



Summary of Material Modifications



Indiana/Kentucky/Ohio Regional Council of Carpenters' Pension Fund

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INDIANA/KENTUCKY/OHIO REGIONAL COUNCIL OF CARPENTERS DEFINED CONTRIBUTION PENSION TRUST FUND

April 2020

Dear Participant:

The Board of Trustees of the Indiana/Kentucky/Ohio Regional Council of Carpenters Defined Contribution Pension Plan (the “Plan”) is required to provide each Participant with notification of important changes made to the Plan. This notification, which is called a Summary of Material Modifications (“SMM”), is intended to update the Plan’s current Summary Plan Description (“SPD”).

Effective July 1, 2019, the Plan is amended to clarify that participants are eligible to receive benefit distributions in the form of installment payments, and that alternate payees are permitted to receive benefit distributions as soon as administratively feasible upon a determination that a domestic relations order is qualified. Additionally, the Plan is amended to expand the circumstances under which a Participant may receive a hardship distribution, and to clarify that participants may only take a limited number of hardship distributions each year.

Effective January 1, 2020, the Plan is amended to require beneficiaries to apply for benefits within 24 months of a participant’s death, to nullify a participant’s designation of his or her spouse as beneficiary upon divorce, and to require participants to provide additional substantiation before receiving a hardship distribution.

Effective April 7, 2020 to June 30, 2020, the Plan is amended to allow a member who is a “qualified individual” as defined under the Coronavirus Aid, Relief and Economic Security Act to withdraw 50% of their vested balance (excluding any Money Purchase Pension Plan assets) up to a maximum amount of \$15,000. Additionally, effective April 7, 2020, the Plan is amended to allow certain rollover contributions into the Plan.

To reflect these Amendments, the following changes are made to the SPD:

Optional Forms of Benefit

1. The Trustees took action, effective July 1, 2019, to clarify that participants are eligible to receive benefit distributions in the form of installment payments.

The “Optional Forms of Benefit” subsection under the **Summary of Retirement Benefits** section beginning on page 9 of the SPD is amended to read as follows:

Optional Forms of Benefit

Instead of the above, you may elect one of the following optional forms of benefit:

If you are married, you may elect a Qualified Optional Survivor Annuity.

You may also elect a lump sum option as described below. Your spouse must consent to this election.

You may elect to receive payments in equal monthly, quarterly, semi-annual or annual installments, over a period not exceeding the life of the Participant or the joint lives of the Participant and a designated beneficiary, as adjusted to reflect any adjustment in the value of the Participant's Account after payments begin. If you are married, your spouse must consent to this election.

Qualified Domestic Relations Orders

2. The Trustees took action, effective July 1, 2019, to clarify that alternate payees are permitted to receive benefit distributions as soon as administratively feasible upon a determination that a domestic relations order is qualified.

The **Qualified Domestic Relations Order** section beginning on page 14 of the SPD is amended to read as follows:

Qualified Domestic Relations Order

The Plan Administrator may be required by law to recognize obligations you incur as a result of a court order relating to child support, alimony, or marital property rights. The Plan Administrator must honor a qualified domestic relations order, which is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. The Trustees will establish procedures to determine the qualified status of such orders. The procedures will include, on a uniform and nondiscriminatory basis, rules providing for the distribution of nonforfeitable benefits to the alternate payee at an earlier time than benefits might otherwise be available to the Participant to be distributed, at the alternate payee's election, as soon as administratively feasible following the determination that the domestic relations order is qualified. The Trustees are not responsible for any retroactive payments. You are entitled, upon request, to receive a copy of the Plan's procedures for determining the qualified status of a domestic relations order.

Hardship Withdrawals

3. The Trustees took action, effective July 1, 2019, to expand the circumstances under which a participant may receive a hardship distribution.

The definition of "immediate and heavy financial need" under the **Hardship Distribution** section on page 14 of the SPD is amended to read as follows:

"Immediate and heavy financial need" is defined in the Internal Revenue Code as follows:

- 1) Medical expenses incurred by the Participant or his/her family
- 2) Purchase of a principal residence for the Participant;
- 3) Payment of tuition and related education expenses for the next 12 months of post-secondary education for Participant or family members;
- 4) To prevent eviction or foreclosure on the mortgage of the Participant from the principal residence;
- 5) Payments for funeral or burial expenses for Participant's deceased parent, spouse, child or dependent;
- 6) Expenses to repair damage to Participant's principal residence that would qualify for casualty loss deduction under IRC § 165;
- 7) Any other financial need specifically listed by the Secretary of the Treasury in regulations or other official guidelines that allow the Plan to make hardship distributions;

- 8) Expenses and losses (including loss of income) incurred on account of a disaster declared by the Federal Emergency Management Agency (“FEMA”) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-107, provided the Participant’s principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster; or
- 9) Any other circumstance that, in the opinion of the Trustees, creates an immediate and heavy financial need.

4. The Trustees took action, effective January 1, 2020, to require Participants to provide additional substantiation before receiving a hardship distribution.

The final paragraph in the section listing guidelines used to process hardship distribution applications on pages 13 and 14 of your SPD is amended to read as follows:

You must make application for a hardship distribution on forms obtainable from the Fund Office. Effective January 1, 2020, you must certify in writing that you have insufficient cash or other liquid assets reasonably available to satisfy the financial need. Once your application has been approved, a lump sum payment will be made as soon as administratively feasible.

5. The Trustees took action, effective July 1, 2019, to clarify that Participants can only take a limited number of hardship distributions per year.

The **Time of Payment** section beginning on page 14 of the SPD is amended to read as follows:

Time of Payment

Distribution of your benefit will commence as soon as administratively feasible following the receipt of your properly completed application and all required documentation.

You will not be able to receive more than one hardship distribution during any Plan year. This limit shall not apply to hardship distributions to pay tuition and related fees for post-secondary education (described above).

Designation of Beneficiaries

6. The Trustees took action, effective January 1, 2020, to require beneficiaries to apply for benefits within 24 months of a participant’s death, and to nullify a participant’s designation of his or her spouse as beneficiary upon divorce.

The **Death Benefit** section on page 11 of the SPD is amended to read as follows:

Death Benefit

In the event of your death before retirement, 100% of your account balance will be paid to your beneficiary. This benefit may be paid in one single sum at the time of your death, or other forms which are eligible to be paid to your beneficiary.

If you are married on the date of your death, your beneficiary is your spouse, as set forth below. If you are not married, your beneficiary is the person(s) you have designated on a beneficiary form which has been received by the Fund prior to your death. If you have not designated a beneficiary, then your death benefit will be paid to your surviving children, equally, or if none be living, then to your estate.

All potential beneficiaries or their representatives must submit an application to receive a death benefit within 24 months of the death of the Participant. All claims not filed within 24 months of the death of the Participant will not be considered.

In the event your marriage is legally terminated by divorce, any prior designation naming your former spouse as beneficiary will be null and void (subject to the terms of a QDRO). If you desire to retain your former spouse as your designated beneficiary, you must complete a new beneficiary form after the marriage is legally terminated by divorce, listing your former spouse as your designated beneficiary.

The **Qualified Preretirement Survivor Annuity** section beginning on page 11 of the SPD is amended to read as follows:

Qualified Preretirement Survivor Annuity

If you are married at the time of your death, your spouse will be the beneficiary of the death benefit, unless you otherwise elect in writing on a form to be furnished to you by the Plan Administrator. However, if you wish to designate a beneficiary other than your spouse, your spouse must consent to waive any rights to the death benefit and to the designation of the alternate beneficiary. Your spouse's consent must be in writing and witnessed by a notary.

Provided no valid waiver is in effect, the death benefit payable to your spouse shall be in the form of a survivor annuity, which provides periodic payments over the life of your spouse. The size of the monthly payments will depend on the value of your account at the time of your death. Your spouse may elect a lump sum benefit as provided by the Plan.

However, if

- (a) your spouse has validly waived any right to the death benefit in the manner prescribed above, or
- (b) your spouse cannot be located, or
- (c) you are not married at the time of your death,

then your death benefit will be paid to the beneficiary of your own choosing as a single lump sum. You may designate such beneficiary on a form to be supplied to you by the Plan Administrator. If your marriage is legally terminated by divorce, any prior designation naming your former spouse as beneficiary will be null and void (subject to the terms of a QDRO) and you will need to file a new beneficiary designation form.

Because your spouse participates in these elections and has certain rights in the death benefit, you should immediately report any change in your marital status to the Plan Administrator.

The **APPLYING FOR A BENEFIT** section on page 16 of the SPD is amended to add the following after the first paragraph:

All potential beneficiaries or their representatives must submit an application to receive a death benefit within 24 months of the death of the Participant. All claims not filed within 24 months of the death of the Participant will not be considered.

In the event your marriage is legally terminated by divorce, any prior designation naming your former spouse as beneficiary will be null and void (subject to the terms of a QDRO). If you desire to retain the former spouse as designated beneficiary, you must complete a new beneficiary form after the marriage is legally terminated by divorce, listing such former spouse as designated beneficiary.

Required Minimum Distributions

7. Under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), all required minimum distributions due in 2020 are suspended.

The **Normal Retirement Age** section on page 8 of the SPD is amended to add the following final paragraph:

All minimum distribution payments are suspended in 2020. If you were scheduled to receive a minimum distribution payment in 2020, you can receive your distribution as an elective distribution upon request. Please contact the Fund Office for additional information.

CARES Act Distribution

8. The Trustees took action, effective April 7, 2020 to June 30, 2020, the Plan is amended to allow a member who is a “qualified individual” as defined under the CARES Act to withdraw 50% of their vested balance (excluding any Money Purchase Pension Plan assets) up to a maximum amount of \$15,000

The following section is added to page 14 of the SPD, following the section titled **Hardship Distribution**:

CARES Act Distribution

Effective April 7, 2020 to June 30, 2020, you have the option to withdraw the lesser of 50% of your vested balance (excluding any Money Purchase Pension Plan assets) or \$15,000 if you meet the requirements of a “qualified individual,” as defined under the Coronavirus Aid, Relief and Economic Security Act (the “CARES” Act).

To be an eligible “qualified individual” for the CARES Act COVID-19 distribution, you must meet one of the following criteria:

- You were diagnosed with COVID-19;
- Your spouse or dependent was diagnosed with COVID-19;
- You experienced adverse financial impact due to quarantine, furlough, layoff, reduced work hours or inability for work for childcare-related issues due to COVID-19; or
- You were faced with other COVID-19 related factors as determined by the Secretary of Treasury.

You must certify that you are a “qualified individual” and eligible for a COVID-19 distribution. Married participants must obtain spousal consent before taking a distribution.

If you are eligible and take a distribution, you may repay your distribution to the Plan within three years beginning with the date of the distribution. You are not obligated to repay any portion of your distribution

If you are married, your spouse must provide written consent to the distribution.

Rollover Contributions

9. The Trustees took action, effective April 7, 2020, to allow certain rollover contributions to the Plan.

The **Participant Accounts** section of the **CONTRIBUTIONS TO THE PLAN** section beginning on page 5 of the SPD is amended to read as follows:

Participant Accounts

The Trustees maintain a separate Account for each Plan Participant. The Participant Account is divided into the following subaccounts:

- Employer Contributions
- Reciprocal Transfers
- Rollover Contributions

As required by law, one subaccount holds all assets which you may have accrued when your plan was a money purchase or annuity plan. Another subaccount holds all assets accrued after the Plan became a profit-sharing plan. Both accounts continue to accrue earnings until your benefit is paid. Your Account is intermingled with other Accounts for investment purposes, but the Trustees account for your contributions, withdrawals, net investment gains or losses and administrative expenses separately. The value of your Account is established by the custodian of the Plan at the end of each day that the New York Stock Exchange is open for business.

The following section, “Rollover Contributions,” is added after the **Reciprocal Transfers** section beginning on page 6 of the SPD:

Rollover Contributions

You may deposit assets from an eligible retirement plan deposited into your Rollover Account if certain legal requirements are satisfied. You may deposit the payment by requesting to make a direct rollover to this Plan. The Board of Trustees will not accept a rollover that consists of employee voluntary after-tax contributions or Roth after-tax contributions. The Board of Trustees must approve the Plan’s acceptance of any rollover contribution. If a rollover contribution is later determined to have been an invalid rollover contribution, the Board of Trustees will return the amounts attributable to the rollover contribution to the Participant.

If you make a rollover contribution, you will always remain 100% vested in it and any income it generates. Your rollover contribution will be invested in the same investment funds as the rest of your Account and is subject to the same investment risks. It is also subject to the Plan’s distribution rules.

Subsection 1) of the **Hardship Distribution** section beginning on page 13 of the SPD is amended as follows:

Hardship Distribution

Effective January 1, 2015, Participants will be able to elect to withdraw some or all of their individual account on account of hardship under the following conditions:

- 1) Such distribution can come only from the Participant’s profit sharing account or rollover contribution account;

All other Plan provisions remain unchanged. You should retain this SMM with your copy of the SPD.

If you have any questions or concerns, please feel free to contact the Plan Office at .

Sincerely,

The Board of Trustees of the

Indiana/Kentucky/Ohio Regional Council of Carpenters
Defined Contribution Pension Fund

This notice, which serves as an 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 language will govern. The Trustees reserve the right to amend, modify, or discontinue all or part of the Plan at any time.

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