

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 BENEFIT PENSION PLAN

(As restated November 1, 2021)

and the

U.A. LOCAL NO. 393 DEFINED CONTRIBUTION PLAN

(As restated November 1, 2021)

Date: August 2023

To: All Participants in the U.A. Local No. 393 Defined Benefit Pension Plan and the U.A. Local No. 393 Defined Contribution Plan

From: Board of Trustees

Re: Recent Plan Changes: RMD at 73, New Benefit Option, Self-Certify Hardship

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 Benefit Pension Plan (“Pension Plan”) and to the U.A. Local No. 393 Defined Contribution Plan (“Defined Contribution Plan” (collectively “the Plans”) since the Summary Plan Descriptions were last distributed to you. Please note that, in the event of conflict between this Summary and the terms of the Plans, the terms of the Plans will govern.

The Trustees of the Plans have made the following changes to the Plan Rules:

1. Increase in Age for Required Minimum Distributions for Pension Plan and Defined Contribution Plan – *Applies to all Participants*

Once you reach your Required Beginning Date, you must begin receiving a pension. As allowed under recent changes in the law, the Trustees of the Plans have changed the definition of Required Beginning Date.

- Previously, the Required Beginning Date was, regardless of whether you are working:
 - April 1 of the calendar year following the calendar year you turn 72.
- **Effective for distributions made after December 31, 2022, the Required Beginning Date is now, regardless of whether you are working:**
 - April 1 of the calendar year following the calendar year you attain age 73.

This means that no matter what, you will begin receiving your pension by April 1 of the calendar year following the calendar year you turned 73, even if you are still working in industry service on that date.

**2. New Unreduced Early Retirement Benefit Option for Pension Plan
– Applies to Career Construction Tradesmen and Career Residential Employees**

Effective March 20, 2023, there is a new **Unreduced Early Retirement Benefit Option** available under the Pension Plan for Career Construction Tradesman and Career Residential Employees who meet the below requirements:

For employees whose first hour of credited service under the Pension Plan was **prior to** May 1, 2017:

1. You attain age 55;
2. You have at least 25 years of vesting credit; and
3. You are a Career Tradesman and/or Career Residential Employee (as defined below).

For employees whose first hour of credited service under the Pension Plan occurred on or **after** May 1, 2017:

1. You attain age 60;
2. Have at least 25 years of vesting credit; and
3. Are a Career Tradesman and/or a Career Residential Employee (as defined below)

A Career Tradesman or Career Residential Employee means an Employee who has **only ever earned credited service or vesting credit under this Plan while working in the classification of Construction Tradesmen or Residential Employee**. Employees who have performed even one Hour of Service in a classification other than Construction Tradesmen or Residential Employee (such as, for example, as a Building Trades Apprentice or Journeyman under the Collective Bargaining Agreement or as a Provisional Service Level Plumber or a Service Level Plumber under the U.A. National Plumbing Service Agreement) shall be ineligible for Career Construction Tradesman and/or Career Residential Employee Unreduced Early Retirement Benefit.

The below chart summarizes the new **Unreduced Early Retirement Benefit Option**.

For Employees First Working Under the Plan...	
... Prior To May 1, 2017	... On or After May 1, 2017
Career Construction Tradesman and/or Career Residential Employee	
Unreduced Early Retirement (Effective 3/20/2023)	
• Age 55 with 25 years of Vesting Credit	• Age 60 with 25 years of Vesting Credit

3. Self-Certify Hardship Distributions for Defined Contribution Plan ***– Applies to all Participants***

Effective January 1, 2023, you have the option to now submit a written self-certification form with your hardship distribution application attesting to the following:

- a) the existence of an immediate and heavy financial need,
- b) that the amount you are requesting is not more than what you immediately need, and
- c) that you have no other means reasonably available to you to satisfy the immediate and heavy financial need.

As a reminder, below is a list of the allowable types of financial hardship:

- Medical expenses for you, your spouse, dependents, or primary beneficiary under the Plan;
- Costs directly relating to the purchase of a principal residence for you (excluding mortgage payments);
- Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for you, your spouse, children, dependents or primary beneficiary under the Plan;
- The cost of preventing eviction or foreclosure on your principal residence;
- Burial or funeral expenses for your deceased parent, spouse, children, dependent or primary beneficiary under the Plan;
- Expenses for the repair of damage to your principal residence that would qualify for casualty deduction under Internal Revenue Code Section 165; and
- Expenses and losses (including loss of income) incurred by you on account of a disaster declared by the Federal Emergency Management Agency (FEMA), provided that your 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.

This self-certification is optional and will be reviewed by the Chairman and Co-Chairman of the Board of Trustees for approval. The Chairman and Co-Chairman may rely on such written self-certification unless they have actual knowledge to the contrary.

These changes are made pursuant to Amendment 5 to the Formal Plan Rules of the Defined Benefit Pension Plan and Amendment 4 to the Formal Plan Rules of the Defined Contribution Plan, which can be found on the member website – www.ualocal393benefits.org (in the documents tab). Please contact the Pension Department of the Plan Administrative Office at the following telephone number, if you have any questions concerning this Summary, the Plans or your benefits: BeneSys, Inc., (408) 588-3751.