



# MECHANICS' LOCAL 701 DEFINED CONTRIBUTION 401(K) PLAN

361 S. FRONTAGE ROAD, SUITE 100 | BURR RIDGE, IL 60527  
TELEPHONE: (708) 482-0110 | TOLL FREE: (800) 704-6271 | FAX: (708) 482-4242

**\*\*Important\*\***

January 3, 2022

Re: Internal Revenue Service Annual Testing Requirements

Dear Participating Employer:

As you know, the Mechanics' Local #701 Defined Contribution 401(k) Plan (the "Plan") is a tax exempt trust established to provide participants an additional vehicle with which to plan for their retirement. The Plan must comply with many Federal Laws that are enforced by the Internal Revenue Service ("IRS") and Department of Labor ("DOL"). The purpose for this letter is to identify actions that your company will need to take to assist the Plan in satisfying its legal obligations.

The IRS requires that the Plan annually demonstrate that highly compensated employees do not defer a disproportionate percentage of their compensation to the Plan relative to other employees. **To satisfy the requirement, we ask that you complete a questionnaire for ALL Local #701 employees who were eligible to make wage deferrals to the Plan at any time during 2021 (regardless if they did or did not have wage deferrals).**

In the "2021 Income" column, please report the sum of the employee's total income as reported in Box 1 of their W-2, plus the employee's wage deferral to this Plan, and any elective contributions to a Code Section 125 "Cafeteria" Plan. In the "Elective Deferral Amount" column, please report the employee's wage deferrals to the Plan. Your payroll service that prepares your Form W-2 should be able to assist. In the column asking you to identify an employee as a non-collectively bargained employee, you should indicate "Y", only if the individual is participating in the Plan under a participation agreement and is not a bargained employee. **Please note if you have any highly compensated Local #701 employees (income more than \$130,000) for 2021, you need to provide their 2020 income on the questionnaire.**

This data request will be sent to you annually in January of each year going forward. **To save time, we request that you complete this form electronically using Excel.** Please request the Excel spreadsheet so you can submit the file electronically to your bookkeeper, either Lisa Conner (708-588-8112) at [lconner@mech701-benefits.org](mailto:lconner@mech701-benefits.org) or Nicole Kerkstra (708-588-8111) at

[nkerkstra@mech701-benefits.org](mailto:nkerkstra@mech701-benefits.org). This Excel spreadsheet is also available on the Fund Office's website, [www.mech701-benefits.org](http://www.mech701-benefits.org), under the Employers tab.

Information provided on the questionnaire will be retained in Plan records and be kept in the strictest confidence.

**Please email the completed questionnaire in an Excel file to the Fund Office no later than February 11, 2022.**

If you have any questions, please don't hesitate to contact your bookkeeper at the Fund Office. Thank you in advance for you cooperation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve M. Bukovac", with a long horizontal flourish extending to the right.

Steve M. Bukovac  
Administrator