



IMPORTANT PLAN CHANGES TO YOUR 401(k)

September 18, 2019

Dear Hartt 401(k) Plan Participants and Eligible Employees:

We are pleased to announce the following 401(k) plan changes effective November 1, 2019:

- 1. Hartt negotiates 35% discount on Recordkeeping Fees!** These administrative fees will be reduced by 13 basis points from .37% to .24% with further reductions slated for January.
- 2. Plan adds Roth option to 401(k) Plan** – providing new opportunities to elect “after-tax” Roth contributions. With a Roth you pay taxes on the contributions before they go into the 401(k). The **Roth 401(k)** will not be taxed when you take it out in retirement. In other words, the earnings portion of your retirement savings will be entirely tax free! In contrast, Pre-Tax 401(k) contributions provide a current tax deduction for an immediate benefit, but you will pay taxes on the entire amount (contributions and earnings) when you withdraw for retirement. Please take a moment to review the explanation of tax consequences related to Roth and Pre-Tax 401(k) contributions.
- 3. Low-cost, TIAA CREF Lifecycle Target Date Index fund series added to the plan** – This new series has fund operating fees of .09% versus approximately .40% for our existing JH Target Date Actively Managed Series. This new fund series is passively managed and is comprised of funds related to market indexes. We feel the lower cost funds will have great appeal to fee conscious participants.
- 4. Greater transparency of fees** – Currently our fees are bundled into the operating expense and not displayed on your statement. Starting with the 4th quarter statement, service fees will be listed as separate line items. This allows you to clearly identify all of the components that make up the plan fees. In order to accomplish this, John Hancock will do a “class conversion” from Class-3 to Class-0 to be reflected on your quarterly statement.

In summary, these changes will offer lower costs and more choices.

Please take advantage of the plan resources and information that are available through the John Hancock website, our Plan Advisor, Amanda Bost (207-989-4421) and postings on www.hartt-trans.com, under “company news” as well as the *ADP Portal*.

Or feel free to reach out to me as well at 207-992-5909 or jbradeen@hartt-trans.com.

Joanna Bradeen, Plan Administrator