



Eighth District Electrical Fringe Benefit Funds

TO: Plan Participants and Beneficiaries
FROM: Board of Trustees of the Eighth District Electrical Pension Fund Annuity Plan
RE: Notice of Changes to the Annuity Plan
DATE: May 26, 2020

The Board of Trustees adopted amendments to the Eighth District Electrical Pension Fund Annuity Plan (“Plan”) as restated and effective April 1, 2014. The purpose of this notice is to summarize the amendments for you. **You should keep this notice with your current Summary Plan Description for the Plan (2011 edition).** For more information and a copy of the amendments referenced in this notice, please contact the Administrative Office at (844) 989-2321 or visit the Plan’s website at <http://www.8thDistrictBenefits.org>.

I. Amendment No. 11 to the Plan

Effective June 6, 2018, the Plan’s claims and appeals procedures were amended to provide that a lawsuit under Section 502(a) of the Employee Retirement Income Security Act of 1974 (“ERISA”) must be filed within two (2) years from the date on the notice sent to a claimant regarding the final decision of the Board of Trustees. This means that if you file a claim for benefits under the Plan and exhaust all internal claims and appeals procedures, you will have two years from the date the notice of the final decision of the Board of Trustees is sent to you to file a lawsuit. If you do not file a lawsuit within this period of time, you will have forfeited your right to file a lawsuit.

II. Amendment No. 12 to the Plan

The Plan was amended in accordance with legislative and regulatory changes that impact hardship distributions. The amendment also clarifies certain procedural practices related to hardship distributions. The following is a summary of those changes and clarifications:

- *No More Suspension of Elective Deferrals.* Effective January 1, 2019, the Plan will no longer suspend elective deferrals to a Participant’s Individual 401(k) Account for six months following a hardship distribution. Prior to January 1, 2019, the Plan was required to suspend elective deferrals to a Participant’s Individual 401(k) Account for a period of six months for participants that took a hardship distribution and had a current elective deferral authorization on file with the Plan.
- *No Requirement to Take a Loan.* Effective January 1, 2019, the Plan will no longer require Participants to take a nontaxable loan from the Plan before taking a hardship distribution.
- *Earnings Now Available As a Source for Hardship Distributions.* Effective February 1, 2020, a hardship distribution may consist of any part of the balance in your Individual Account and Individual 401(k) Account, including earnings that have been made on your Individual

Account and Individual 401(k) Account. Previously, hardship distributions were not permitted to include earnings.

- *Hardships Resulting from Federally Declared Disasters.* Effective January 1, 2020, the Plan will treat expenses resulting from a federally declared disaster as a valid basis for a hardship distribution. A federally declared disaster is defined as a disaster declared by the Federal Emergency Management Agency (“FEMA”) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. This hardship basis only applies to expenses or losses of participants (not relatives or dependents) whose principal residence or principal place of employment was located in the federally declared disaster area. You must substantiate the expenses due to the disaster on forms provided by Prudential.
- *Hardships Resulting from Casualty Losses.* Prior to January 1, 2020, the Plan provided hardship distributions for the cost of repairs to your principal residence if those costs would qualify for a tax deduction as a casualty loss under section 165 of the Internal Revenue Code (without regard to whether the loss exceeds 10% of your adjusted gross income). Generally, a casualty loss is a sudden, unusual, or unexpected event (such as fire or storm damage) resulting in an uninsured loss. However, Congress amended section 165 of the Internal Revenue Code for tax years beginning in 2018 to permit a tax deduction for personal casualty losses only if the casualty loss is attributable to a federally declared disaster.

Consistent with guidance from the IRS, the Plan was amended effective January 1, 2020, to provide that hardship distributions will not be limited to casualty losses attributable to a federally declared disaster. In other words, the Plan allows for hardship distributions for the costs to repair your principal residence, so long as the costs qualify for a tax deduction as a casualty loss under section 165 of the Internal Revenue Code, without applying the requirements in section 165 that the loss be attributable to a federally declared disaster or that the loss exceed 10% of your adjusted gross income.

- *Administrative Clarifications.* Amendment No. 12 makes several minor clarifications about how hardship distributions are administered. These clarifications do not change existing administrative practices.

First, Amendment No. 12 clarifies the process of “grossing up,” which allows the amount of the hardship distribution to be increased by an amount necessary to cover any federal and state income taxes, penalties, and applicable fees that may be reasonably anticipated as a result of the distribution, provided that the increase does not exceed the balance of the Participant’s Individual Account and Individual 401(k) Account.

Second, Amendment No. 12 clarifies that Participants may self-certify that a hardship distribution is necessary to meet an immediate and heavy financial need. This means that as part of the application process, you must provide the Plan a written statement certifying that you have insufficient cash or other liquid assets reasonably available to satisfy the immediate and heavy financial need for which you are seeking a hardship distribution.

III. Waiver of Required Minimum Distributions for Calendar Year 2020

Distributions to Participants and Beneficiaries may not be delayed longer than permitted under federal law. These distributions are known as Required Minimum Distributions (“RMDs”).

The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) provides that the Plan is not required to pay RMDs during calendar year 2020. Accordingly, effective April 10, 2020, the Board of Trustees approved an RMD waiver for calendar year 2020. This means that on and after April 10, 2020, but before December 31, 2020, the Plan will not automatically pay 2020 RMDs. Instead, the Plan will only pay 2020 RMDs upon request to participants and beneficiaries that would have otherwise received RMDs.

This RMD waiver is temporary. If you were otherwise required to take an RMD in calendar year 2020, the requirement to take RMDs will resume in calendar year 2021.

The RMD waiver for calendar year 2020 affects the following individuals:

- Retired Participants, or Participants who own 5% or more of a sponsoring business, who were age 70 ½ or older in 2019;
- Surviving spouses of deceased Participants who died at age 70 ½ or older in 2019, or who died at a younger age but would have reached age 70 ½ in 2020;
- Non-spouse Beneficiaries of deceased Participants who must take a distribution by December 31, 2020. In addition, for non-spouse Beneficiaries who must take a distribution by the fifth year following a Participant’s death, calendar year 2020 will not be counted toward the five-year period for non-spouse Beneficiaries of Participants who died in calendar years 2015-2019.

If your RMD for calendar year 2020 was suspended, the Plan will still pay it upon request. If you still want to receive your RMD for calendar year 2020, you should contact a Prudential Customer Service Representative at the number located on your account statement.

IV. New Third-Party Administrator

Effective April 1, 2020, the Board of Trustees has retained BeneSys Administrators to provide administrative services for the Plan. On that date, the previous administrator, CompuSys, ceased to provide administrative services.

You may call BeneSys at **(844) 989-2321**. BeneSys will also have two walk-in office locations opening in the near future:

BeneSys Administrators
4704 Harlan Street, Suite 104
Denver, CO 80212

BeneSys Administrators
5295 South Commerce Drive, Suite 220
Murray, UT 84107

To contact BeneSys or the Board of Trustees in writing, you must use the following mailing address:

Eighth District Electrical Pension Fund Annuity Plan
c/o BeneSys Administrators
P.O. Box 30751
Salt Lake City, UT 84130

The Plan also has a new website where you can find important forms and documents, details on your work history and contributions reported on your behalf, and eligibility information. The new website address is <http://www.8thDistrictBenefits.org>.

Prudential is still the recordkeeper for the Plan. This means that you will continue to go to Prudential for any matters related to your investment portfolio and distribution options. In addition, your quarterly statements will continue to come directly from Prudential. You will continue to access your account-specific information, such as your Individual Account balance, from the Prudential website at <http://www.prudential.com/8thdist>. Your Prudential log-in credentials did not change.

V. Updated List of Trustees

On the following page is an updated list of Trustees. The Board of Trustees may be contacted at the Administrative Office address and phone number provided in Section IV of this SMM.

If you have any questions about these changes, please contact the Administrative Office.

Union Trustees

Mr. Jeff Neitzel (Secretary)
IBEW Local Union No. 532
P.O. Box. 80005
Billings, MT 59108

Mr. Brent Donohue
IBEW Local Union No. 57
4551 South Atherton Drive
Salt Lake City, UT 84123

Mr. Tom Kelley
IBEW Local Union No. 12
P.O. Box 12
2901 Farabaugh Lane
Pueblo, CO 81005

Mr. Brian Bradley
IBEW Local Union No. 113
2150 Naegele Road
Colorado Springs, CO 80904

Mr. Jim Mantele
221 Red Rocks Vista Dr.
Morrison, CO 80465

Mr. Jeff Morrow
IBEW Local Union No. 415
810 Fremont Avenue
Cheyenne, WY 82001

Mr. Jeremy Ross
IBEW Local Union No. 68
5660 Logan Street
Denver, CO 80216

Mr. Ted Thomas
1216 Quince St.
Denver, CO 80220

Mr. Mark Zaleski
IBEW Local Union No. 291
225 North 16th St., Ste. 110
Boise, ID 83702

Mr. Steve Woodman
IBEW Local Union No. 354
3400 West 2100 South
Salt Lake City, UT 84119

Employer Trustees

Mr. Klaas DeBoer (Chairman)
Intermountain Chapter, NECA
2125 West 2300 South
West Valley City, UT 84119

Mr. Rory Berumen
Rocky Mountain Chapter, NECA
495 Uinta Way, Ste. 240
Denver, CO 80230

Mr. Patrick Carlson
Wyoming Chapter, NECA
158 South Fenway
Casper, WY 82601

Mr. Chris Olson
RME Electrical Corp.
19160 Smith Road
Aurora, CO 80011

Ms. Susan King
Manager, Southern Colorado NECA
1070 South 8th Street
Colorado Springs, CO 80960

Mr. Francis Marcotte
Sturgeon Electric
12150 East 112th Avenue
Henderson, CO 80640

Mr. Eric Petersen
P.E.T.E.S., Inc.
2407 Harve Avenue
Missoula, MT 59801

Mr. James Peterson
Berwick Electric Co.
3450 North Nevada Avenue, Ste. 100
Colorado Springs, CO 80907

Mr. Jules Weaver
Western Line Constructors Chapter, NECA
1275 East Fort Union Blvd., Ste. 203
Midvale, UT 84047

Mr. Josh Wheeler
Wheeler Electric, Inc.
469 West 16th Street
Idaho Falls, ID 83402