

ROTH- A NEW WAY FOR YOUR ELIGIBLE EMPLOYEES TO INVEST FOR RETIREMENT

Dear Contractor,

The Joint Industry Board of the Electrical Industry has informed Mercer that all Deferred Salary Plan participants covered under the NYC Construction and Street Lighting Agreements will be eligible to make Roth 401(k) contributions in the plan, effective October 1, 2013. Per the Joint Industry Board of the Electrical Industry, you have employees covered under these agreements.

What is a Roth 401(k)?

The Roth 401(k) **allows participants to invest after-tax dollars** for retirement.

Steps that need to be taken:

You will need to adjust the details on payroll reporting/transmission to Mercer.

Since the participant will now be able to contribute both before-tax and after-tax money, it is extremely important that payroll reporting is carefully reviewed before transmitting and funding of payrolls to Mercer.

After October 1, 2013 the payroll transmissions for all contractors with eligible Participants will now have four possible categories of funding in each payroll.

Source A contributions: **Employee** designated 401(k) **before-tax** deferred contribution.

Source C contributions: **Employer** collectively bargained benefit contribution.

Source M contributions: Employee designated Roth 401(k) **after-tax** contribution **(NEW)**.

Loan payments: Employee after tax payments for existing loans.

Eligible participants that choose to contribute to the Roth 401(k) need to provide an Employee Election Deferral Form designating the percentage or dollar amount they wish to contribute. Eligible participants are allowed to contribute to both Roth 401(k) and Pretax Deferred 401(k) at the same time. Please note that IRS contribution limits (\$17,500 for 2013) remain in effect and are determined by the combination of both Pretax Deferred 401(k) and Roth 401(k). Participants over 50 years of age are eligible for additional catch-up contributions (\$5,500.00 for 2013).

Your current method of transmitting payroll reports to Mercer, will determine which of the following attached payroll transmitting venues you must use to allow for funding the new ROTH 401(k) Contributions by your eligible employees.

Enclosed you will find:

- 1) Employee Election Deferral Form
- 2) Transmission specs to add the additional Roth 401(k) source

Note: An updated version of JIBEXPRESS incorporating the new Roth 401(k) source is available upon request. Please contact your payroll contact at Mercer to have this emailed to you.

If you have additional questions please contact your contractor contact at Mercer.

Deferred Salary Plan of Joint Industry Board of the Electrical Industry

FOR ROTH 401(k) ELIGIBLE PARTICIPANTS ONLY ELECTION OF DEFERRAL AMOUNT FORM

Name: _____ Soc. Sec. #: _____

Address: _____

If you wish to **Participate in the DEFERRED SALARY PLAN**, check the "ELECTION TO PARTICIPATE" boxes below. **Note: you can choose one or both savings options.**

ELECTION TO PARTICIPATE 401K: I hereby elect to participate in the **DEFERRED SALARY PLAN 401K** and authorize my employer to defer **BEFORE-TAX FUNDS** from my compensation for the percentage as indicated below:

_____ %
(any percentage in whole amounts between 1% and 100%)*

Note: You may choose to contribute a fixed dollar amount rather than a percentage. If you wish to contribute a fixed dollar amount, please indicate that amount below:

\$ _____

ELECTION TO PARTICIPATE ROTH 401(k): I hereby elect to participate in the **DEFERRED SALARY PLAN ROTH 401(k)** and authorize my employer to defer **AFTER-TAX FUNDS** from my compensation for the percentage as indicated below:

_____ %
(any percentage in whole amounts between 1% and 100%)*

Note: You may choose to contribute a fixed dollar amount rather than a percentage. If you wish to contribute a fixed dollar amount, please indicate that amount below:

\$ _____

I understand that in making an election, my contributions will continue until such time as I increase, decrease or discontinue the percentage or dollar amount. I understand, also, that any contributions made to this Plan are subject to adjustment in accordance with IRS regulations*.

Signature

Date

* Under the Plan, your Roth 401(k) account is held separate from your before-tax 401(k) account. However, the combined limit on your Roth 401(k) and/or before-tax contributions is 100% of your eligible compensation or the IRS contribution limit (whichever is less).

Deferred Salary Plan of the Joint Industry Board of the Electrical Industry

FOR ROTH 401(k) ELIGIBLE PARTICIPANTS ONLY CHANGE OF DEFERRAL AMOUNT FORM

Name: _____ Soc. Sec. #: _____

Address: _____

If you elect to **CHANGE** the percentage or dollar amount in the DEFERRED SALARY PLAN, for 401K and or Roth 401(k) please check the applicable boxes "AUTHORIZATION TO CHANGE DEFERRALS" below. **Note: you can change one or both savings options.**

- AUTHORIZATION TO CHANGE DEFERRED SALARY PLAN 401K:** I hereby elect to change the percentage or dollar amount in the DEFERRED SALARY PLAN 401K, and authorize my employer to defer **BEFORE-TAX FUNDS** from my compensation in the percentage or amount as indicated below:

_____ %
(any percentage in whole amounts between 1% and 100%)*

Note: You may choose to change your contribution to a fixed dollar amount rather than a percentage. If you wish to contribute a fixed dollar amount, please indicate that amount below:
\$ _____

- AUTHORIZATION TO CHANGE DEFERRED SALARY PLAN ROTH 401(k):** I hereby elect to change the percentage or dollar amount in the DEFERRED SALARY PLAN ROTH 401(k), and authorize my employer to defer **AFTER-TAX FUNDS** from my compensation in the percentage or amount as indicated below:

_____ %
(any percentage in whole amounts between 1% and 100%)*

Note: You may choose to change your contribution to a fixed dollar amount rather than a percentage. If you wish to contribute a fixed dollar amount, please indicate that amount below:

\$ _____

I understand that in making an election, my contributions will continue until such time as I increase, decrease or discontinue the percentage or dollar amount. I understand, also, that any contributions made to this Plan are subject to adjustment in accordance with IRS regulations.*

Signature

Date

* Under the Plan, your Roth 401(k) account is held separate from your before-tax 401(k) account. However, the combined limit on your Roth 401(k) and/or before-tax contributions is 100% of your eligible compensation or the IRS contribution limit (whichever is less).

JIB3 Transmission Interface Business Requirements

Contractor Transmission

Note to Programmers

File Specifications:

- 80-byte records, fixed length
- Block size 8000
- EBCIDC or ASCII
- All alphanumeric fields should be left justified and blank filled
- All financial fields are to be right justified, zero filled
- Use the following trailing alpha fields that call for 'Signed Values'

| |
|--|
| <i>Positive Numbers:</i> {=0, A=1, B=2, C=3, D=4, E=5, F=6, G=7, H=8, I=9, <i>Negative Numbers:</i> }=-0, J=-1, K=-2, L=-3, M=-4, N=-5, O=-6, P=-7, Q=-8, R-9 |
|--|

Note: When transmitting from an ASCII environment, it will be necessary to convert the last digit of any signed value to the alpha equivalent listed above. For example, +123.45 would be sent as 1234E and -456.78 would be sent as 4567Q.

- Blank columns must be spaced filled only. Additional characters sent in any blank column will cause the system to incorrectly process the transaction.
- The data stream must be organized as follows: financial header/financial transactions/financial trailer. Financial transactions can be in any order (social security number. name. transaction type, etc.).

JIB3 Transmission Interface Business Requirements Contractor Transmission

INCOMING FINANCIAL INTERFACE TO MRHS

Header information is necessary for MHRs to determine which plan to update and the type of data being received - in this case financial. The Trailer information is used as an audit check to confirm if the transaction count and the dollar amounts being sent match what is on the file. If both fields do not match, MHRs requires that you correct the problem and re-send the file.

Please note that census information and financial information have their own distinct header and trailer records. The Financial Layouts are located below.

Financial Data Only (includes 114 and 385 transactions)

Financial Header Record

| Columns | Length | Picture | Format/Value | Field Name |
|--------------|----------|--------------|--------------|----------------------------|
| 01-04 | 4 | X(04) | 'PUTS' | MHRs Identifier |
| 05 | 1 | X(01) | 'Y' | Required |
| 06-11 | 6 | X(06) | | Plan number , 650193 |
| 12-20 | 9 | X(09) | 'FINANCIAL' | Type of Data |
| 21-24 | 4 | X(04) | | Contractor Number |
| 25-27 | 3 | X(03) | Space | Blank |
| 28-29 | 2 | X(02) | | Week Number |
| 30-37 | 8 | X(08) | | Date (CCYYMMDD) |
| 38-38 | 1 | X(01) | Space | Blank |
| 39-40 | 2 | X(02) | | Week Number Year YY |
| 41-80 | 41 | X(41) | Spaces | Blank |

Financial Trailer Record

| Columns | Length | Picture | Format/Value | Field Name |
|---------|--------|-----------|--------------|--|
| 01-04 | 4 | X(04) | 'PUTE' | MHRs Identifier |
| 05 | 1 | X(01) | Space | Blank |
| 06-11 | 6 | X(06) | | Plan number , 650193 |
| 12-20 | 9 | X(09) | 'FINANCIAL' | Type of Data |
| 21 | 1 | X(01) | Space | Blank |
| 22-34 | 13 | S9(11)V99 | Signed Value | Total dollar amount of contributions (114) |
| 35 | 1 | X(01) | Space | Blank |
| 36-48 | 13 | S9(11)V99 | Signed Value | Total dollar amount of loan repayments (385) |
| 49 | 1 | X(01) | Space | Blank |
| 50-60 | 11 | 9(11) | Numeric | Transaction Count, See Note 1 |
| 61-80 | 20 | X(20) | Spaces | Blank |

NOTES:

1. Transaction count must be zero filled. Total count should exclude the header and trailer records.
2. The data stream must be organized as follows: financial header/financial transactions/financial trailer

JIB3 Transmission Interface Business Requirements Contractor Transmission

Contributions (114)

| Columns | Lengths | Picture Clause | Field Name | Required/Optional | Plan Specific |
|---------|---------|----------------|-------------------------|-------------------|---------------|
| 1-3 | 3 | X(03) | Transaction Number | Required | 114 |
| 4-5 | 2 | X(02) | Transaction Sequence | Required | 01 |
| 6-11 | 6 | 9(06) | Plan Number | Required | 650193 |
| 12-12 | 1 | X(01) | Blank | Required | Spaces |
| 13-21 | 9 | 9(09) | Member ID | Required | SSN |
| 22-29 | 8 | X(08) | Blank | Required | Spaces |
| 30-33 | 4 | X(04) | Contractor Code | Optional | See Note 1 |
| 34-35 | 2 | X(02) | Blank | Required | Spaces |
| 36-37 | 2 | X(02) | Investment Fund (1) | Required | value = "***" |
| 38 | 1 | X(01) | Investment Source (1) | Required | See Note 2 |
| 39-47 | 9 | S9(07)V99 | Contribution Amount (1) | Required | Right Justify |
| 48-71 | 24 | X924) | Blank | Required | Spaces |
| 72 | 1 | X(01) | Tax-State-401K-Option | Optional | See Note 3 |
| 73-74 | 2 | X(02) | Blank | Required | Spaces |
| 75 | 1 | X(01) | Contribution Year (1) | Optional | Zero |
| 76-77 | 2 | X(02) | Blank | Required | Spaces |
| 78-79 | 2 | X(02) | Week Number | Required | |
| 80 | 1 | X(01) | Blank | Required | Spaces |

NOTES:

1. Contractor Codes (4 digits, alphanumeric) must match the codes initially set-up on MHRS's system. Codes must be Right Justified, Zero-filled.
2. The following sources may apply to your plan:
 - A = Pre-tax deferral contributions
 - C = Employer Contributions
 - M = Roth(k)
3. Do not send zero dollar financial transactions. Similarly, do not send offsetting positive and negative contributions for the same pay period. These offsetting contributions should be stripped from the file before sending to MHRS.
4. All financial details should be left justified.
5. Contributions for different contractors, different week numbers or for different sources, need to be sent in separate transactions within the file.

JIB3 Transmission Interface Business Requirements Contractor Transmission

Loan Repayments (385)

| Columns | Lengths | Picture Clause | Field Name | Required/Optional | Plan Specific |
|---------|---------|----------------|-----------------------|-------------------|---------------------|
| 1-3 | 3 | X(03) | Transaction Number | Required | 385 |
| 4-5 | 2 | X(02) | Blank | Required | Spaces |
| 6-11 | 6 | 9(06) | Plan Number | Required | 650193 |
| 12-12 | 1 | X(01) | Blank | Required | Spaces |
| 13-21 | 9 | 9(09) | Member ID | Required | SSN |
| 22-29 | 8 | 9(08) | Loan Repayment Date | Required | See Note 1 CCYYMMDD |
| 30 | 1 | X(01) | Payment Date Override | Required | 1 |
| 31-33 | 3 | 9(03) | Loan Number | Required | See Note 2 |
| 34 | 1 | X(01) | Blank | Required | Spaces |
| 35-43 | 9 | S9(07)V99 | Loan Payment Amount | Required | See Note 3 |
| 44-53 | 10 | X(10) | Blank | Required | Spaces |
| 54 | 1 | X(01) | Loan Payment Override | Required | 1 |
| 55-73 | 19 | X(19) | Blank | Required | Spaces |
| 74-77 | 4 | X(04) | Contractor Code | Required | See Note 4 |
| 78-79 | 2 | X(02) | Week Number | Required | |
| 80 | 1 | X(01) | Blank | Required | Space |

NOTES:

1. Loan Payment date should equal the pay date from which the payment is deducted. It is not necessary to exactly match the payment dates from the amortization schedule.
2. The Loan Number is a sequentially assigned number starting with 001, which MHRS will assign, and is used to identify the loan in the system.
3. Payments should be a multiple of the scheduled payment amount. Note that all payment amounts must be zero filled with leading zeros.
4. Contractor Codes (4 digits, alphanumeric) must match the codes initially set-up on MHRS's system. Codes must be Right Justified, Zero-filled.