

Sacramento Independent Hotel, Restaurant and Tavern Employees Trust Funds

DATE: June 2020

TO: All Participants of the SIHRTE Pension Plan

FROM: Board of Trustees of the SIHRTE Pension Plan

RE: **Summary of Material Modifications (“SMM”) and Temporary Rules Extending Claims and Appeals Procedures During Public Health Emergency Period**

Below please find recent changes made to the Sacramento Independent Hotel, Restaurant and Tavern Employees Pension Plan (“Plan”) pursuant to federal mandate. No Action is Necessary. Please keep this SMM with a copy of your Summary Plan Description booklet. Please contact the Trust Fund office with any questions.

Temporary Public Health Emergency Extension Rules (New Section 8.3(h) to Article VIII of Plan Rules)

Effective immediately, joint IRS and DOL emergency regulation requires the Plan to disregard the period from **March 1, 2020 until sixty (60) days after the announced end of the National Emergency or another date determined by the agencies in a future notice** (referred to as the “Outbreak Period”) for all Plan Participants, beneficiaries, or claimants in determining the following periods and dates:

1. **Plan’s Claims Filing Procedure.** Any applicable benefit claims filing requirements (including one (1) year period to file suit) mentioned throughout the Pension Plan booklet, for claims as of March 1, 2020, has been temporarily tolled and counted from the end of the Outbreak Period. If applicable, for those claims received/processed earlier than March 1, 2020, any days that passed prior to the March 1, 2020 start of the Outbreak Period will be accounted for and not disregarded in determining your claims filing deadline but the days that fall within the Outbreak Period will be temporarily tolled and counted from the end of the Outbreak Period.
2. **Plan’s Appeals Procedure.** For those claimants (or their authorized representatives) who received an adverse benefit determination/claims denial as of March 1, 2020 the claimant (or authorized representative) has 60 days for pension-related claims counted from the end of the Outbreak Period to file an appeal. If applicable, for those claimants who received an adverse benefit determination earlier than March 1, 2020 any days that passed prior to the March 1, 2020 start of the Outbreak Period will be accounted for and not disregarded in determining your appeals filing deadline but the days that fall within the Outbreak Period will be temporarily tolled and counted from the end of the Outbreak Period.

Required Minimum Age Change from Age 70 ½ to Age 72 (Section 6.4 to Article 6 of Plan Rules)

Effective for a participant who reaches age 70 ½ on or after January 1, 2020 and who is not a five percent (5%) owner, distributions shall be made or commence no later than April 1 of the calendar year following the later of the calendar year in which the Participant attains age 72 or the calendar year in which the Participant retires. The Required Minimum Distribution for a Five Percent (5%) owner is age 72, even if still working.

Any Participant (including a 5% owner) who attains age 70-½ prior to January 1, 2020, would continue to be required to take distributions under the prior Required Minimum Distribution rule (which requires distributions for a non-five percent (5%) owner to commence no later than April 1st of the calendar year following the later of the calendar year in which the Participant attains age 70-½ or the calendar year in which the Participant retires, and for a five percent (5%) owner distributions must commence no later April 1st of the calendar year following the calendar year in which the Participant attains age 70-½, even if still working).

Distributions made pursuant to above, if not paid in a lump sum, shall be payable over a period certain not to exceed the life or life expectancy of the Employee or the joint life or life expectancy of the Employee and his or her designated Beneficiary. For purposes of this calculation, if the designated Beneficiary is the Employee's spouse, the life expectancy of such Employee and his or her spouse may be recalculated annually to the extent permitted by applicable law and regulation. All distributions made pursuant to this Section will meet the requirements of Treasury Regulation 1.401(a)(9)-2 through 1.401(a)(9)-9, including the incidental benefit requirements of Section 401(a)(9)(G) of the Internal Revenue Code.

If an Employee commences retirement after April 1st of the calendar year following the year in which the Employee attains age 72 (for those participants who attain age 70-½ on or after January 1, 2020), the Employee's accrued benefit shall be actuarially increased to take into account the period after age 70-½ in which the Employee was not receiving any benefits under the Plan. Such actuarial increase shall be calculated in accordance with IRC Section 401(a)(9)(C) and Regulations issued thereunder. The Participant's right to distributions on April 1 of the calendar year following the year in which age 70-½ is attained shall be preserved under any circumstance. Benefits shall be paid in accordance with the minimum distribution requirements of Internal Revenue Code Section 401(a)(9) and the regulations promulgated from time to time thereunder.

Sincerely,

The Board of Trustees

IN ACCORDANCE WITH THE REQUIREMENTS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THIS DOCUMENT SERVES AS A SUMMARY OF MATERIAL MODIFICATIONS (“SMM”) TO THE PLAN AND SUPPLEMENTS THE RESTATED SUMMARY PLAN DESCRIPTION/PLAN DOCUMENT THAT HAS BEEN SEPARATELY PROVIDED TO YOU. YOU SHOULD RETAIN THIS DOCUMENT WITH YOUR COPY OF THE RESTATED SUMMARY PLAN DESCRIPTION/PLAN DOCUMENT.