



GRANGER UNION 401(K) PROGRAM

In a first for union-affiliated construction companies in Michigan, Granger Construction Company has established a 401(k) retirement savings plan for union employees. This benefit plan is a vehicle to assist with long term retirement preparation and coexists with the pension plan currently provided to you. You will have the ability to defer a pre-tax portion of your gross pay each week into your retirement fund. In addition, Granger will match a portion of your savings to help your account grow more quickly.

Granger believes skilled trade jobs through union organizations are the backbone of the construction industry. The Company realizes that pension plans offered for retirement are less stable than in the past, therefore we have established this program to support our employees, their families, and their futures.

PROGRAM OVERVIEW

- A 401(k) plan is a retirement savings plan that allows participants to defer savings from their gross pay (tax free) into an account that grows over time via investment funds.
- This plan operates in addition to the pension plan offered through your respective union organization. You are eligible to participate in both.

ELIGIBLE PARTICIPANTS

- Individuals employed at Granger for 6 months or more are eligible to participate in the plan.

EFFECTIVE DATE

- The 401(k) plan for union-affiliated employees takes effect on October 1, 2021. Current Granger employees with 6 months of service or more as of that date are eligible to participate immediately. Employees that have not yet reached 6 months of service (or those hired after October 1, 2021) will become eligible upon reaching that threshold.

PROGRAM DETAILS

- **Enrollment in the Program:** All current employees will receive enrollment forms in mid-September. You have the ability to opt in (or out) of the program at that time. If you meet the 6-month eligibility requirement by October 1, 2021, you will be automatically enrolled in the 401(k) plan.
- **Your Investment Options:** Upon enrollment, your contributions are automatically placed into an investment fund based upon your estimated retirement year. There are many fund options available for investment purposes and you have the freedom to make adjustments at any time.
- **Contribution Percentage:** Upon enrollment, 1% of your gross pay is automatically deferred into your 401(k) account and invested accordingly. You have the ability to adjust your deferral percent immediately, within the first 35 days of enrollment. After this initial period, changes to deferral percentages are allowed on January 1 and July 1 each year.
- **Matching contributions:** In addition to your gross pay contribution, Granger provides a 100% match of your deferrals, up to a maximum of \$2,080 per year. The matching funds are deposited during the months of January or February, following the conclusion of the prior year.
- **Long term Retirement Savings Account:** The funds you defer and invest will grow over time. Simply contributing the minimum of 1% of your pay and receiving the matching funds from Granger could result in your account achieving balances of:
 - a. **\$54,832 » after 10 Years**
 - b. **\$153,028 » after 20 Years**
 - c. **\$328,882 » after 30 Years**

Of course, your actual account balance will be a function of how much you contribute, what funds in which you choose to invest, and the rate of return of the market.



FREQUENTLY ASKED QUESTIONS

WHAT IS THE DIFFERENCE BETWEEN A PENSION AND A 401(K) PLAN?

A pension is a retirement benefit entirely funded by employers. In the case of your pension, Granger contributes to it and your union organization manages the investment. With this type of arrangement, you have no control over the investment of the plan's funds and pay out of promised benefits.

A 401(k) plan is a retirement benefit that depends on your own contributions and employer matching funds. You have full control of how much you invest, how your funds are invested, and your account balance increases over time.

HOW DO TAXES APPLY TO MY 401(K) PLAN?

Granger offers a traditional 401(k) plan, in which your contributions are not taxed at the time of investment. However, applicable taxes are applied at the time of withdrawal.

WHAT TYPE OF INVESTMENT SUPPORT IS AVAILABLE TO ME?

Granger partners with Fidelity to provide advisement on investment elections. In addition, you may choose to solicit investment advice from a private financial advisor at your discretion.

HOW IS MY 6 MONTH ELIGIBILITY PERIOD AFFECTED IF I LEAVE GRANGER AND RETURN AT A LATER DATE?

You are only required to meet the initial eligibility period one time. If you leave Granger after reaching the initial eligibility period, you will not be required to wait another 6 month period of time before you may resume participation in the plan.

HOW DO NEW EMPLOYEES PARTICIPATE IN THE PLAN?

When completing new hire paperwork, new employees will have the ability to opt into the 401(k) plan. When the new employee reaches the 6 month eligibility date, they will be automatically enrolled.

WHAT DOES "AUTOMATICALLY ENROLLED" MEAN?

Upon achieving the eligibility period, employee's retirement savings accounts become activated automatically and a 1% deferral rate on their paycheck begins. Employees have 35 days after their activation to make changes to their deferral percent.

CAN AN EMPLOYEE CHANGE THEIR MIND IF THEY OPT-OUT?

Yes. If an employee decides to initially opt-out of the 401(k) plan, there is an opportunity to opt-in on January 1 or July 1 each year. The employee will be automatically enrolled, and a 1% deferral rate will begin to be deducted from their paycheck each week unless changed within the first 35 days.

WHAT DOES "VESTING" MEAN?

Vesting in a retirement plan means ownership of the funds. You are always fully vested in terms of the funds that you contribute to your retirement account. However, matching funds deposited by Granger vest on a percentage basis, over the course of several years. An employee who is 100% vested, owns 100% of the total balance of matching funds contributed each year. Granger Construction Company complies with the following vesting schedule:

Years of Service	Vested Account Balance Percentage
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%