

# Your guide to saving in the 401(k) plan provided by Trane Technologies



The 401(k) plan provided by Trane Technologies offers a simple, easy-to-navigate way to save for retirement – helping you boost your future savings, no matter what you want your retirement to look like.

## Why save?



### It's easy.

You can save (or make contributions) directly from your paycheck. Simply choose how much you want to save, and Trane Technologies takes care of the rest.



### It's like “free” money.

Trane Technologies provides up to 5% in company contributions to your 401(k) plan account through Core and Matching contributions. Try contributing enough to maximize the Matching contribution so you don't miss out on this “free” money!



### You can save on taxes.

When you make pre-tax contributions, you are contributing before income taxes are withheld from your pay. This could lower your taxable income for the year – potentially saving you money in taxes.



### Your money can grow.

The more you save, any investment returns can compound and help your savings increase. As returns accrue that growth can earn more, and so on.



**Looking for helpful tips for staying financially well?** Visit the [Trane Technologies financial wellness site](#)



**Have questions?** Call the Trane Technologies Service Center at **1-866-294-7263** to speak with a representative familiar with your 401(k) plan. Benefits representatives are available Monday through Friday (excluding most New York Stock Exchange holidays) from 8:30 a.m. to midnight, Eastern time.

*Los representantes de Fidelity pueden ayudarle con el planeamiento de su jubilación. Para hablar con un representante hispanohablante, llame al **1-866-294-7263**.*

# Ready to save? Start here.

While it might seem obvious that saving for retirement now is a good investment, it can *feel* like a tall order to lock that money away for years. But don't worry! Whatever your savings goals are – and wherever you are on your journey to retirement – Trane Technologies is teamed up with Fidelity, and we're both here to help.



## The value of interest and earnings

The 401(k) plan offers great tools to help you save for retirement. A general guideline is to contribute and keep contributing so time can do the work for you. Fidelity recommends that you save ten times your pre-retirement annual pay by the time you reach retirement (at age 67) if you want to maintain the same standard of living.\*

That might feel like a lot! But Trane Technologies helps you get there by making Matching and Core contributions up to 5% of your Eligible Compensation.

Saving early can also help make that goal a reality. The more and longer you save, the more potential gains on your principal investment, which in turn can lead to greater compounding investment returns.

[Need an example? See the following page.](#)

[\\*\\*How Much Should I Save for Retirement?\\*, January 2023](#)



# Compounding investment returns: Examples

## Mark



Mark makes \$45,000/year and starts contributing to the Plan at age 35. He contributes \$95 each month until he turns 68.

At retirement, Mark will have saved  
**\$349,793**

**\$37,620**

of his own  
contributions

**\$74,250**

in employer  
contributions

**\$237,923**

in compounding  
investment returns

## Sarah



Sarah makes \$45,000/year and starts contributing to the Plan at age 25. She contributes \$95 each month until she turns 68.

At retirement, Sarah will have saved  
**\$673,790**

**\$49,020**

of her own  
contributions

**\$96,750**

in employer  
contributions

**\$528,020**

in compounding  
investment returns

These hypothetical examples assume annual contributions of \$1,140 for 33 and 43 years respectively and an annual rate of return of 6%. The ending values do not reflect taxes, fees or inflation. If they did, amounts would be lower. Earnings and before-tax contributions are subject to taxes when withdrawn. Distributions before age 59 ½ may also be subject to a 10% additional tax. Contribution amounts are subject to IRS and Plan limits. Systematic investing does not ensure a profit or guarantee against a loss. These examples are for illustrative purposes only and do not represent the performance of any security. Consider your current and anticipated investment horizon when making an investment decision, as the illustration may not reflect this. The assumed rate of return used in these examples is not guaranteed. Investments that have potential for 6% annual rate of return also come with risk of loss.

As you can see by comparing the differences in Sarah and Mark's potential account balances—and by Sarah's greater amassed investment returns over time—the benefits of tax-deferred growth are worth the efforts of saving over a longer period.

# How Trane Technologies helps you save for retirement

First things first: Eligible employees\* can contribute up to 50% of their Eligible Compensation (generally, wages and overtime pay) to the 401(k) plan directly from their paycheck on either a pre-tax, Roth and/or after-tax basis, up to IRS limits. See the table on the following page for more information about these contribution types. For more details about how to contribute to the 401(k) plan, log in to NetBenefits and select the 401(k) plan. From there, navigate to Plan Documents and select the [Summary Plan Description](#) aligned with your union.

Trane Technologies also offers two types of company contributions: Matching and Core contributions.



## Matching contributions

Trane Technologies matches a portion of your Eligible Compensation that you contribute. **That's like "free" money!**



## Core contributions

Trane Technologies will make a non-matching "Core" contribution as a percentage of your Eligible Compensation each pay period. (Note that a small group of employees may not receive Core contributions under the bargaining agreement applicable to them.)

**Note:** Both of these employer contributions are made on a pre-tax basis and are taxed at withdrawal.

## Automatic Enrollment



If you don't enroll when you first become eligible, you may be automatically enrolled at a specified pre-tax contribution rate depending on the design of your union plan. You can then elect to contribute a different amount. For more information about automatic enrollment, read the Summary Plan Description applicable to your union plan, which can be found on [NetBenefits](#).

\*Employees of Trane Technologies who are represented by a union that participates in the Company sponsored 401(k) plan, and who have satisfied the eligibility requirements described in their bargaining agreement.

# How the contribution types compare

Each contribution type has its own tax advantages and considerations. Review the table below to understand how taxes are handled for each type. Remember: You're automatically vested—meaning the money is yours—in everything you contribute.

	Pre-tax contributions	Roth contributions	After-tax contributions
<b>How much can I elect to contribute?</b>	You can contribute up to 50% (total, pre-tax, Roth and/or after-tax) of your Eligible Compensation.		
<b>Is there a limit to how much I can contribute?</b>	The IRS limits your contributions to \$23,000 in 2024 (\$30,500 if you will be 50 or older this calendar year).		The total amount both you and Trane Technologies can contribute in 2024 is \$69,000 (\$76,500 if you're 50 or older). This includes pre-tax, after-tax and company contributions.
<b>Will I receive the Trane Technologies match?</b>	Yes. Trane Technologies matches 100% of the first 6% you contribute.		
<b>Are contributions taxed?</b>	No, contributions are taken from your paycheck before income taxes.	Yes, contributions are taken from your paycheck after income taxes.	
<b>Are withdrawals taxed?*</b>	Yes, contributions and any earnings are taxed at withdrawal.	No, contributions and any related earnings are not taxed at withdrawal, as long as it is considered a qualified distribution.**	Yes and no. Contributions are tax-free at withdrawal, but you'll pay taxes on any earnings when withdrawn.

\*If withdrawals are taken before the age of 59 ½, they may be subject to a 10% early withdrawal additional tax. Employer contributions are made on a pre-tax basis and are taxed at withdrawal.

\*\*For earnings on Roth contributions to be tax-free at withdrawal, they must be taken in a qualified distribution. A qualified distribution is one that occurs at least five years since the first day of the year of your first Roth 401(k) contribution (or your first in-plan Roth conversion, if earlier) and on or after you attain age 59 ½ or your death or disability.

# Your investment options

So, now you've started saving for retirement. The next step is choosing the right investments to help set you up for success and maximal savings once you're ready to retire.

The 401(k) plan offers investment options with investing approaches for all types of investors, from those who prefer to make their own investment elections from the available investment options, to those who prefer to elect an investment option designed to align with their retirement date, like Target Date Funds.\* You can choose from an array of core investment options based on your personal goals and risk tolerance.

## How do I know which investments to choose?

This is where diversification and asset allocation come in – helping you to build and maintain a properly diversified investment portfolio, which can help reduce your risk over the long-term. Consider selecting different types of investments (such as stocks or bonds) *and* spreading your investments around these different types. Building a properly diversified retirement investment portfolio can help you balance risk and return, and also help reduce the volatility of your portfolio over time.

If you're looking for a broader range of investment options, your plan may offer a self-directed brokerage option depending on your union plan design. To learn more about your investment options in the 401(k) plan, visit [Fidelity NetBenefits®](#).



Watch the [“Investing For Your Future”](#) video to learn more about the ways to save and invest for retirement savings.



### Target Date Funds

Target Date Funds are the default investment option for the 401(k) plan. They are “lifetime strategy” funds that offer a streamlined way to invest in a single diversified fund based on your expected retirement year.

What does this mean? Target Date Funds provide a simple investment strategy by offering a portfolio whose asset allocation mix automatically changes over time – becoming more conservative as the target date (based on an estimated retirement year) approaches. They are professionally managed and utilize various strategies across a range of asset classes. Go to [Fidelity NetBenefits](#) for more information about the Target Date Funds available to you.

\*Target date funds are designed for investors expecting to retire around the year indicated in each fund's name. The investment risk of each target date fund changes over time as its asset allocation changes. Target date funds are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, and foreign securities. Principal invested is not guaranteed at any time, including at or after their target dates.

# Important plan details

Below are answers to some frequently asked questions. For more information, log in to [NetBenefits](#) and select the 401(k) plan. From there, navigate to Plan Documents and select the SPD aligned with your union plan.

## When are my contributions vested?

You are immediately vested in your contributions, as well as any related investment returns. This means that those balances are **yours** (however, they may be subject to an additional 10% tax if withdrawn prior to age 59 ½). Depending on your plan, company matching contributions may not vest until you have completed three years of service. Core contribution balances do not vest until you have completed three years of service. Please refer to your SPD for details. If you stop working at Trane Technologies prior to completing three years of service, your company contribution balances, including any related investment returns, generally will be forfeited.

## When can I withdraw my money from my 401(k) plan account?

In general, you can make a withdrawal from the 401(k) plan without penalty when you turn age 59 ½, terminate your employment, retire, become permanently disabled or have severe financial hardship in accordance with applicable law. If you make a withdrawal that does not meet legal requirements, it will be subject to a 10% additional tax **AND** subject to ordinary income tax at the time of withdrawal.

The 401(k) plan allows you to take a loan from your account balance without being subject to taxation. In general, you can borrow up to 50% of your vested account balance or up to \$50,000—whichever is less. You must repay (generally through after-tax payroll deduction) the money borrowed plus interest over a defined term.



## What happens to my account balance if I leave Trane Technologies?

If you leave Trane Technologies for any reason, including retirement, you keep your vested account balances. You can elect to take a distribution or roll over any vested account balances to other qualified retirement savings plans. If you do not elect either of these options, and:

- If your account balance is \$1,000 or less, your vested balance will be distributed to you in a cash lump sum as soon as practicable.
- If your account balance is \$5,000 or less but more than \$1,000, your vested balance will be transferred to a Fidelity IRA in your name at the direction of Trane Technologies.
- If your account balance is greater than \$5,000, vested balances will remain in the 401(k) plan until you elect a distribution. Balances will continue to be subject to investment returns based on your elections.

# Resources & help

This guide is intended to highlight key elements of the the 401(k) plan. Please refer to your specific [Summary Plan Description](#) or other supporting documents on [NetBenefits](#) for more information.

Have questions or need help deciding what is right for you? Trane Technologies offers a variety of resources to help you make the right decision for your savings goals.

Visit [Fidelity NetBenefits](#) to keep your 401(k) plan account up to date, change your contributions, adjust your investments and access resources.

- To enroll more easily and quickly in the 401(k) plan, text “START” to 343-898.
- Call the Trane Technologies Service Center at **1-866-294-7263** to speak with a representative familiar with the 401(k) plan. Benefits representatives are available Monday through Friday (excluding most New York Stock Exchange holidays) from 8:30 a.m. to midnight, Eastern time.
- Los representantes de Fidelity pueden ayudarle con el planeamiento de su jubilación. Para hablar con un representante hispanohablante, llame al **1-866-294-7263**.



Visit the [Be Financially Well at Trane Technologies](#) microsite for helpful financial wellness tips and for more information about the 401(k) plan.

## Take Action

Now is a great time to make sure your 401(k) plan account is up to date. Here are some actions you should consider taking.



### Register your 401(k) plan account.

To open an account, go to [Fidelity NetBenefits](#). You'll need to register and create an account if you don't have one already. For help opening your account, or making changes to an existing account, call the Trane Technologies Service Center at **1-866-294-7263**. We also encourage you to download the Fidelity NetBenefits smartphone app.



### Designate your beneficiary.

It's important to designate who should receive your benefits in case the unthinkable happens. To make sure your benefits go to the people you want, go to Fidelity NetBenefits and select a beneficiary.



### Add your contact information to your account.

To make sure you receive important benefits information, please be sure your email address and other relevant contact information is up to date in your account.

Investing involves risk, including risk of loss.

Fidelity does not provide legal or tax advice, and the information provided is general in nature and should not be considered legal or tax advice. Consult an attorney, tax professional, or other advisor regarding your specific legal or tax situation.

Fidelity Brokerage Services LLC, Member NYSE, [SIPC](#), 900 Salem Street, Smithfield, RI 02917

© 2024 FMR LLC. All rights reserved.

1092230.70