



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 4, 2024

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 2023 (regardless if they did or did not have wage deferrals).**

In the "2023 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 \$150,000) for 2023, you need to provide their 2022 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 or Nicole Kerkstra, 708-588-8111, at

nkerkstra@mech701-benefits.org. This Excel spreadsheet is also available on the Fund Office's website, 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 9, 2024.

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

Sincerely,



Jenny Earth-Gillund
Fund Administrator