by the Plan, you will be suspended from making any employee deferrals for your Plan's suspension period of 6 months.

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### ***May I borrow money from my account?***

Yes, your Plan allows participant loans. The amount the Plan may loan to you is limited by IRS rules. The maximum loan is 50% of your vested balance up to \$50,000.

- The minimum loan is \$1,000.
- A personal loan may be taken for 5 year(s).
- A loan for a primary residence may be taken for 10 year(s).
- The maximum number of outstanding loans is two.
- The interest rate will be 0.50 point(s) (%) over the prime rate in effect at the time the loan is granted.

Please review your loan policy as there may be limitations on the reasons and sources you may borrow from your account.

#### **Disclaimer**

This Plan Highlight is not your Summary Plan Description. This material is intended to provide you with general information about the Plan. Should information in this Plan Highlight conflict with your Plan Document or Summary Plan Description, the Plan Document is the legally controlling document.