

U.A. Local No. 393 Benefit Funds

HEALTH & WELFARE, SUB, DEFINED BENEFIT PENSION AND DEFINED CONTRIBUTION

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NOTICE OF MATERIAL MODIFICATIONS

to the

U.A. LOCAL NO. 393 DEFINED CONTRIBUTION PLAN

(As restated November 1, 2021)

Date: October 2023
To: All Participants in the U.A. Local No. 393 Defined Contribution Plan
From: Board of Trustees
Re: Recent Plan Changes: Plan Loan Program

This document is a Summary of Material Modifications (“Summary”) intended to notify you of the important changes made to the U.A. Local No. 393 Defined Contribution Plan (“Plan”) since the Summary Plan Description was last distributed to you. Please note that, in the event of conflict between this Summary and the terms of the Plan, the terms of the Plan will govern.

The Trustees of the Plan have made the following changes to the Plan Rules effective for Plan Loans taken out on or after October 1, 2023:

Changes to Plan Loan Program

- 1. You may not take out more than 2 loans at the same time.**
Previously, the Plan allowed for an unlimited number of loans at the same time.
- 2. You cannot receive a Plan Loan if you have defaulted on a prior Plan Loan within the last 7 years from the date of default.**
Previously, if you ever defaulted on a Plan Loan then you were not allowed to ever receive another Plan Loan.
- 3. The Trustees are eliminating the creditworthiness requirement to receive a loan. Plan Loan payments through ACH are now mandatory.**
The Pension Department will no longer perform debt-to-income calculations and credit checks as part of the loan application. An ACH is an electronic fund transfer made between banks and credit unions across what is called the Automated Clearing House network. ACH is used for all kinds of fund transfer transactions, including direct deposit of paychecks and monthly debits for routine payments.
- 4. The \$15 late payment fee is eliminated for all Plan Loans.**
This applies to both current loans outstanding and future loans. Previously, a \$15 late fee was charged on any payment received after the 16th of the month.

These changes are made pursuant to Amendment 5 to the Formal Plan Rules of the Defined Contribution Plan, which can be found on www.ualocal393benefits.org (in the documents tab). For more information about the Plan Loan Program, please refer to the Loan Application document posted under Documents > DC Plan Documents > Forms and Applications. Please contact the Pension Department at the telephone number above, if you have any questions concerning this Summary, the Plan or your benefits.