

Western States 401(k) Retirement Fund of the OPEIU

April 2020

Summary of Material Modification to the Western States 401(k) Retirement Fund of the OPEIU

This Summary of Material Modification (“SMM”) modifies some of the information contained in the Summary Plan Description (“SPD”) for the Western States 401(k) Retirement Fund of the OPEIU (the “Plan”) that describes the Plan as of January 1, 2015.

Note: In the event of any discrepancy between this SMM and the SPD, the provisions of this SMM will govern.

THIS SMM CONTAINS INFORMATION ON CHANGES DUE TO COVID-19.

Introduction

The Employee Retirement Income Security Act requires a Summary of Material Modifications be distributed to describe any material change to the information in the January 1, 2015 Summary Plan Description. This document is a Summary of Material Modifications to the January 1, 2015 Summary Plan Description. If you cannot locate your January 1, 2015 Summary Plan Description, call the Administrative Office at (800) 547-4457 and request a copy.

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act contains provisions that may offer additional relief through your retirement plan. In response, the Board of Trustees have made the following changes to the Plan.

It may be tempting to access your long-term retirement savings to help you through difficult times, especially when your personal financial situation may be tight due to circumstances beyond your control. The Board of Trustees ask that you consider all sources of income before relying on your Western States 401(k), as it is an important part of your long-term future retirement.

Changes to the January 1, 2015 Summary Plan Description

The primary changes to the January 1, 2015 Summary Plan Description described in this notice are as follows:

- Update to Distribution and Required Minimum Distribution requirements relating to the CARES Act.
- Update to Your ERISA Rights and Information.
- Update to the Western States 401(k) Retirement Fund of the OPEIU’s IRS Employer Identification Number (EIN).

The changes are detailed below.

Western States 401(k) Retirement Fund of the OPEIU

Modification

DEFINITION OF QUALIFIED INDIVIDUAL

Under the temporary CARES Act provisions relating to distributions and loans, you are considered a Qualified Individual, if you satisfy one of the following and provide a written statement certifying that:

- You are diagnosed with the virus by a medically approved test from a healthcare provider; or
- Have a spouse or dependent who is diagnosed with the virus by a medically approved test from a healthcare provider; or
- Experience adverse financial consequences as a result of being quarantined, being furloughed or laid off or reduced work hours, being unable to work due to lack of childcare, or other factors as determined by the Secretary of Treasury.

CORONAVIRUS RELATED DISTRIBUTION (“CRD”)

Effective for the period of January 1, 2020 through December 31, 2020, certain Qualified Individuals may take a Coronavirus Related Distribution withdrawal(s) not to exceed \$100,000 in total from all qualified plans. Such distributions are still subject to ordinary income tax, which may be spread over three years (to the extent not repaid) unless you elect otherwise. CRD payments will not be subject to early withdrawal penalty of 10%, which applies to participants under age 59½. A CRD payment may be repaid within three years. The three-year period begins on the date after which the CRD is received. Only the amount received (no earnings) can be paid back. The distribution amount can be repaid in one lump sum or in multiple payments to the Plan. To receive this type of distribution, you must meet the definition of Qualified Individual and complete a CRD application. Distribution fees will be waived for CRD payments. Please access your account via the John Hancock website www.mylife.jhrps.com to complete a CRD application form.

REQUIRED MINIMUM DISTRIBUTION (“RMD”) FOR 2020

All required minimum distributions that would have been due in 2020 may be waived. The waiver applies to both 2019 required minimum distributions due by April 1, 2020 and the required minimum distributions due by December 31, 2020, or for a Participant’s initial RMD payment due April 1, 2021. If you receive a required minimum distribution in 2020, then such distribution is eligible for rollover. The Trust Office will assume your 2020 RMD will be waived unless you request a distribution by contacting John Hancock.

DEFERRED LOAN REPAYMENTS

Effective March 27, 2020 through December 31, 2020, certain Qualified Individuals who have a Plan loan(s) outstanding on or after March 27, 2020 may have their loan payments deferred for up to one year, or 12 monthly repayments. Your loan term will be extended by up to one year and your remaining payments will be adjusted to reflect the delay in repayment. Your loan(s) will continue to accrue interest during the deferment that you will still be required to pay after the

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deferral period ends, and normal loan maintenance fees will apply. Please contact the Trust Office if you are interested in deferring your loan repayments.

BINDING ARBITRATION OF CLAIMS

Effective April 1, 2020, if you are dissatisfied with the written decision of the Board of Trustees denying your benefit claim on appeal, you have the right to appeal the matter to arbitration in accordance with the labor arbitration rules of the American Arbitration Association. You must submit a request for arbitration in writing within 60 days after your receipt of the Trustees' written decision. Your right to pursue arbitration takes place of any rights you would otherwise have to bring a civil court action under ERISA, as stated on page 16 of the SPD. The decision of the arbitrator will be final and binding on all parties.

Effective April 1, 2020, if you want to bring a claim other than a benefit claim against the Plan, you have the right on your own behalf and not in a representative capacity to pursue arbitration of that claim in accordance with the labor arbitration rules of the American Arbitration Association. Your right to pursue arbitration takes the place of any rights you would otherwise have to bring a civil court action under ERISA, as stated on page 16 of the SPD. The decision of the arbitrator will be final and binding on all parties.

IRS EMPLOYER IDENTIFICATION NUMBER (EIN)

The Trust EIN number is 51-0141712.