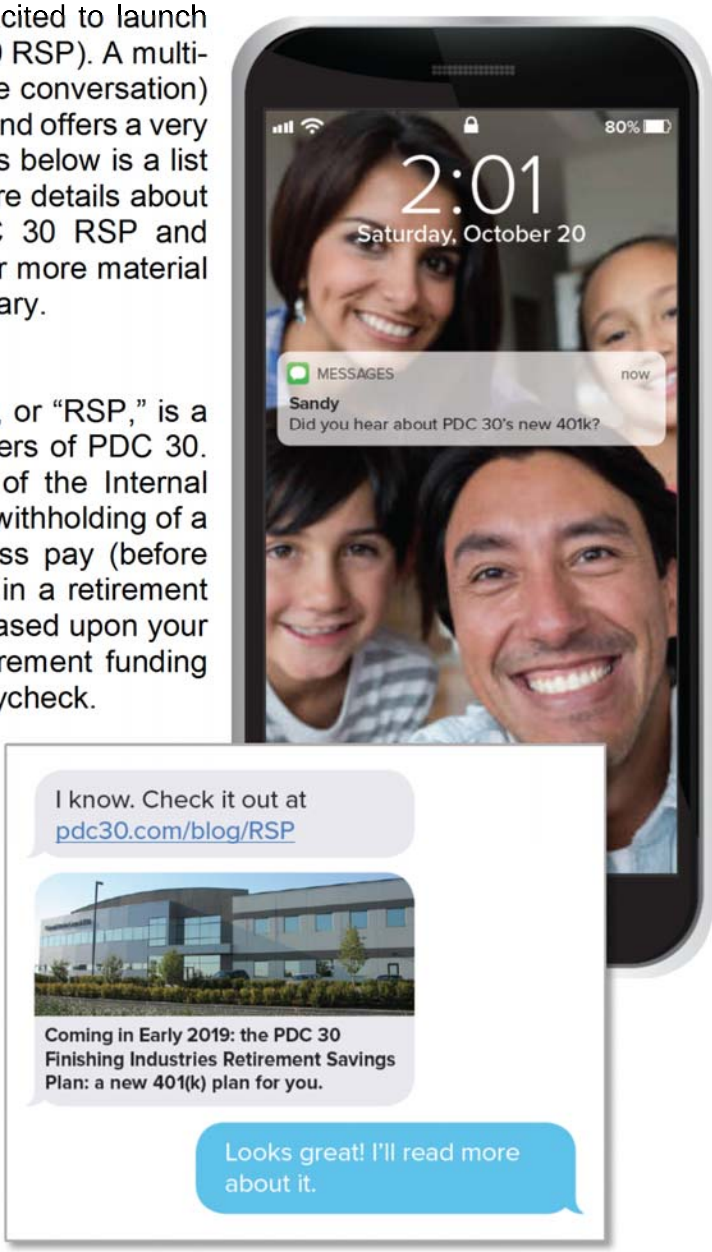
Questions & Answers About the New RSP*

PDC 30, January 2, 2019: PDC 30 is excited to launch the new Retirement Savings Plan (PDC 30 RSP). A multi-page brochure (that looks like a cell phone conversation) was recently sent to all PDC 30 members and offers a very basic explanation of the plan. What follows below is a list of questions and answers that provide more details about characteristics and features of the PDC 30 RSP and 401(k) type plans generally. Stay tuned for more material on the new RSP during the month of January.



Brochure sent out in January about the new RSP.

What is the RSP?

The PDC 30 Retirement Savings Plan, or "RSP," is a new 401(k) retirement plan for the members of PDC 30. "401(k)" is a reference to a subsection of the Internal Revenue Code that allows for the pre-tax withholding of a defined amount of money from your gross pay (before taxes are withheld), which is then stored in a retirement plan account in your name. You decide, based upon your personal financial circumstances and retirement funding goals, how much to withhold from your paycheck.

What happens to the money put into the RSP?

The money is invested in mutual funds, stocks, bonds, and money market instruments where it can earn "returns" at varying amounts, and those returns are added to your account balance. All contributions and earnings added to your account are tax-deferred.

What does "tax-deferred" mean?

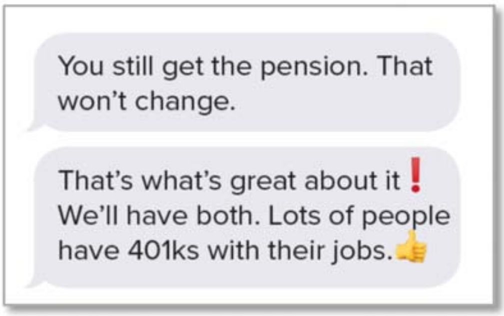
Tax-deferred means the money that you put into the RSP and any earnings applied to your account from positive investment returns are not taxed until you withdraw it from your RSP account. For each pay period, your employer will calculate your gross pay and then subtract your 401(k) contribution *before* taxes are withheld from your paycheck.

* See bottom of page 5 for disclaimer.

Questions & Answers
About the New RSP*

Does the RSP change anything about my PDC 30 Pension?

No. The RSP is an *additional* way for you to save money for your retirement years. No changes in the current PDC 30 Pension Plan are expected at this time. The RSP is a different type of plan, called a "defined contribution" plan, which allows you to put away additional money that will supplement your pension income from the "defined benefit" PDC 30 Pension Plan.

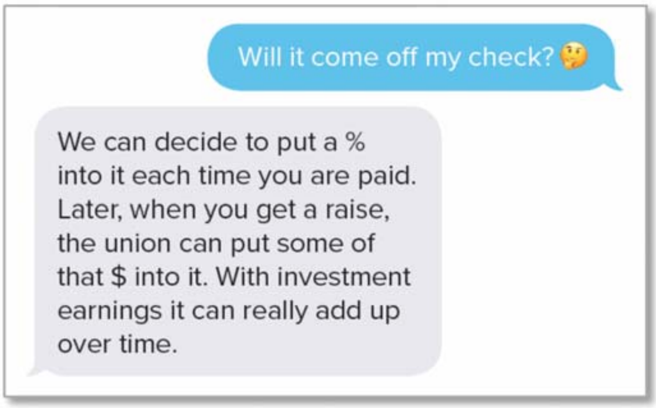


Do I need to be "vested" before I can use my RSP benefits?

"Vesting" is a term used most commonly when referring to qualifying for future benefits from a "defined benefit" retirement benefits plan like the PDC 30 Pension Plan. You do not need to be vested to begin using your RSP benefits, but you do need to be retired. The RSP is a retirement savings plan, not a general savings account.

How do I put money into the RSP?

In order for you to make contributions to the RSP, you must complete an *Employee Elective Deferral Form* and submit it to the District Council office for processing. PDC 30 will then forward a copy of your elective deferral form to your employer for payroll processing purposes. The form includes a place for you to indicate the percentage of your gross pay you want to put into your RSP account. During the payroll process, your employer will calculate your gross pay, subtract your RSP contribution based on the percentage indicated on your form, and then forward your RSP contribution to the Benefits Office when they file their monthly union benefits report. *Employee Elective Deferral Forms* will be available for download and printing at www.pdc30.com, or may be obtained at the Benefits Office or the District Council office once the new benefit plan is operational.

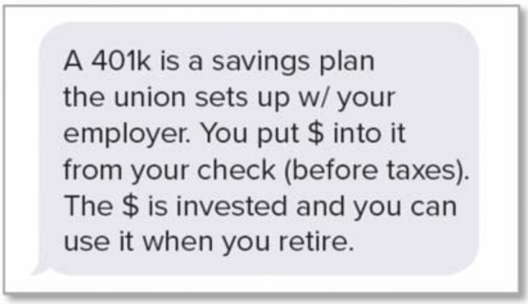


Will the union allocate part of a future contractual increase to the RSP?

Part of what a union does is to make decisions about how dollar amounts negotiated into the collective bargaining agreement will be used. This process is called the "allocation" of contractual increases. Each year, an allocation is approved by the union that typically includes an increase in the hourly wage and increases in the hourly contribution rates to one or more of the benefit, training, or labor-management funds that operate at PDC 30. While allocation decisions are not set in advance, it is expected that, in the coming years, a small allocation will be made to the RSP for the purpose of providing this valuable benefit to ALL members working under a

Questions & Answers
About the New RSP*

PDC 30 contract. But, the primary intent of this new plan of benefits is to allow PDC 30 members to actively participate in their own retirement security in a way that provides a professionally managed, tax-deferred option for pursuing financial independence during retirement.



Will I be able to decide how my money is invested?

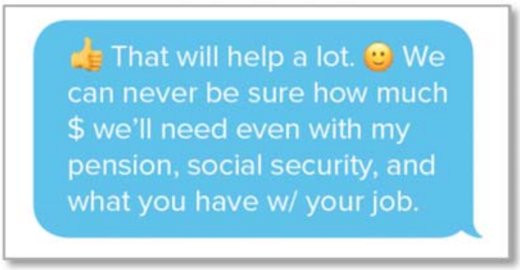
No, investment decisions of the PDC 30 RSP will be "trustee-directed," not individually directed. This means a board made up of representatives from PDC 30 (the union) and the Finishing Contractors Association of Illinois (the union employers' association), working closely with investment advisors, will decide how best to invest the total amount of money contributed by PDC 30 members into the RSP. The PDC 30 benefit funds, like the PDC 30 Pension and Health & Welfare funds, have a long history of excellent investment and financial performance and the Boards of Trustees take their obligation to act in the best interests of you, the Participant, very seriously.

When will the RSP start?

You will be able to start making contributions to your RSP account in early-2019 and *Employee Elective Deferral Forms* will be available for download and printing at www.pdc30.com, or may be obtained at the Benefits Office or the District Council office once the new benefit plan is operational.

Can't I just save money for my retirement on my own terms?

In order to achieve financial independence during retirement – the ability to live comfortably without the need to find another job to make ends meet – you should plan, whenever possible, for income from several sources. Once you become vested in the PDC 30 Pension Plan, one source of retirement income will be the "defined benefit" you receive in the form of a pension. You should also consider any Social Security benefits, personal savings, and any potential income from inheritance or the sale of real estate to generate additional funds for retirement. Going forward, the RSP will be an additional way that you can save for retirement. A 401(k) retirement plan must be sponsored by an employer or, like the RSP, set up as a labor-management trust. It is not possible to participate in a 401(k) plan unless it is offered by your employer or union.



Can I use the RSP for any differential pay if I am working in the jurisdiction of another District Council where the total package is more than in PDC 30?

Yes. This will most frequently affect PDC 30 members working in the jurisdiction of PDC 14. The practice of managing the total-package differential by first matching the PDC

14 hourly wage for your classification (Journeyworker or Apprentice) will continue. But, going forward, instead of the balance of the differential being added to your PDC 30 MRA account, which is the case now, the remaining amount (the balance of the differential) will be placed in your RSP account.

How much can I put into my RSP each year?

The IRS places a limit on the total amount of employee elective deferrals that you can contribute to a 401(k). The current annual contribution limits are $19,000 for individuals under the age of 50 and an additional $6,000 "catch-up contribution" is permitted for individuals age 50 and above.

Will the employers match my employee elective deferral?

Although an "employer match" is a common concept related to 401(k) retirement plans, any money that your *employer* puts into your PDC 30 RSP account will be in the form of an allocated employer hourly contribution as previously discussed. Once an RSP allocation is approved by PDC 30, your employer will make a contribution to your RSP account for each hour that you work.

Can I leave my RSP balance to someone after my death?

Yes. If you are married, your surviving spouse is automatically entitled to your RSP benefits. If you are not married, or with your spouse's consent, you may designate a beneficiary of your choice who will then be eligible to receive your RSP benefits in the event of your death.

Can I lose money?

Most people find a 401(k) to be a safe and worthwhile way to save for retirement because of the potential for increasing your benefit balance with positive investment returns over many years. While you work, the money you contribute to a 401(k) is typically earning additional money for you to rely on during retirement. However, investing money always includes some risk of loss. In 2008 and 2009, for example, many 401(k) and Individual Retirement Accounts (IRAs), as well as many pension funds, suffered serious losses. But, the advantage of long-term investing is that these periods of loss are usually followed by periods of recovery. Investment managers advise investors (like the RSP Board of Trustees) what to do when losses appear likely and changes are made, whenever possible, to protect earnings.

Can I take my money out before I retire, or take a loan from my RSP?

The RSP is not allowed to make loans to Participants. But, if you do not work for a period of at least 1 year (12 continuous months) you will have the option of accessing your RSP benefits provided that you do not perform any non-union work in your trade. The IRS requires that 20% of the benefit withdrawal be withheld for tax purposes at the time you receive your RSP benefit. You will receive a tax form from the Benefits Office after the end of the calendar year to be included with your annual income tax filings.

Questions & Answers
About the New RSP*

Please note that the 20% mandatory tax withholding is only an estimate of taxes owed and your personal financial circumstances may result in less, or more, tax being due on your RSP benefit distribution.

I've heard that the stock market is struggling. Does that mean it's a bad time to start a 401(k) retirement plan?

You can research this question on your own and find a variety of answers. In December, 2018, the stock market experienced both ups and downs, including some of the worst losses in a decade and the stock market's best one-day performance to date. These shifts demonstrate how sensitive the market can be, something that anyone investing in the market must appreciate. Still, during December, there was plenty of evidence that the United States economy remained strong and corporate profit growth was healthy.

There is strong general support for the conclusion that it is the length of participation in a retirement plan like the RSP, and the professional development of an asset allocation policy that manages risk by diversifying investments, that matter more than the performance of the market at any given time. Over the long run, many believe investing in the market will provide you with better earnings than not investing at all or keeping your money in cash or CDs. The RSP is a "trustee-directed" program. This means a board made up of representatives from PDC 30 (the union) and the Finishing Contractors Association of Illinois (the union employers' association), working closely with investment advisors, will decide how best to invest RSP assets. The PDC 30 benefit funds, like the PDC 30 Pension and Health & Welfare funds, have a long history of excellent investment and financial performance and the Boards of Trustees take their obligation to act in the best interests of you, the Participant, very seriously.

Other questions?

If you have other questions, future mailings and materials the Benefits Office plans to send in the first few months of 2019 will likely answer them, but you can also contact the Benefits Office at 630-513-9500.

* This document was prepared to describe characteristics and features of the new PDC 30 Retirement Savings Plan (RSP) and 401(k) type plans generally. It is not intended to interpret or change in any way the provisions of the RSP. The plan trustees may adopt reasonable policies, procedures, rules, and interpretations to promote the orderly and efficient administration of the plan. Only the full Board of Trustees is authorized to interpret the plan briefly described here and any decision by the trustees is final and binding. No employer, union or any representative of any employer or union is authorized to interpret the plan nor can any such person act as the agent of the trustees. The trustees reserve the right to amend, modify or discontinue all or part of the plan, in their sole judgment. If there is a discrepancy between this document and the plan document, the plan document shall control.