

# Pension Plan for the Local Union No. 131 International Brotherhood of Electrical Workers

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## SPECIAL DISTRIBUTION OPTION FOR INDIVIDUALS AFFECTED BY COVID-19

In light of the coronavirus health crisis, the Trustees of the Pension Plan for the Local Union No. 131 International Brotherhood of Electrical Workers (the “Plan”) have amended the Plan to allow individuals affected by COVID-19 to take advantage of preferential tax treatment if they are otherwise eligible for a hardship distribution or an in-service distribution of their rollover account.

If you are eligible for a hardship distribution or an in-service distribution of your rollover account because you are affected by COVID-19, as outlined below, the distribution will not be subject to the 10% federal early withdrawal penalty assessed for distributions received by participants prior to attaining age 59½. In addition, rather than being taxed at the time you receive the distribution, the aggregated total of the eligible hardship distributions and in-service distributions of your rollover account that you receive in 2020 will be included in your gross income for federal income tax purposes over a three-year period, unless you elect otherwise. For example, if you receive a distribution of \$15,000, you will be treated as having received \$5,000 per year for three years.

You will be permitted to repay your distribution back to your individual account in whole or in part within three years of the receipt of your distribution; however, you are not obligated to repay any portion your distribution. You can also elect to have 10% of your distribution withheld for payment of federal income taxes.

You will be eligible for this preferential tax treatment if you certify that:

- You were diagnosed with COVID-19;
- Your spouse or dependent was diagnosed with COVID-19; or
- You are experiencing adverse financial consequences due to being quarantined, being laid off, being furloughed, experiencing a reduction in hours, or being unable to work due to lack of childcare as a result of COVID-19.

You may obtain the required application forms for this distribution from the Fund Office, and you must satisfy the existing plan provisions for a hardship distribution or an in-service distribution of your rollover account. If you have questions regarding this notice or any benefit offered by the Plan, please contact the Fund Office.

Sincerely,

Your Board of Trustees

This notice, which serves as a Summary of Material Modifications (SMM), contains only highlights of certain features of the Plan. Full details are contained in the documents that establish the plan provisions. If there is a discrepancy between the wording here and the documents that establish the plan provisions, the Plan document will govern.