



## Vesting rules for Retirement Plan

Sustainable income benefits, introduced on Jan. 1, 2017, came with a three-year vesting requirement.

Effective Jan. 1, 2017, the Board of Trustees amended the **Carpenters Retirement Plan** so that three-year vesting also applies to the traditional benefit.

If you were already vested on Jan. 1, 2017, this change does not affect you—you remain vested in your traditional benefits and sustainable benefits.

If you were not vested under the five-year vesting rule, you automatically became vested on Jan. 1, 2017 under the three-year rule, provided you had three years of credited service prior to Dec. 31, 2016, and you:

1. Did not have a permanent break in service as of Dec. 31, 2016; and
2. Did not have a one-year break in service in 2016. A one-year break in service would have occurred if you failed to work at least 500 hours in 2016. Under the Plan, a one-year break in service results in a temporary forfeiture of benefits. You may still qualify for three-year vesting in the traditional benefit, if you reinstate your previously forfeited rights by earning at least 500 hours in 2017 or a later year prior to incurring a permanent break in service.

If you had fewer than three years of credited service as of Dec. 31, 2016, those years will count toward the three-year vesting rule provided you do not have a permanent break in service.

Vesting means you gain a permanent right to earned benefits, even if you stop working in covered service. If you are vested with three years of service, you are also

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vested for purposes of special early retirement and the qualified pre-retirement death benefit.

## Do you still want paper statements?

Did you look at the benefit statement we sent back in October? We mailed statements like that to 17,000 carpenters and, as you might imagine, the printing and postage costs were significant. The expense is worth it if someone really wants the information in printed form. On the other hand, if the statement is tossed or recycled without being opened, a printed document isn't worth the expense because it serves no useful purpose for the intended user.

If you are comfortable looking at your benefits information online, please register to use our website. Go to [www.ctww.org](http://www.ctww.org) and click **log in**. During registration, you'll be asked to subscribe to **eCommunications**, which will deliver paperless statements to you through our private and secure website. Choosing eCommunications will stop mail delivery of printed statements. You can change back at any time.



## Holiday Hours

Carpenters Trusts will be closed for the following holiday observances

- Friday, Dec. 22, 2017
- Monday, Dec. 25, 2017
- Monday, Jan. 1, 2018

# Build retirement wealth with 401(k)

Many financial advisors agree that a retiree needs about 70% of pre-retirement income to maintain a comparable standard of living in retirement.

The Carpenters Retirement Plan can be a significant source of your retirement income, but don't overlook the enormous potential of the 401(k) subaccount inside the **Carpenters Individual Account Pension Plan**. The tax advantages and investment return of the 401(k) subaccount make it a very powerful engine for building retirement wealth.

## Lower your income taxes

The 401(k) is an employee-driven account. It's funded with money deducted from your wages, along with investment earnings from the plan.

Your 401(k) deduction comes out of your paycheck before federal income taxes are calculated. For example, if your hourly wage is \$40 and you contribute \$5 per hour to your 401(k), you only pay income tax on \$35. Assuming 40 hours per week and 2,000 hours annually, your annual contribution would amount to \$10,000. As a result, federal income taxes would be computed for an income of \$70,000 instead of \$80,000.

Here's another way to look at it. As you know all too well, federal income tax is withheld from each paycheck. However, if you make 401(k) contributions, the contribution amount is deducted from your gross wages *before* the federal income tax is calculated and withheld. That means you're paying less federal income tax each pay period which partly compensates for having 401(k) contributions paid from your wages.

## Tax deferred growth

The money you save in a 401(k) grows on a tax-deferred basis. Deferred means you put off paying the federal income tax until you take the money out of the account. Every year that you don't pay income tax is an opportunity to make more money with the money you didn't pay for income tax.

When you are retired and start taking money from the account, remember that current tax law requires you to pay income tax only on the portion that you take out of the account, not the whole account balance. That's a good feature because the more money you keep in your 401(k) account, the more you earn from positive investment results. For the same reason, avoid withdrawing more than your income needs require.

## Start building today

Remember, time is money. The sooner you start saving, the faster your account will grow. And the longer you wait, the harder it will be to catch up. Some experts say that for every five years you delay getting started, you may need to double the amount you save each month to reach the same level of income at retirement.

## Try our fast and easy online application

Eligible participants can start making 401(k) contributions any time during the calendar year. It's simple to do. Just fill out a short form and send it to Carpenters Trusts. Skip the paper version and try the new online application. Whether you want to start a 401(k) deduction or increase your amount, the online app can wrap it up in less than minute. Scan the QR code or go to [www.ctwrw.org/401k](http://www.ctwrw.org/401k) for applications, plan information, access to benefit statements, and other resources.



## Trustees approve higher 401(k) limits

Starting Jan. 1, 2018, participants can contribute up to \$9 of their hourly wage to their 401(k) accounts. That's a dollar more than the previous limit of \$8 per hour. Participants age 50 and older are allowed to contribute an additional \$1 to \$3 per hour, making their maximum contribution \$12 per hour. Take advantage of these higher contribution limits now to build a more financially secure retirement.

## Do you want to change your contribution amount?

Participants may increase or decrease their contribution amount up to two times per year. Participants may also suspend 401(k) contributions at any time, even if they have already made two changes within a calendar year. Whether you want to start, change or stop contributions, the process is identical: Send a completed application to Carpenters Trusts and remember to notify your employer so the payroll department can process your request in a timely manner.

# 401(k): Maximize your retirement wealth

To make your money grow, you need the benefit of time. Here's an example of how a 401(k) account can transform \$7 per hour, at an assumed rate of 6%, into a substantial source of income when you retire.

Hourly Contribution	\$7/hr.
Monthly Contribution	\$1,120
Career (years)	30
Participant Contributions	\$403,200
Investment Earnings (6%)	\$693,567
Balance at Retirement	\$1,096,767

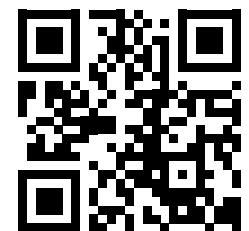
As you can see in this example, about two-thirds of the account balance at retirement is from investment earnings!

One million dollars is a lot of money, but how long will it last? Average life expectancy here in the U.S. is now 78 years, so if you plan on retiring at age 55 you'll need income for a good 20 to 25 years, and hopefully longer. The good news is that you'll also have the Employer Subaccount to draw from, which receives a contribution of \$1 per hour and can grow to a sizable sum during a 30-year career.

## 401(k) at a glance

Who may contribute?	Anyone who participates in the Carpenters Individual Account Pension Plan.
How is it funded?	Employee contributions through payroll deduction, plus investment earnings.
How much can I contribute?	Effective Jan. 1, 2018, the contribution limits are:  <b>Ages 18-49:</b> \$1-\$9/hr., increments of \$1  <b>Ages 50+:</b> \$1-\$12/hr., increments of \$1
Is there a special enrollment period?	No. You may enroll anytime during the calendar year. Application required.
Can I change my contribution amount?	Yes. You may increase or decrease your contribution amount up to 2 times per year. Application required.
Is there a penalty if I quit making contributions?	No. You can suspend contributions at any time. Application required. To resume contributions, just submit a new application.
Is there a vesting requirement?	No. You are always fully vested in the 401(k) account balance.

Visit our website ([www.ctaww.org/401k](http://www.ctaww.org/401k)) for complete information about the Carpenters Individual Account Pension Plan and 401(k) account.



### Want to know more? Call Retirement Services

When you call **Retirement Services**, you'll talk to a real person with the knowledge, training and experience to explain your retirement benefits. We're happy to take your call on weekdays during business hours. You can also come to our office in Seattle and talk to a Retirement Services rep in person.

Call (800) 552-0635 • Monday – Friday • 8 a.m. – 5 p.m.



# CARPENTERS TRUSTS

of Western Washington

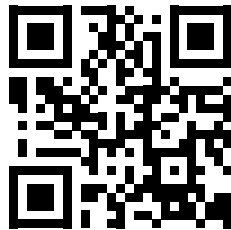
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## Yes, you can get benefits info online

The Carpenters Trusts website allows participants and dependents to create their own user accounts. With a username and password you can log in anytime day or night to access your personal benefits information, such as:

- **Out-of-pocket expenses**
- **Hours and contributions**
- **Retirement accruals**
- **Benefit statements**
- **Account balances**
- **Medical claims**
- **Work history**
- **Eligibility**



Our website also lets you exchange secure emails with Carpenters Trusts. Registration takes just a few minutes, and during the process you can elect to receive paperless statements from Carpenters Trusts. Click the QR code for information or go to [www.ctww.org/member](http://www.ctww.org/member).

## Directory of Services

Retirement Benefits	<b>Carpenters Trusts of Western Washington</b> Toll Free: (800) 552-0635 Web: <a href="http://www.ctww.org">www.ctww.org</a>
Medical Benefits	<b>Carpenters Trusts of Western Washington</b> Toll Free: (800) 552-0635 Web: <a href="http://www.ctww.org">www.ctww.org</a>
Network Provider	<b>Aetna®</b> Web: <a href="http://www.aetna.com">www.aetna.com</a>
Dental Benefits	<b>Delta Dental of Washington</b> Toll Free: (800) 554-1907 Web: <a href="http://www.DeltaDentalWA.com">www.DeltaDentalWA.com</a>
Vision Benefits	<b>VSP® Vision Care</b> Toll Free: (800) 877-7195 Web: <a href="http://www.vsp.com">www.vsp.com</a>
Participant Advocate	<b>Anita Wells, RN</b> Carpenters Trusts of Western Washington Toll Free: (206) 260-2204
24/7 Nurse Line	<b>Aetna®</b> Toll Free: (800) 556-1555
Tobacco Program	<b>Quit For Life®</b> Toll Free: (866) 784-8454 Web: <a href="http://www.ctww.org/tobacco">www.ctww.org/tobacco</a>
Condition Management	<b>Envolve™ PeopleCare</b> Toll Free: (877) 676-7700 Web: <a href="http://www.ctww.org/nurtur">www.ctww.org/nurtur</a>