



# Alaska Electrical Trust Funds

PENSION FUND – HEALTH AND WELFARE FUND – LEGAL FUND  
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December 2019

The purpose of this notice is to advise you of changes to the Alaska Electrical Workers Money Purchase Pension Plan (“Plan”). At its October meeting, the Board of Trustees amended the Plan effective January 1, 2020 to convert it from a money purchase pension plan to a 401(k) retirement savings plan. In addition, the Board approved a change to the investment lineup. The description of the plan conversion follows on this page below and the description of the investment lineup change is contained on the pages that follow.

## What Is Not Changing On January 1, 2020

You are eligible to participate in the Plan if you are either:

- A bargaining unit employee working under a collective bargaining agreement between your employer and IBEW Local 1547 that requires a contribution to the Plan; or
- A nonbargained employee working for an employer that has entered into a special agreement with the Board of Trustees that requires a contribution to the Plan.

Retirement contributions are generally made on your behalf for each hour worked under a collective bargaining agreement or special agreement. This will not change. As a result, your employer contributions will continue under the terms of either a collective bargaining agreement or special agreement following the conversion of the Plan on January 1, 2020.

Other terms of the Plan, including your ability to make after-tax contributions, the current distribution options, and your ability to direct investment of your accounts also will not change.

## What Is Changing On January 1, 2020

Effective January 1, 2020, the Plan will be renamed the “Alaska Electrical Retirement Savings Plan” to reflect its conversion to a discretionary defined contribution plan. This change allows the Trustees to provide a new pre-tax retirement savings option for participants – 401(k) contributions.

## Employee Pre-tax 401(k) Contributions Will be Available July 1, 2020

Effective July 1, 2020, you can elect to make pre-tax 401(k) contributions to the Alaska Electrical Retirement Savings Plan to supplement contributions made by your employer(s) and/or any employee after-tax contributions that you choose to make. Pre-tax 401(k) contributions will generally be made in the same manner as you currently make after-tax contributions -- you will be able to make pre-tax contributions and/or after-tax contributions from your salary in 1% increments up to a maximum of 50% of your compensation.

## Next Steps

In **March 2020**, more details will be provided about the July 1, 2020 changes including education about employee pre-tax versus after-tax contributions and the process to use to start or continue contributing pre-tax from your salary into the Retirement Savings Plan. If you have any questions about this conversion, its effect on your employer’s contributions to the Plan, or any other aspect of the Plan, please contact the Administrative Office at (907) 276-1246.

Communication of this January 1, 2020 change is intended to meet the requirements of ERISA Section 204(h).

Sincerely,

A handwritten signature in blue ink that reads "Gregory R. Stokes".

Gregory R. Stokes

Administrator

# Important Changes to Your Retirement Plan

## What's new

As the trustees of the Alaska Electrical Workers Money Purchase Pension Plan ("the Plan"), we continually look for ways to support and enhance the investment options available to you.

Effective **January 17, 2020**, we will be adding and removing investments from the Plan and transferring investments as shown in the following table. The investment options to be newly added to the Plan are printed in bold. The following funds will change share classes. These share classes have lower expense ratios and may allow for greater retention of your investment returns. An expense ratio is determined through an annual calculation, where a fund's operating expenses are divided by the average dollar value of its assets under management. Operating expenses are taken out of a fund's assets and lower the return to a fund's investors.

These investment option(s) will be liquidated; existing balances and elections for future contributions...		...shall be transferred to these investment option(s)	
Fund Name	Ticker Symbol	Fund Name	Ticker Symbol
Schwab Managed Retirement Trust Fund 2010 (Unit Class IV)	N/A	<b>Schwab Managed Retirement Trust Fund 2010 (Unit Class V)</b>	<b>N/A</b>
Schwab Managed Retirement Trust Fund 2015 (Unit Class IV)	N/A	<b>Schwab Managed Retirement Trust Fund 2015 (Unit Class V)</b>	<b>N/A</b>
Schwab Managed Retirement Trust Fund 2020 (Unit Class IV)	N/A	<b>Schwab Managed Retirement Trust Fund 2020 (Unit Class V)</b>	<b>N/A</b>
Schwab Managed Retirement Trust Fund 2025 (Unit Class IV)	N/A	<b>Schwab Managed Retirement Trust Fund 2025 (Unit Class V)</b>	<b>N/A</b>
Schwab Managed Retirement Trust Fund 2030 (Unit Class IV)	N/A	<b>Schwab Managed Retirement Trust Fund 2030 (Unit Class V)</b>	<b>N/A</b>
Schwab Managed Retirement Trust Fund 2035 (Unit Class IV)	N/A	<b>Schwab Managed Retirement Trust Fund 2035 (Unit Class V)</b>	<b>N/A</b>
Schwab Managed Retirement Trust Fund 2040 (Unit Class IV)	N/A	<b>Schwab Managed Retirement Trust Fund 2040 (Unit Class V)</b>	<b>N/A</b>
Schwab Managed Retirement Trust Fund 2045 (Unit Class IV)	N/A	<b>Schwab Managed Retirement Trust Fund 2045 (Unit Class V)</b>	<b>N/A</b>
Schwab Managed Retirement Trust Fund 2050 (Unit Class IV)	N/A	<b>Schwab Managed Retirement Trust Fund 2050 (Unit Class V)</b>	<b>N/A</b>
Schwab Managed Retirement Trust Fund 2055 (Unit Class IV)	N/A	<b>Schwab Managed Retirement Trust Fund 2055 (Unit Class V)</b>	<b>N/A</b>
Schwab Managed Retirement Trust Fund 2060 (Unit Class IV)	N/A	<b>Schwab Managed Retirement Trust Fund 2060 (Unit Class V)</b>	<b>N/A</b>
Schwab Managed Retirement Trust Income Fund (Unit Class IV)	N/A	<b>Schwab Managed Retirement Trust Income Fund (Unit Class V)</b>	<b>N/A</b>

Schwab Managed Retirement Trust Funds (Unit Class IV) expense ratio 0.45%.

Schwab Managed Retirement Trust Funds (Unit Class V) expense ratio 0.35%.

The Plan's qualified default investment alternative ("QDIA") is changing. This will impact you if any portion of your account is default-invested in the QDIA. See the enclosed *Notice of Change in QDIA*.

## Why this change is happening

This change is the result of our extensive review of the investment options available in the Plan. The review focused on issues such as fund investment styles, fund performance, stability and tenure of fund management teams, and costs.

## When this change will take place

The new investment options shown above will be available as of 11 a.m. Eastern Time (ET) on **January 17, 2020**. As of 4 p.m. ET, the current investment options shown above will no longer be available for contributions under the Plan.

Once the new funds become available, you may contact John Hancock to transfer existing account balances into the new funds or elect to make future contributions to the new funds.

**Note:** There may be a brief interruption of less than an hour while the change is implemented during which time you may not be able to access your account in the Plan via the John Hancock website (mylife.jhrps.com), automated voice response system, and Participant Service Center (1.833.38.UNION).

### **What actions you should consider**

- Now may be a good time to review your investment options to make sure their objectives are meeting your goals. Funds in the Plan may have implemented restrictions such as short-term trading fees and/or trading blackout periods on certain transactions. Please refer to the fund prospectus for more information. When reviewing your investments, carefully consider this information.
- If you have questions, contact a John Hancock Participant Service Center representative by calling 1.833.38.UNION or contact the Fund Office. All calls to the Participant Service Center are recorded.
- If you do not want your future investment elections and/or existing balances to transfer to the investment options as noted above, you can request a transfer before 4 p.m. ET on **January 17, 2020**. You can do so online at mylife.jhrps.com or by calling 1.833.38.UNION.

### **What else you should know**

Investment profiles, including information regarding expense ratios and redemption fees, are enclosed with this package. Please review the following fund investment profiles carefully.

### **Investing in Target Date Funds**

The target date is the expected year in which investors in a target-date portfolio plan to retire and no longer make contributions. The investment strategy of these portfolios is designed to become more conservative over time as the target date approaches (or, if applicable, passes) the target retirement date. Investors should examine the asset allocation of the portfolio to ensure it is consistent with their own risk tolerance. The principal value of your investment, as well as your potential rate of return, is not guaranteed at any time, including at, or after, the target retirement date. You do not have the ability to actively manage the investments within target date funds. The portfolio managers control security selection and asset allocation. Target Date funds allocate their investments among multiple asset classes which can include U.S. and foreign equity and fixed income securities.

The Plan is intended to be a participant-directed plan and to comply with the requirements set forth in Section 404(c) of the Employee Retirement Income Security Act (ERISA) and in the Labor Department regulations governing Section 404(c) plans. If a participant-directed plan complies with Section 404(c), the fiduciaries of the Plan ordinarily are relieved of liability for any losses that are the direct and necessary result of investment instructions given by the participant or beneficiary.

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# Notice of Change in QDIA

**December 2019**

**This is an important notice regarding a change in the qualified default investment alternative (“QDIA”) under the Alaska Electrical Workers Money Purchase Pension Plan (“Plan”). Please review this information carefully as you may be impacted by this change.**

On **January 17, 2020**, the Plan’s default fund will change. A default fund is a required element of every retirement plan. If a participant does not make an investment election, contributions allocated to his/her account will be directed to this fund.

## **Current QDIA**

The Current QDIA is the Schwab Managed Retirement Trust Funds (Unit Class IV) based on your year of birth, according to the following chart:

<b>From</b>	<b>To</b>	<b>Investment Option</b>
On or before	1942	Schwab Managed Retirement Trust Income Fund (Unit Class IV)
1943	1947	Schwab Managed Retirement Trust Fund 2010 (Unit Class IV)
1948	1952	Schwab Managed Retirement Trust Fund 2015 (Unit Class IV)
1953	1957	Schwab Managed Retirement Trust Fund 2020 (Unit Class IV)
1958	1962	Schwab Managed Retirement Trust Fund 2025 (Unit Class IV)
1963	1967	Schwab Managed Retirement Trust Fund 2030 (Unit Class IV)
1968	1972	Schwab Managed Retirement Trust Fund 2035 (Unit Class IV)
1973	1977	Schwab Managed Retirement Trust Fund 2040 (Unit Class IV)
1978	1982	Schwab Managed Retirement Trust Fund 2045 (Unit Class IV)
1983	1987	Schwab Managed Retirement Trust Fund 2050 (Unit Class IV)
1988	1992	Schwab Managed Retirement Trust Fund 2055 (Unit Class IV)
On or after	1993	Schwab Managed Retirement Trust Fund 2060 (Unit Class IV)

Schwab Managed Retirement Trust Funds (Unit Class IV) expense ratio 0.45%.

## **New QDIA**

On **January 17, 2020**, the New QDIA is the appropriate Schwab Managed Retirement Trust Funds (Unit Class V) based on your year of birth, according to the following chart:

<b>From</b>	<b>To</b>	<b>New Default Investment Option</b>
On or before	1942	Schwab Managed Retirement Trust Income Fund (Unit Class V)
1943	1947	Schwab Managed Retirement Trust Fund 2010 (Unit Class V)
1948	1952	Schwab Managed Retirement Trust Fund 2015 (Unit Class V)
1953	1957	Schwab Managed Retirement Trust Fund 2020 (Unit Class V)
1958	1962	Schwab Managed Retirement Trust Fund 2025 (Unit Class V)
1963	1967	Schwab Managed Retirement Trust Fund 2030 (Unit Class V)
1968	1972	Schwab Managed Retirement Trust Fund 2035 (Unit Class V)
1973	1977	Schwab Managed Retirement Trust Fund 2040 (Unit Class V)
1978	1982	Schwab Managed Retirement Trust Fund 2045 (Unit Class V)
1983	1987	Schwab Managed Retirement Trust Fund 2050 (Unit Class V)
1988	1992	Schwab Managed Retirement Trust Fund 2055 (Unit Class V)
On or after	1993	Schwab Managed Retirement Trust Fund 2060 (Unit Class V)

Schwab Managed Retirement Trust Funds (Unit Class V) expense ratio 0.35%.

If your date of birth is not on file, your default investment fund (for current and future amounts allocated to your account) is the Schwab Managed Retirement Trust Income Fund (Unit Class V). If your date of birth is obtained, both current and future amounts allocated to your account will be transferred to, and default invested in, the appropriate Schwab Managed Retirement Trust Funds (Unit Class V) based on your year of birth in accordance with the New QDIA listed in the chart above.

The New QDIA is intended to satisfy the requirements of a QDIA. This means that the Plan’s fiduciaries are not liable for the investment performance (including any losses) for any monies defaulted into the New QDIA.

Review the enclosed fund profiles for the New QDIA. You should also review the various other investment options within the Plan. Information concerning the other investment options can be obtained by contacting John Hancock via

the internet at [mylife.jhrps.com](http://mylife.jhrps.com) or via phone at 1.833.38.UNION.

### **What does this mean for me?**

On and after **January 17, 2020**, any amounts contributed to the Plan on your behalf which would have been invested by default in the Current QDIA will instead be invested by default in the New QDIA, and any existing balances that are invested by default in the Current QDIA will be transferred to the New QDIA and will still be considered a default investment. *If you do not want this change to affect the investment of your future contributions and/or your existing default-invested balance, you can make an investment election in, and/or transfer to, any of the Plan's available investment options prior to 4 p.m. ET on **January 17, 2020**.* An investment election (for your future contributions), and a transfer election (for your existing default-invested balance), are two separate elections.

Contact John Hancock to make investment changes at [mylife.jhrps.com](http://mylife.jhrps.com) or by calling the Participant Service Center at 1.833.38.UNION.

### **Where do I go for help?**

If you have any questions about this notice, please contact the Participant Service Center at 1.833.38.UNION. Representatives are available to assist you Monday – Friday from 8:00 a.m. – 10:00 p.m. Eastern Time on New York Stock Exchange business days.

### **About Risk**

#### **Investing in Target Date Funds**

The target date is the expected year in which investors in a target-date portfolio plan to retire and no longer make contributions. The investment strategy of these portfolios is designed to become more conservative over time as the target date approaches (or, if applicable, passes) the target retirement date. Investors should examine the asset allocation of the portfolio to ensure it is consistent with their own risk tolerance. The principal value of your investment, as well as your potential rate of return, is not guaranteed at any time, including at, or after, the target retirement date.

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