

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.

Modification

Hardship Withdrawals. Effective January 1, 2018, you may receive any portion of your account, except for the earnings on your employee contributions, in the event of an immediate and heavy financial need that cannot be met from other resources. Effective January 1, 2019, you may receive any portion of your account, including the earnings on your employee contributions, in that event. To receive a hardship distribution, you must demonstrate one of the following hardship events:

- You need the distribution to pay unpaid medical expenses for yourself, your spouse, or any dependent;
- You need the distribution to pay for the purchase of your principal residence (but not solely to make mortgage payments);
- You need the distribution to pay the next twelve months of tuition and related educational fees (including room and board) for postsecondary education of yourself, your spouse, or your dependents;
- You need the distribution to prevent your eviction from or foreclosure on your mortgage on your principal residence;
- You need the distribution to pay funeral or burial expenses for your deceased parent, spouse, child, or dependent; or
- You need the distribution to pay expenses to repair damage to your personal residence that would qualify for the casualty deduction under the Internal Revenue Code.

Before you may receive a hardship distribution, you must provide the Administration Office with sufficient documentation to demonstrate the existence of one of the above hardship events. The Administration Office will provide you with information regarding the documentation it deems necessary to sufficiently document the existence of a proper hardship event.

If you have other distributions available under this Plan, you must take those distributions *before* requesting a hardship distribution. After receiving a hardship distribution before January 1, 2019, you will be suspended from making any further salary deferrals for the next six months. After receiving a hardship distribution on or after January 1, 2019, you will be permitted immediately to make further salary deferrals.

You may not receive a hardship distribution of more than you need to satisfy your hardship. In calculating your maximum hardship distribution, you may include any amounts necessary to pay federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution. Contact the Administration Office for more information regarding the maximum amount you may take from the Plan as a hardship distribution and the total amount you have available for a hardship distribution. The Administration Office will provide you with the appropriate forms for requesting a hardship distribution.

All hardship distributions are subject to immediate income taxes and may also be subject to the 10% premature distribution tax payable on distributions occurring before your attainment of age 59-1/2.