



# MICHIGAN REGIONAL COUNCIL OF CARPENTERS' FRINGE BENEFIT FUNDS

P.O. Box 4540 • Troy, MI 48099-4540  
Telephone: (248) 641-4950 800-572-2525



March 2014

## IMPORTANT ANNOUNCEMENT SUMMARY OF MATERIAL MODIFICATIONS – EFFECTIVE MAY 1, 2014

To: ALL PARTICIPANTS IN THE MICHIGAN REGIONAL COUNCIL OF CARPENTERS  
ANNUITY FUND

Re: CHANGE IN DISTRIBUTION PROCEDURES FOLLOWING PLAN YEAR-END

Effective May 1, 2014, any Participant electing a distribution prior to retirement, shall be entitled to receive that distribution as follows:

1. As soon as administratively feasible, an amount equal to the balance of their account, valued as of the last day of the **immediately preceding Plan Year (April 30<sup>th</sup>)**.
2. Contributions received on the Participant's behalf in the **current Plan Year beginning May 1<sup>st</sup>** will be accessible for withdrawal after the last day of the **current Plan Year ending April 30<sup>th</sup>**, provided:
  - a. The Participant makes proper application to the Annuity Fund for the distribution. If an application for distribution is not made, the Annuity Fund will continue to maintain the Participant's account. The Participant also must meet all of the eligibility requirements for the form of distribution requested, specifically for partial or full distribution (for a non-retiree) and/or a hardship;

*Example of a Partial Distribution: 2013 Annual Statement amount of \$20,000 plus the "Earnings Factor", (assumption of 2%), gross benefit payable would be \$20,000 + \$400 = \$20,400. **Contributions of \$4,000 credited after May 1<sup>st</sup> are not accessible at this time.***

- b. Or, a retiree may make application for their entire account balance which may include the prior year's account balance plus the current year contributions. The entire account balance will be valued as defined below.

*Example: 2013 Annual statement amount of \$20,000, plus current plan year contributions of \$4,000, valued using the "Earnings Factor", (assumption of 2%), gross benefit payable would be \$20,000 + \$4,000 + \$480 = \$24,480*

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Annually for Plan Year End (April 30<sup>th</sup>), the Trustees establish the earnings or losses to be allocated to each Participant's account using the most current financial information available. In determining the value of the amount to be credited/debited to each Participant, the following is taken into consideration:

1. The fair market value of the Annuity account as of the last valuation date;
2. ***Minus any withdrawals or payments made from a Participant's account after the valuation date;***
3. ***Plus contributions made after the last valuation date;***
4. The sum, of which is then multiplied by an "Earnings Factor". The "Earnings Factor" will reflect the Plan's financial gain or loss from the beginning of the Plan Year through the most recently reconciled financial statement.

You should keep this notice along with your Summary Plan Description booklet (SPD). This notice is only a summary, and it is not an official plan document. In the event of any ambiguity in or omission from this notice, or any conflict between this notice and the official plan test, the official plan test will govern.

Sincerely,

The Board of Trustees of the Michigan Regional Council of Carpenters' Annuity Fund



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TO: All Participants in the Michigan Regional Council of Carpenters Annuity Fund  
FROM: Fund Office  
DATE: February 22, 2014  
SUBJECT: Change in Plan Definition of "Spouse" Effective September 16, 2013

### **SUMMARY OF MATERIAL MODIFICATION**

This notice is to inform you of a recent change to the Michigan Regional Council of Carpenters Annuity Plan ("Plan").

Following a U.S. Supreme Court decision last year, the Internal Revenue Service and the Department of Labor issued guidelines that require qualified retirement plans to treat a same-sex spouse the same as they would an opposite-sex spouse in order for the plans to retain their tax-exempt status.

After reviewing the new guidelines with the Fund's legal counsel, the Board of Trustees elected to amend a key definition in the Plan in response to the guidelines. The Board revised the definition of the term "spouse" in the Plan, effective September 16, 2013, so that same-sex spouses are recognized and are therefore entitled to all of the same benefits under the Plan that an opposite-sex spouse would be entitled to receive. The term "spouse" shall now be defined as follows:

**Section 1.25 Spouse.** The husband or wife of a Participant, who shall have been legally married to the Participant. A former Spouse shall be treated as a Spouse to the extent provided under the "Qualified Domestic Relations Order" requirements, set forth in Section 414(p) of the Code. The term "Spouse" shall include any individuals who are lawfully married under any state law, including individuals married to a person of the same sex who were legally married in a state that recognizes such marriages, but who are domiciled in a state that does not recognize such marriages.

This SMM is a summary and is **not** an official plan document. The actual terms of the Plan are contained in the plan document, which is available from the Fund Office. In the event of any ambiguity in or omission from this SMM, or any conflict between this SMM and the official plan text, the official plan text will govern.

If you have any questions relative to this notice, or those related to your benefits, please contact the Fund Office at (800) 572-2525.

Sincerely,

The Board of Trustees of the Michigan  
Regional Council of Carpenters Annuity Fund