

MEMORANDUM

TO: Participants in the Cornell-Hart Pension Plan
FROM: The Board of Trustees
DATE: July 2019
RE: Changes to the April 1, 2018 Benefit Booklet

Introduction

The Employee Retirement Income Security Act requires that a notice be distributed to participants when there is a material change to your Benefit Booklet. This memorandum describes changes to your Benefit Booklet. If you cannot locate your Benefit Booklet, call the Trust Office and request a copy. The changes are made to conform to new laws with respect to hardship withdrawals. Section 1.27 of your Benefit Booklet is changed as follows.

1.27 *WHAT ARE THE RULES FOR A HARDSHIP DISTRIBUTION?*

You may withdraw money from your Account for financial hardship if you satisfy certain conditions. A hardship distribution will reduce the value of the benefits you will receive at retirement.

Qualifying expenses. A hardship distribution may be made to satisfy certain immediate and heavy financial needs that you have. Generally, a hardship distribution may be made only for the following:

- Expenses for medical care incurred by you, your spouse, dependent or beneficiary.
- Costs directly related to the purchase of your principal residence (but not ongoing mortgage payments).
- Amounts necessary to prevent your eviction from your principal residence or foreclosure of the mortgage on your principal residence.
- Tuition, education fees, and room and board expenses for the next twelve months of college (or other post-secondary education) for yourself, your spouse, dependent or beneficiary.
- Payments for burial or funeral expenses for your deceased parent, spouse, children, other dependents or beneficiary.
- Expenses for the repair of damage to your principal residence that would qualify as a casualty deduction under the Internal Revenue Code or that was caused by a FEMA declared disaster.

Conditions. You must verify that your need cannot be met from other resources. If you can take a distribution from another plan (e.g., District No. 9 Pension Plan) you must do so before taking a hardship withdrawal.

No action above is required if it would itself increase the amount of your financial need (e.g., if repaying borrowed funds would only make your financial situation worse). You may also take a distribution for the amount of income taxes that will have to be paid on the hardship withdrawal.

If you are married, your spouse will have to consent to the withdrawal. A fee will be charged for processing a financial hardship. Contact the Trust Office for more information.

Former Local 970 members may not take a hardship withdrawal from their former money purchase pension plan account (funds attributable to the original employer funded 1979 Plan).