

**BRICKLAYERS AND TROWEL TRADES INTERNATIONAL
401(k) RETIREMENT SAVINGS PLAN (also known as BACSAVE)
EMPLOYER INSTRUCTION SHEET**

Now that BACSAVE is part of your local agreement, you will need to withhold and remit participant before-tax contributions for those employees who choose to participate in the Plan. Under the BACSAVE 401(k) Savings Plan, the employee elects to contribute a portion of his or her hourly wages before taxes each year. This summary outlines and explains what you need to do to properly report BAC SAVE contributions.

As a participating employer, BACSAVE's added benefits can help you attract and retain employees. Incorporated employers and non-bargaining unit staff of all signatory employers may participate in the BAC SAVE Plan.

WHAT IS BACSAVE?

BACSAVE is a 401(k) savings plan that provides participants and employers alike with a convenient way to save and invest for retirement. Subject to the terms of your local Collective Bargaining Agreement, participants may contribute between \$0.25 and \$5.00 of their hourly pay (in \$0.25 increments) to the Plan on a before-tax basis. This amount is deducted for each hour of employment in a given month, and is invested among the ten BACSAVE investment funds according to the participant's elections.

Because BACSAVE contributions are deposited directly into a participant's retirement savings account, saving for retirement is easy. And, since deductions are withheld on a before-tax basis, current taxes are reduced, and the money saved (plus earnings) remains tax deferred until the participant makes a withdrawal. Participation in the Plan is completely voluntary and the employee decides whether to enroll or not.

HOW MEMBERS ENROLL

Here's how the enrollment process works:

- ◆ New enrollees complete the BACSAVE Enrollment Form, authorizing payroll deduction.
- ◆ Members send completed forms directly to the Bricklayers and Trowel Trades International 401(k) Retirement Savings Plan in Washington, D.C.
- ◆ The Fund Office inputs the member's deferral amount and sends a Salary Deferral Card to the enrollee. Concurrently, the Fund Office will notify Wells Fargo of the enrollment, so that an individual account can be set up for the enrollee.
- ◆ Members are responsible for showing the Salary Deferral Card to participating employers at the start of each job to ensure the correct amount is withheld and deposited into their BACSAVE account each pay period. This same hourly amount will appear on your monthly IPF employer report form that you already submit to the International Pension Fund office. All elected amounts will also appear on a monthly listing provided to the BACSAVE participating local union.

Upon election of a deferral amount, the receipt of the Salary Deferral Card and a Retirement Planning Guide from Wells Fargo notifying the participant that an account has been established, participants will be responsible for making their investment selections. Accounts can be accessed either through the Participant Telephone Service or via the Wells Fargo internet site. Access to either service will require both a participant's Social Security Number and a PIN. Complete instructions will be provided in the Retirement Planning Guide.

If a participant does not make an investment selection, all monies will be invested in the SMA Age-Based Default Funds. The Age-Based Default Funds invests 401(k) contributions into one of four SMA life-style funds based on the participant's date of birth. At set age intervals participant investments and contributions will automatically transfer to the next appropriate Fund.

What Is Your Role?

Here is a closer look at what you will need to do to report BACSAVE contributions:

1. **Input the Appropriate Deferral Amounts.** Each time a participant begins a job for you, they should show you their BA SAVE salary deferral card indicating the hourly amount the participant has elected to be deducted from his wages. You need to make sure the correct hourly deferral amount is reflected in your payroll system and ensure that the correct amount is deducted from the participant's paycheck each pay period during the month. You should note that the 401(k) hourly deferrals are treated as before-tax contributions meaning that such amounts are exempt from federal income tax and also state income tax, subject to individual state law. The deferrals are not exempt from Social Security, Medicare and federal unemployment taxes.
2. **Remit Funds.** You are responsible for calculating participant contributions. That is, you need to multiply the individual hourly contribution election by the number of hours the member was employed by your firm in a given month, and enter the results in Column C of the employer reporting form. These 401(k) funds should be added to other monthly International Fringe Benefit Funds and sent on the IPF monthly reporting form to the Bricklayers and Trowel Trades International Pension Fund in Washington, D.C. The individually elected amount, if any, appears after the participant's name on the IPF monthly reporting form.
3. **IPF Monthly Reporting Form.** The monthly reporting form should be forwarded to the Bricklayers and Trowel Trades International Pension Fund as soon as possible, but no later than 15 days following the month the respective salary deductions were made. The Bricklayers and Trowel Trades International Pension Fund remits these funds to the plan recordkeeper, Wells Fargo, for deposit in the individual's BACSAVE account.
4. **Process Contribution Rate Changes.** Members have an opportunity to start and or change their contribution rates once per year. Contributions can be stopped at any time. To change an existing contribution rate, members will need to submit a new enrollment form to the Bricklayers and Trowel Trades International Pension Fund. The Fund office must receive this form 15 days before the first day of the month it is to take effect. Participants will receive a new Salary Deferral Card noting their new contribution rate. They will need to show the new deferral card to participating employers to have the amount withheld from their paychecks adjusted.
5. **Supply Information about the Plan.** You may be required to provide Comerica Bank with annual employment, wage and payroll records for compliance under federal testing for highly compensated employees. Although these deferred amounts are not included in the employee's taxable wages on the Form W-2, such amounts are shown separately in a box on the W-2 and therefore need to be added together throughout the year and reported at year-end.

If you have any questions regarding the BAC SAVE, you may contact:

Bricklayers and Trowel Trades
International Pension Fund
620 F Street, N.W., Suite 700
Washington, D.C. 20006

Phone: 1-888-880-8BAC
Fax: 1-202-347-7339
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YOUR HELP MAKES BACSAVE A SUCCESS

With your help, BAC SAVE is sure to be a success. Thank you for your effort in helping members build a foundation for the future!