

Sheet Metal Workers' Local Union No. 292 Annuity Fund Loan Application

Application Checklist

Please submit copies of the following documents with your application for benefits:

- Birth Certificate for you and your spouse
- Marriage License
- Copy of current driver's license or current state I.D. (with photo) for you and your spouse
- If you have ever been divorced, please submit a complete copy of your divorce decree(s) and any accompanying orders.

CHECKLIST OF ITEMS TO SUBMIT WITH YOUR LOAN APPLICATION:

Please utilize the checklist below to ensure that you have completed your application fully. This will expedite the application process. Missing documents and incomplete application forms will delay the processing of your application.

- Loan Application Form (1 page, front & back)
- Certification of Marital/Single Status
- Participant Loan Consent form
- Spouse Loan Consent form
- Copy of your birth certificate
- Copy of your spouse's birth certificate
- Copy of your marriage license
- Copy of your photo ID
- Copy of your spouse's photo ID
- Copy of any and all previous divorce decrees, Qualified Domestic Relations Orders, Separation Agreements, etc.

Please review the forms you are submitting to make sure that you have completed all blanks, signed where necessary, including the signature of a notary public where applicable and answered the questions accurately and completely. Failure to complete these items, especially the lack of a notary signature where necessary, will delay the processing of your application.

Once your loan has been approved, additional documents will be sent to you for your review and signature.

ALTERNATIVES TO BIRTH CERTIFICATE

~Accepted when birth certificate is unavailable~

In order to be eligible for any benefit from this Fund, you are required to produce proof of your age and identification. The following is a list of the documents that may serve as proof. Some of these documents are better proof than others. The list is arranged starting with the best type of proof, and going down to the less desirable types of documents. *You are required to furnish the best type of proof that is available.*

You do not have to furnish the original of any of these documents; you may submit a photocopy.

1. A birth certificate.
2. A baptismal certificate or a statement as to the date of birth shown by a church record, certified by the custodian of such record.
3. Notification of registration of birth in a public registry of vital statistics.
4. Hospital birth record, certified by a custodian of such record.
5. A foreign church or government record.
6. A signed statement by the physician or midwife who was in attendance at birth, as to the date of birth shown on their records.
7. Naturalization record.
8. Immigration papers.
9. Military record.
10. Passport.
11. School record, certified by the custodian of such record.
12. Vaccination record, certified by the custodian of such record.
13. An insurance policy, which shows the age or date of birth.
14. Marriage records showing date of birth or age (applications for marriage license or church record, certified by the custodian of such record; or marriage certificate).
15. Document showing approval of Social Security Pension.
16. Other evidence, such as signed statements from persons who have knowledge of the date of birth, voting records, poll-tax receipts, driver's license, etc.

SHEET METAL WORKERS' LOCAL NO. 292 ANNUITY FUND
APPLICATION FOR PLAN LOAN

I, _____, a Participant in the Sheet Metal Workers' Local No. 292 Annuity Fund, hereby apply for a loan under the terms of the Plan. I have received, I have read, and I understand the Sheet Metal Workers' Local No. 292 Annuity Fund "Frequently Asked Questions On Loans."

I understand that, should this loan be granted, funds will available no sooner than the 15th day of the month following the month in which all required documents have been provided by me to the Plan Manager.

I understand that, should this loan be granted, it will be subject to the following conditions:

1. I must execute a promissory note that provides for a rate of interest which will be in effect for the life of the loan.
2. My Accrued Benefit Account will secure repayment of this loan. My repayments of principal and interest will be credited to my account as they are made, and will be treated as one of my investments. If I default on my loan repayments and do not cure that default within the time allowed as set forth in the Promissory Note, I understand that the amount of the full unpaid balance (including unpaid principal, interest and all late charges accrued) will be reported to the Internal Revenue Service as a "deemed distribution" from my account, which could have serious tax consequences for me and my family.
3. Repayment shall be in monthly installments due on or before the 15th day of every month. There is no grace period. Payment must be by check payable to the Fund, and payment will be applied to my account on the last day of the month following the month in which I make such payment to ensure validity of payment.
4. The period of repayment shall not exceed five (5) years, and depending on the amount I borrow, may be shorter in order to provide for monthly repayment amounts not less than \$50.
5. The written consent of my spouse, if I am married, is necessary for me to obtain a loan. Without my spouse's written consent, the loan will not be granted.



SHEET METAL WORKERS' LOCAL NO. 292 ANNUITY FUND
APPLICATION FOR PLAN LOAN

To aid the Plan Administrator in processing this loan application, I provide the following information:

Name _____ Social Security Number _____

Spouse's Name _____ Social Security Number _____

Address _____

Home Phone Number _____ Alternate Phone Number _____

I understand that I am responsible for advising the Fund in writing of any change in my address during the period of any loan. My failure to do so will result in my waiver of my right to receive service of any lawsuit filed against me with respect to this loan.

Amount I wish to borrow – Cannot exceed 50% of your Accrued Benefit Account balance at the time of loan distribution, up to \$50,000.

\$ _____

PLEASE NOTE: MARKET FLUCTUATION MAY LOWER THE FINAL LOAN AMOUNT AVAILABLE TO YOU, DEPENDING UPON THE AMOUNT YOU HAVE REQUESTED AND YOUR TOTAL BALANCE AT THE TIME THE LOAN IS DISTRIBUTED.

Signed _____ Date _____



SHEET METAL WORKERS' LOCAL NO. 292 ANNUITY FUND
LOAN CONSENT FORM
(PARTICIPANT)

I, _____, a Participant in the Sheet Metal Workers' Local No. 292 Annuity Fund, acknowledge that my Accrued Benefit Account will secure my loan, that my Accrued benefit Account will be reduced by the amount of my loan, and that my repayments of principal and interest (but not late payment assessments or NSF charges) will be credited to my Account as they are made, after validity of payment has been confirmed. I acknowledge that I have fully read and understand all of the terms of the Promissory Note which I have entered into in order to secure the loan. I further acknowledge that in order to satisfy my obligations to the Sheet Metal Workers' Local No. 292 Annuity Fund to repay the loan granted to me on _____, in the principal sum of \$ _____ at a fixed rate of interest of _____ %, the Fund will, if I default on my loan repayments and do not cure that default within the time allowed as set forth in the Promissory Note, deem the total amount of the unpaid principal and interest a distribution to me and report the amount of such deemed distribution to the Internal Revenue Service, which may result in serious tax consequences for me and my family.

Participant Signature

Date

Witnessed by:

Authorized Plan Representative Date or Notary Public* Date

NOTARY PUBLIC:

Place Notary Stamp Here

Subscribed to and sworn to before me,
This _____ day of _____, 20____.

Notary Public, _____ County

State of _____

My Commission expires _____

Seal

***Notice to Notaries:** Federal Law (i.e., the Retirement Equity Act of 1984) requires that the above Form must be executed in the presence of an authorized Plan representative or a Notary Public. Accordingly, it is most important that you not only witness the actual signatures identified above, but also examine their credentials to satisfy yourself that they are, in fact, the same persons as the ones identified."



SHEET METAL WORKERS LOCAL NO. 292 ANNUITY FUND
SPOUSAL CONSENT TO PARTICIPANT LOAN

I, _____, the spouse of _____ ("Participant"), hereby consent to and acknowledge each of the following:

- (1) The granting of the Annuity Fund loan requested by Participant to be issued on _____, 20____;
- (2) The pledge of the Participant's Accrued Benefit Account with the Fund as collateral;
- (3) In the event of Participant's uncured default on the loan, the permanent reduction from the Participant's Accrued Benefit Account of the full outstanding amount (including the unpaid principal, accrued interest and late charges), the reporting of that amount as a deemed distribution from the Participant's Accrued Benefit Account to the Internal Revenue Service and irrevocably waiving my rights to a portion of the survivor benefits to which I may be entitled at a later date; and
- (4) Any amount of the Participant's Accrued Benefit Account which secures the loan (including any penalties or fees) is unavailable for assignment to an alternate payee (such as in the event of divorce) until that loan is repaid in full.

I understand that my consent to the foregoing, once given, cannot be revoked.

Participant's Spouse's Signature

Date

Witnessed by:

Authorized Plan Representative Date or Notary Public* Date

NOTARY PUBLIC:

Place Notary Stamp Here

Subscribed to and sworn to before me,

This _____ day of _____, 20____.

Notary Public, _____ County

State of _____

My Commission expires _____

Seal

***Notice to Notaries:** Federal Law (i.e., the Retirement Equity Act of 1984) requires that the above Form must be executed in the presence of an authorized Plan representative or a Notary Public. Accordingly, it is most important that you not only witness the actual signatures identified above, but also examine their credentials to satisfy yourself that they are, in fact, the same persons as the ones identified."



CERTIFICATION OF MARITAL/SINGLE STATUS

Federal Law requires the Fund to confirm whether a previous spouse is entitled to any portion of your pension benefits. As such, it is necessary that we request the following certification and supporting documentation. **Failure to complete this form fully, including signing it in front of a notary public, and providing ALL documentation requested, will result in a delay of the processing of your application.**

Your Name: _____ SSN: _____

Current marital status:

- SINGLE, NEVER MARRIED
- SINGLE, PREVIOUSLY MARRIED*
- MARRIED, NO PREVIOUS MARRIAGES
- MARRIED, WITH PREVIOUS MARRIAGE(S)*
- LEGALLY SEPARATED*

*If you have had previous marriages, please list the names of your ex-spouses, the date(s) of marriage and date(s) of divorce (if any of your previous marriages ended due to the death of your spouse at the time, please list the date of death):

Ex-spouse's Name Date of Marriage Date of Divorce/Death

Please provide complete copies of ALL marriage certificates, divorce decrees, separation agreements, Qualified Domestic Relations Orders and any other accompanying documents related to the termination of your previous marriage(s). If any previous spouses have passed away, please provide a copy of the death certificate(s). If you do not have these documents, you should contact the appropriate court through which the proceedings occurred in order to obtain certified copies.

I hereby certify, subject to the penalty of perjury, that the above information is, to the best of my belief and knowledge, true and complete. ANY PERSON WHO SUPPLIES A FALSE CERTIFICATION IN CLAIMING A BENEFIT FORFEITS ANY RIGHT HE OR SHE MAY HAVE TO THE BENEFIT AND, UPON DISCOVERY, BECOMES LIABLE FOR FULL REPAYMENT OF ANY MONEY RECEIVED AS A CONSEQUENCE.

Your Signature

Your Social Security No.

Today's Date

Subscribed to and sworn to before me,
This _____ day of _____, 20 _____.

Signature of Notary

Place Notary Stamp Here

Notary Public, _____ County

State of _____

My Commission expires _____

Seal

***Notice to Notaries:** Federal Law (i.e., the Retirement Equity Act of 1984) requires that the above Form must be executed in the presence of an authorized Plan representative or a Notary Public. Accordingly, it is most important that you not only witness the actual signatures identified above, but also examine their credentials to satisfy yourself that they are, in fact, the same persons as the ones identified."



SHEET METAL WORKERS' LOCAL NO. 292 ANNUITY FUND
FREQUENTLY ASKED QUESTIONS ON LOANS

Who is eligible for a plan loan?

To be eligible for a Plan loan, you must be a Participant in the Fund, have a balance of at least \$2,000.00, and never defaulted on a previous loan where the unpaid balance was reported to the IRS as a deemed distribution.

Is there a maximum and/or minimum amount I can borrow?

Yes. The maximum amount you can borrow is 50% of your Accrued Benefit Account at the time of loan distribution, but no more than \$50,000. **NOTE:** The \$50,000.00 maximum is also reduced by the highest outstanding loan balance in the most recent 12-month period.

The minimum loan amount is \$1,000.

Where does the money that I borrow come from?

The money you borrow is from the Fund. However, your own Accrued Benefit Account secures your loan. Your loan is treated as one of your investments in the Fund's Self-Directed Investment program. The principal and the interest you pay are credited to your account.

Do I need a special reason to get a loan?

No. You can borrow the money for any reason.

Is my spouse involved when I take a loan from the Fund?

Yes. If you are married, no loan may be granted unless your spouse consents, in writing, before a notary public or a Fund representative. Your spouse's consent must be given no less than 30 days and no more than 90 days prior to the date the loan is to be issued.

What if my spouse had died or I am divorced?

If your spouse is deceased, you must present the Plan Administrator a certified copy of the death certificate. If you are divorced, you must present the Plan Administrator a true copy of your divorce decree(s), which will be reviewed to see if your spouse was granted any interest in your benefit.

What if a Court assigns a portion of my Accrued Benefit Account?

If the Court assigns a portion of your Accrued Benefit Account (such as in the course of a divorce) after you receive a loan, the amount securing the loan will not be available for assignment until the entire balance, including interest and late payment assessments, if any, is repaid. If the Order is entered and benefits assigned to another person before you receive a loan, it could reduce the maximum amount you can borrow because the amount you can borrow is limited by the amount in your Account.

What documents must I sign to take a loan from the Fund?

To apply for a loan, you must first fill out a Loan Application. If the Loan Application is approved, you must then sign a Promissory Note and a Participant Consent with the Fund. If you are married, your spouse must sign a Spousal Consent Form. All of the documents necessary for the loan must either be signed before a Fund representative or a notary public, with proper identification being produced.

How often can I borrow from the Fund?

There is no limit as to how often you can borrow from the Fund. However, only one loan may be outstanding at any time. Note that, if you default on a loan and do not cure that default, and the unpaid balance is reported to the IRS as a deemed distribution, you will never be able to borrow from the Fund again.

What is the interest rate on loans from the Annuity Fund?

The interest rate on your loan is the prime interest rate for the Fund's custodial bank, plus 2%, on the last day of the month prior to the month your loan is issued. That rate is fixed for the duration of the loan. While the Fund has the self-directed investment program in place, your loan is treated as one of your investments, and your account is credited with all of the interest you pay as if it was an investment return.

What is the payback period for my loan?

In general, all loans must be repaid within five (5) years of the date the loan is made. However, monthly payments will not be arranged for less than \$50 per month. Therefore, if you borrow less than approximately \$3,000 (depending on the current interest rate), your payback period may be shorter.

Are there any costs to borrow from the Fund?

There is no cost to borrow from the Fund.

Are there any penalties for late payment and insufficient funds?

Yes. A payment received after the due date will be assessed a \$10.00 late charge. An additional \$10.00 will be added for each month the payment remains unpaid. Late charges collected are **not** credited to your account. They are retained by the Fund as a whole to pay for the increased administrative costs to the Fund for processing late payments. Late charges will be taken out of any subsequent payments you make **first**. If you fail to pay a late payment or fail to add it to your next payment, you risk underpaying your monthly payment and defaulting on your loan, so in order not to default on your loan, be certain that your next payment includes all of your late charges.

Also, if you remit a payment that is invalid (that is, a check you submit bounces), there is a \$25 NSF charge. Additionally, *all of your future loan repayments must be submitted in certified funds*. NSF charges collected are **not** credited to your account. They are retained by the Fund as a whole to pay for the increased administrative costs to the Fund for processing NSF payments. NSF payments will be taken out of any subsequent payments you make **first**. If you fail to pay a NSF payment or fail to add it to your next payment, you risk underpaying your monthly payment and defaulting on your loan, so in order not to default on your loan, be certain that your next payment includes all of your NSF charges.

How do I repay my loan?

Repayment of all loans are by scheduled full monthly payments by personal check payable to the Fund. Full monthly payments are due on or before the fifteenth (15th) day of each calendar month. Partial payments shall not be accepted, and there is no grace period for payments due. As noted above, if you remit a payment that is invalid (that is, if a check you submit is returned (it “bounces”) due to insufficient funds), there is a \$25 NSF charge, *and all of your future loan repayments must be submitted in certified funds.*

If the loan is granted, the funds will available no sooner than the fifteenth (15th) day of the month following the month in which all required documents have been provided to the Fund and your first payment will be due on the fifteenth of the next calendar month after the calendar month in which the Fund Office issued your loan.

Can I prepay my loan?

Yes. The Fund will accept payment in full of the outstanding balance (which the Fund will determine at your request) at any time. However, you may not partially prepay your loan and you cannot make multiple monthly payments at one time.

Will I default on my loan if I miss one payment?

Yes. If any full monthly payment is not received, together with all accrued late charges when due, the loan shall be in default. However, you will have until the last day of the calendar quarter following the quarter in which a missed payment was due to cure the default. You must pay any missed payments (including all subsequent payments due and all accrued late charges) in full to take advantage of the cure period. If you make the payment as stated above, your loan will no longer be in default and you can continue making monthly payments as scheduled.

How can I cure a default?

If more than one monthly payment is due at the time you make a payment to the Fund, the Fund will only accept a payment in the amount of all of your outstanding payments due (the missed payment and all subsequent payments due), including late fees. Payments in any other amount will be considered “partial payments” and the Fund will not accept them. You will be notified of the amount you need to pay to cure your default.

Example: If you missed the December 15, 2017 payment, and you make one monthly payment on January 15, 2018, that payment will be considered a partial payment and will be returned to you. The Fund will only accept a payment in the amount of the December 15, 2017 and January 15, 2018, plus any late fees. If you do not make such payment, your missed payments would be outstanding, and you would have until March 31, 2018 (end of the calendar quarter following the missed payment) to make up those payments, and subsequent missed payments, before your loan is reported to IRS as a “deemed distribution”.

What happens if I don't cure a default?

If a missed payment (together with all subsequent payments due and all accrued late charges) is not made on or before the last day of the calendar quarter following the quarter in which the missed payment was due, the whole outstanding balance of the loan (including all accrued interest and all accrued late charges) shall be a “deemed distribution” and it will be reported to IRS as such. Furthermore, your Accrued Benefit Account will be reduced by the amount reported to the IRS as deemed distribution and you will never be allowed to receive another loan from the Fund. This could result in serious tax consequences to you and your family.