

Plumbers and Pipefitters Local No. 396 Pension Fund

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SUMMARY OF MATERIAL MODIFICATION

September 2023

To: All Plan 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 of 2022. As a result of the SECURE 2.0 Act, the Board of Trustees made the following changes to the Plan. This announcement is intended to be a summary of material modifications.

REQUIRED MINIMUM DISTRIBUTION 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 pension benefit must begin on your Required Beginning Date.

Before the SECURE 2.0 Act, your Required Beginning Date was the April 1st following the calendar year in which you attained age 72 years, regardless of whether your employment has terminated. The SECURE 2.0 Act increased the Required Beginning Date from age 72 to age 73 for people who turn age 72 on or after January 1, 2023.

In other words, if you reach age 72 **on or after January 1, 2023**, your Required Beginning Date is the April 1st following the calendar year in which you attain age 73 years, regardless of whether your employment has terminated. However, if you reach age 72 **before January 1, 2023**, your Required Beginning Date has not changed and will continue to be the April 1st following the calendar year in which you attain age 72 years, regardless of whether your employment has terminated.

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 \$5,000.00 to \$7,000.00. This means that if the actuarial present value of your benefit payable under the Plan is \$7,000.00 or less as of the date the benefit payment would start, you or your Beneficiary may elect to receive a single lump sum cash out.

Direct Deposit Requirement

Effective for any future retirement benefit payments shall be via direct deposit only.

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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