

ESOP UPDATE

Information about your Employee Stock Ownership Plan (ESOP)

Why don't they just give me the money?

You can't get the value now because your ESOP account is a long-term asset that needs time to grow.



Your account is not an ATM.

An ESOP is a trust that holds your company stock. Stock is a certificate that represents part ownership of the business. Like any certificate of ownership — for example, the deed to a house — it represents something that has real value, but it will not become cash until it is sold. When you leave employment at your ESOP-owned company, your stock is sold back to the company. The distribution section of your plan's Summary Plan Description (SPD) outlines the details about the provisions for when you can receive your distribution.

Your ESOP value is working for you and your family.

The value of your ESOP account is working for your future. The Company Stock portion of your account is invested in your business. The dollars are hard at work in company assets like equipment, property and the working capital needed to continue to grow the business. The Other Investments portion of your ESOP account are dollars that are typically used to purchase more stock for your account in future years.



Account "cash out" waiting periods are extra protection.

Many ESOPs have a waiting period and payment schedules for when you receive your account value after you leave employment. This allows the company to plan for payments while also continuing to make the investments in the company's future that grow your ESOP value. This is good for everyone who has an account in your ESOP!