



INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 399

Deferred Compensation Employee Savings Plan

IMPORTANT NOTICE

December 2023

Dear Participants:

On December 29, 2022, the Securing a Strong Retirement Act (“SECURE 2.0 Act”) was signed into law as part of the Consolidated Appropriations Act. The SECURE 2.0 Act, among other things, made changes to the pension benefit distribution rules. As a result of the SECURE 2.0 Act, the Board of Trustees (“Trustees”) of the International Union of Operating Engineers Local 399 Participating Employers Deferred Compensation Employee Savings Plan (“Plan”) made the following changes to the Plan.

REQUIRED BEGINNING DATE CHANGES

The SECURE 2.0 Act changed the date the Plan must begin making required minimum distributions, otherwise known as the Required Beginning Date. Your benefit must begin on your Required Beginning Date.

Before the SECURE 2.0 Act, your Required Beginning Date was the April 1st of the calendar year following the *later* of the calendar year in which you turned 72 or retired. The SECURE 2.0 Act increased the Required Beginning Date from 72 to 73, for people who turn 72 on or after January 1, 2023.

In other words, if you turn 72 on or after January 1, 2023, your Required Beginning Date is the April 1st of the calendar year following the *later* of the calendar year in which you turn 73 or retire. However, if you turned 72 before January 1, 2023, your Required Beginning Date has not changed and will continue to be the April 1st of the calendar year following the *later* of the calendar year in which you turn 72 or retire.

SMALL BENEFIT CASH-OUT

The SECURE 2.0 Act also allows a Plan to increase its small benefit cash-out limit. Accordingly, effective January 1, 2024, the Plan was amended to increase the small benefit cash-out limit from \$5,000 to \$7,000. This means that if your employment is terminated and your account balance is \$7,000 or less, it will be distributed in a lump sum. Unless you elect otherwise, accounts of more than \$1,000 but less than \$7,000 will be distributed as a lump sum in a direct rollover to an individual retirement plan designated by the Trustees.

QUALIFIED BIRTH OR ADOPTION DISTRIBUTIONS (“QBADS”)

Beginning December 29, 2022, you have three (3) years to recontribute up to the amount you received as a qualified birth or adoption distribution (“QBAD”) to the Plan as a Rollover Contribution. This three-year period begins the day after the date on which you received the QBAD.

For example, if you received a QBAD on January 11, 2023, you would have until January 12, 2026 to recontribute some or all of the QBAD amount that you received.

Note: if you received a QBAD *before* December 29, 2022, you have until January 1, 2026 to recontribute up to the amount you received as a QBAD to the Plan as a Rollover Contribution.

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This announcement is intended to be a summary of material modifications. If you have any questions about these changes, please contact the Fund Office.

Sincerely,

Board of Trustees

Important Fund Information

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