

I.B.U. of the Pacific National 401(k) Plan

DATE: April 2020
TO: All Participants in the Inlandboatmen's Union of the Pacific National 401(k) Plan
FROM: Board of Trustees
RE: **Summary of Material Modifications to the July 1, 2015 Summary Plan Description – PLEASE READ. THIS NOTICE REVIEWS CHANGES DUE TO COVID-19**

Introduction

The Employee Retirement Income Security Act requires a Summary of Material Modifications be distributed to describe any material change to the information in the July 1, 2015 Summary Plan Description. This document is a Summary of Material Modifications to the July 1, 2015 Summary Plan Description. If you cannot locate your July 1, 2015 Summary Plan Description, call the Administrative Office at (800) 547-4457 and request a copy.

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was signed into law. The CARES Act contains provisions that may offer additional relief through your retirement plan. In response, the Board of Trustees have made the following changes to the Plan.

It may be tempting to access your long-term retirement savings to help you through difficult times, especially when your personal financial situation may be tight due to circumstances beyond your control. The Board of Trustees ask that you consider all sources of income before relying on your IBU 401(k) Plan, as it is an important part of your long-term future retirement.

Changes to the July 1, 2015 Summary Plan Description

The primary changes to the July 1, 2015 Summary Plan Description described in this notice are as follows:

- Update to Distribution, Loans, and Required Minimum Distribution requirements relating to the CARES Act; and
- Update the Recordkeeper and Trustees for the Inlandboatmen's Union of the Pacific National 401(k) Plan.

The changes are detailed below.

DEFINITION OF QUALIFIED INDIVIDUAL

Under the temporary CARES Act provisions relating to distributions and loans, you are considered a Qualified Individual, if you satisfy one of the following and provide a written statement certifying that:

- You are diagnosed with the virus by a medically approved test from a healthcare provider; or
- Have a spouse or dependent who is diagnosed with the virus by a medically approved test from a healthcare provider; or
- Experience adverse financial consequences as a result of being quarantined, being furloughed or laid off or reduced work hours, being unable to work due to lack of childcare, or other factors as determined by the Secretary of Treasury.

CORONAVIRUS RELATED DISTRIBUTION (“CRD”)

Effective for the period of January 1, 2020 through December 31, 2020, certain Qualified Individuals may take a Coronavirus Related Distribution withdrawal(s) not to exceed \$100,000 in total from all qualified plans. Such distributions are still subject to ordinary income tax, which may be spread over three years (to the extent not repaid) unless you elect otherwise. CRD payments will not be subject to early withdrawal penalty of 10%, which applies to participants under age 59½. A CRD payment may be repaid within three years. The three-year period begins on the date after which the CRD is received. Only the amount received (no earnings) can be paid back. The distribution amount can be repaid in one lump sum or in multiple payments to the Plan. To receive this type of distribution, you must meet the definition of Qualified Individual and complete a CRD application. Distribution fees will be waived for CRD payments. Please access your account via the John Hancock website www.mylife.jhrps.com to complete a CRD application form.

DEFERRED LOAN REPAYMENTS

Effective March 27, 2020 through December 31, 2020, certain Qualified Individuals who have a Plan loan(s) outstanding on or after March 27, 2020 may have their loan payments deferred for up to one year, or 12 monthly repayments. Your loan term will be extended by up to one year and your remaining payments will be adjusted to reflect the delay in repayment. Your loan(s) will continue to accrue interest during the deferment that you will still be required to pay after the deferment period ends, and normal loan maintenance fees will apply. Please contact the Trust Office if you are interested in deferring your loan repayments.

INCREASED LOAN MAXIMUM

For new loans issued on or after March 27, 2020 and no later than September 22, 2020, a Participant may take a loan for the lesser of \$100,000 (reduced by the highest outstanding loan balance in the preceding 12 months) or 100% of the present value of the Participant’s vested account balance. Normal limits are \$50,000 or 50% of account balance. To model or apply for a new loan, please access your account via the John Hancock website www.mylife.jhrps.com.

REQUIRED MINIMUM DISTRIBUTION (“RMD”) FOR 2020

All required minimum distributions that would have been due in 2020 may be waived. The waiver applies to both 2019 required minimum distributions due by April 1, 2020 and the required minimum distributions due by December 31, 2020, or for a Participant’s initial RMD payment due

April 1, 2021. If you receive a required minimum distribution in 2020, then such distribution is eligible for rollover. The Trust Office will assume your 2020 RMD will be waived unless you request a distribution by contacting John Hancock.

RECORDKEEPER AND TRUSTEES

On page i, the information below the heading **RECORD KEEPER** is revised to read as follows:

RECORD KEEPER

John Hancock Retirement Plan Services
P.O. Box 940
Norwood, MA 02062-0447
(833) 388-6466
www.mylife.jhrps.com

On page 5, the information below the heading **MORE INFORMATION** is revised to read as follows:

The Board of Trustees has retained BeneSys, Inc. as the Administrative Office, and John Hancock Retirement Plan Services as the Record Keeper.

On page 11, the second paragraph below the heading **INVESTMENT INFORMATION** is revised to read as follows:

Detailed information concerning each investment option, including its objectives, goals, principal strategies, principal risks, holdings, turnover rate, value, and updated performance and expense information is available at www.mylife.jhrps.com or by contacting the Record Keeper at (833) 388-6466 and requesting a paper copy of information concerning the investment options.

On page 39, the information below the heading **RECORD KEEPER** is revised to read as follows:

The entity responsible for maintaining many of the Plan's and your records. The current Record Keeper is:

John Hancock Retirement Plan Services
P.O. Box 940
Norwood, MA 02062-0447
(833) 388-6466
www.mylife.jhrps.com

On page 43, the information below the heading **TRUSTEES OF THE PLAN** is amended to read as follows:

Employer Trustees

Lee Eglund, Co-Chair
Crowley Marine Services, Inc.
1102 SW Massachusetts St.
Seattle, WA 98134

Matt Hainley
Sause Bros. Inc.
3710 NW Front Avenue
Portland, OR 97210

Patrick Murphy
Blue & Gold Fleet LP
Pier 41 Marine Terminal
San Francisco, CA 94133

Alice Ng
Golden Gate Bridge & Hwy Dist.
Administration Building
Golden Gate Bridge Toll Plaza
San Francisco, CA 94129

Mike O'Connor
Foss Maritime Company
450 Alaskan Way South, Suite 706
Seattle, WA 98104

Union Trustees

Marina V. Secchitano, Co-Chair
IBU National
1711 W. Nickerson St, Suite #D
Seattle, WA 98119-1663

Brian Dodge
IBU Columbia River Region
2435 NW Front Avenue
Portland, OR 97209-1825

Donovan D. Duncan
IBU Hawaii Region
451 Atkinson Drive
Honolulu, HI 96814

Peter Hart
IBU Puget Sound Region
1711 W. Nickerson St, Suite #D
Seattle, WA 98119-1663

Gail McCormick
IBU Puget Sound Region
1711 W. Nickerson St., Suite #D
Seattle, WA 98119-1663

Robert Estrada
IBU San Francisco Region
450 Harrison Street, #103
San Francisco, CA 94105-2640

John Skow
IBU So. California Region
1911 N. Gaffey St., Suite A & B
San Pedro, CA 90731-1263

Adam Smith
IBU Columbia River Region
2435 NW Front Avenue
Portland, OR 97209-1825

Conclusion

If you have any questions regarding this Summary of Material Modifications, contact the Trust Office at www.ibubenefits.org.