



THE BRIGHT CHOICE DEFERRED SALARY PLAN

Your Deferred Salary Plan Transferrable Source

Frequently asked questions regarding the Transferrable Source within the Deferred Salary Plan of the Electrical Industry ("the DSP" or "the Plan")

1) What is the "Transferrable Source"?

Employer contributions to your retirement plan are invested in the JIB Capital Preservation Fund and are initially *not* transferrable to other investment options. Periodically, the Trustees of the Plan instruct Empower to move a portion of this amount to a source within the JIB Capital Preservation Fund that you control and is transferrable to other investments offered through the plan. Any contributions in the Transferrable Source will continue to be invested in the JIB Capital Preservation Fund unless you decide to invest them elsewhere. You will be able to transfer that money into any of the available investment options in your Plan, if you choose.

2) Why do the Trustees instruct Empower to make some of these contributions transferrable?

Participants with significant balances in their employer contribution sources have requested flexibility to invest their employer contributions in the other Plan investment options. Having money in the Transferrable Source provides participants the flexibility to further diversify their investments within the DSP. Diversification means spreading your money among several different kinds of investments. It is one way to help manage risk and returns over the long term. Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **You can lose money by investing in securities.**

3) Are all my employer contributions transferrable?

No. Deferred Salary Plan participants who have accumulated a combined total of over \$50,000 in their employer contribution sources were impacted by this action. The employer contribution sources include your Employer Contributions and Health Reimbursement Account (HRA) Excess contributions (Non-Transferrable).

It should be noted that there are no investment restrictions on participant pre-tax or Roth 401(k) contributions to the DSP. Plan participants can invest contributions they make from their salary deferrals to any of the investment options offered in the Plan. The Plan offers several investment options, which can be found by logging in to your account through jibretiredsp.com.

4) How did you determine the amount of money that was moved to the Transferrable Source?

To calculate the amount of money that is moved to your Transferrable Source, we first take the total of *all* Employer Contribution Sources (Employer Contributions, Excess HRA Contributions, and any Transferrable Source dollars you already have, if any). Once that amount is calculated, \$50,000 is deducted from that total for your "baseline" amount. Twenty-five percent is then taken from the baseline amount and this is the amount that is *eligible* for the Transferrable Source move. If you already have money in the Transferrable Source, that amount is deducted from your total to calculate how much was *moved* to the source on May 31st. Unless you have opted to use the Plan's automatic rebalancing feature, this money will remain invested in the JIB Capital Preservation Fund unless you decide to move it. As with any pre-tax or Roth contributions you make to your account, you can transfer money from this Transferrable Source into any of the available investment options in the plan, if you choose.

Refer to the example on the following page.

An Example

A participant with **\$90,000** in the employer contribution source (combined employer contributions and HRA excess contributions) on May 31, 2023, and **\$10,000** in the Transferrable Source from a similar transaction in the past:

Balance in employer contribution source	\$90,000
Balance in the Transferrable Source from prior move	<u>\$10,000</u>
	\$100,000
New baseline	\$100,000 (combined employer dollars)
Reserving base of \$50,000	<u>-\$50,000</u>
New excess base	\$50,000
Excess base of \$50,000 x .25	\$12,500
Excess base x .25	\$12,500
Minus the current Transferrable Source balance	<u>\$10,000</u> (amount from the prior move)
Equals new dollars to be moved to the transferrable source	\$ 2,500

In this scenario, **\$2,500** would be added to the **\$10,000** in the employer Transferrable Source. The combined **\$12,500** would be available to be invested in any of the options offered in the DSP. **The remaining \$87,500 would be required to remain invested in the JIB Capital Preservation Fund.** If you have not previously had dollars moved to the Transferrable Source in your account, then your calculation was based simply on your balance in the employer contribution and excess HRA contribution sources, as of May 31, 2023.

5) Do I have to transfer the money to other investment options?

No, the money in your Transferrable Source will continue to be invested in the JIB Capital Preservation Fund unless you choose to transfer any portion into other available investment options, unless you have opted to use the Plan's automatic rebalancing feature. The decision is up to you. Refer to **Question 9** for additional information on the Plan's rebalancing features.

6) What Is the JIB Capital Preservation Fund?

The JIB Capital Preservation Fund is the most conservative Investment within the Plan. It seeks to provide a level of return that exceeds money market rates while preserving capital and protecting participants from market price volatility. The Fund seeks to maintain a constant net asset value of \$1.00 per share. More about the JIB Capital Preservation Fund can be found at jibretiredsp.com > Investments.

7) How do I know if I have money available in the Transferrable Source?

Go to jibretiredsp.com. Click on *Account access* on the top right-hand side of the page to log in to your account. Once you have logged in to your account, click on the link for *My Investments* on the *Account Summary* page; then choose *View by Contribution* in the drop-down menu and look for TRANSFERRABLE ER CONTRIBUTIONS.

8) How do I move this money into other investment options?

Log into your account through jibretiredsp.com as described above. Then select Manage Investments in the "Quick Actions" menu. You can move existing balances by source into other Investments of your choice. You can also call Empower at **877-JIB-401K** (877-542-4015). Participant service representatives are available weekdays, from 8 a.m. to 9 p.m. ET.

9) What if I opted to have my salary deferral contributions rebalanced?

If you are currently set up to use the Plan's *automatic* rebalancing feature, the money in your Transferrable Source will be included in future rebalances. For *manual* rebalancing, you have the option to include or exclude the Transferrable Source as part of your transaction each time you perform this transaction.

10) How often will money be put into this source from my Non-Transferrable Employer Contribution sources?

The Plan Trustees will determine on a periodic basis the amounts that will be eligible for diversification.

11) Can I talk to someone for more information about my account?

Yes, you can also call Empower at **877-JIB-401K** (877-542-4015). Participant service representatives are available weekdays, from 8 a.m. to 9 p.m. ET.

Important information: Effective April 1, 2022, Empower officially acquired the full-service retirement business of Prudential.

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