

Puget Sound Electrical Workers 401(k) Savings Plan

Physical Address 7525 SE 24th Street, Suite 200, Mercer Island, WA 98040 • Mailing Address PO Box 34203,
Seattle, WA 98124

Phone (206) 441-4667 or (866) 314-4239 • Fax (206) 505-9727 • Website www.psewtrusts.com

Administered by

Welfare & Pension Administration Service, Inc.

Annual Open Enrollment Notification

The Annual Open Enrollment for the Puget Sound Electrical Workers 401(k) Savings Plan (“401(k) Plan”) is being held from November 1, 2022 through November 30, 2022. Open Enrollment will be transitioning to an electronic response process this year. More information on this change and how to submit Open Enrollment materials will be distributed in the coming month.

Increase in Plan-Related, Non-Recordkeeping Costs

The quarterly fee for certain plan-related costs will increase from \$18 per quarter to \$25 per quarter effective November 1, 2022. This change will first be reflected on your December quarterly statement that is expected to be provided early next year.

This increase in the fee that will be charged to your account is the result of an increase over the last several years in the plan’s operational expenses. In consultation with its advisors, the Board of Trustees determined that it is necessary to increase the non-recordkeeping fee to pay for anticipated fund office and advisor cost increases resulting from the addition of a pre-tax contribution feature and general inflation since that 2016 pre-tax design change.

The recordkeeping fee will remain at \$12.75 per quarter.

Background on Plan Costs

Plan costs are passed through to all participants in the Plan and fall into two basic categories:

- **Investment-related costs** charged by the fund managers that operate the investment funds offered by the Plan; and
- **Plan-related costs**, including the “recordkeeping costs” (John Hancock), and “non-recordkeeping costs” — the Fund Administrative Office, and Plan advisors and accountants and other operational expenses such as printing, mailing costs and technology.

Investment-related costs. Fund managers charge for their services by taking a percentage of assets as their fee. This charge is called the “expense ratio” and compensates the manager and reimburses certain investment-related operational costs. The investment fund’s investment return credited to your account is net of the expense ratio.

A few of the Plan’s investment managers rebate a portion of their fee. This portion is called “revenue sharing.” Revenue sharing, when it applies, accrues monthly and is credited back to your account quarterly.

Recordkeeping costs. Recordkeeping fees accrue monthly and debited against accounts by a quarterly charge of \$12.75 to each participant and beneficiary account. This fee is staying the same.

Non-recordkeeping costs. Other Plan-related costs also accrue monthly and are debited against accounts by a quarterly charge of \$25 to each participant and beneficiary account.

QUESTIONS?

If you have questions regarding this change, please contact the John Hancock at: **833-38UNION** or **1-833-388-6466**, or visit the website at www.myplan.johnhancock.com.



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