



# Annuity Fund of Local No. One, I.A.T.S.E.

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## SUMMARY OF MATERIAL MODIFICATIONS TO THE ANNUITY FUND OF LOCAL NO. ONE, I.A.T.S.E.

**To: All Participants in the Annuity Fund of Local No. One, I.A.T.S.E.**  
**From: Scott Cool, Director of Fund Administration**  
**Date: April 15, 2020**  
**Re: CARES ACT RELIEF FOR PLAN PARTICIPANTS**

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*This document is a Summary of Material Modifications ("SMM") intended to notify you of important changes made to the Annuity Fund of Local No. One, I.A.T.S.E. (the "Plan"). You should take the time to read this SMM carefully and keep it with the copy of the Summary Plan Description ("SPD") that was previously provided to you. If you need another copy of the SPD or if you have any questions regarding these changes to the Plan, please contact the Fund Office during normal business hours at 320 West 46th Street, 6th Floor, New York, New York, 10036, telephone number (212) 247-5225, or visit our web site at [www.FundOneIATSE.com](http://www.FundOneIATSE.com).*

Effective immediately, the Board of Trustees has adopted the following programs made available through the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") enacted on March 27, 2020.

### **1. Eligible Participants May Suspend Their Loan Payments Through December 31, 2020**

This program offers participants affected by the coronavirus pandemic the option to delay the due date of certain Plan loan payments for up to one year if at least one of the criteria listed below is met.

An eligible participant is one who meets one or more of the following criteria:

- Is diagnosed with or who has a spouse or dependent who is diagnosed with the virus SARS-CoV-2 or with the coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention (CDC), or
- Who experiences adverse financial consequences as a result of:
  - being quarantined,
  - being furloughed, or laid off or having work hours reduced due to the virus or disease,
  - being unable to work due to lack of child care due to such virus or disease,
  - closing or reduction of hours of a business owned or operated by the individual due to such virus or disease, or
  - other factors determined by the Secretary of Treasury.

An eligible participant who has Plan loan payments due from March 27, 2020 through December 31, 2020, can delay the due date of those payments, with interest, for up to one year.

Participants wishing to delay one or more of these loan payments should contact the Fund Office to make arrangements. Loan payments you have already made cannot be reversed; you must arrange for suspension before a loan payment is due. Following the suspension period, loan payments will resume in an amount adjusted to reflect the delay and any interest accruing for such delay. The loan repayment period will also be extended by the period of suspension.

## **2. You Are Not Required to Take Required Minimum Distributions (RMDs) For 2020**

No Plan participant or beneficiary will be required to take a RMD in calendar year 2020.

- If you are scheduled to take distributions from your account, the Fund Office will assume that those distributions are necessary to cover your expenses and they will not be discontinued unless you contact MassMutual (1-800-743-5274) and arrange for them to be discontinued.
- If you already took a distribution to satisfy your 2020 RMD, you may be able to rollover that distribution to another eligible qualified plan or IRA within 60 days of the date you received the distribution. Please contact the Fund Office to discuss your options.
- If you have not received an RMD in prior years, but were required to start receiving RMDs this year, RMDs will not be paid to you in 2020. Your RMDs will commence in 2021.

## **3. Important Updates to Coronavirus-Related Hardship Distributions**

As you know, effective March 13, 2020, the Board of Trustees adopted a new hardship distribution category for those affected by COVID-19. The Trustees have determined to amend the parameters of that distribution as described in this section to ensure that all such distributions will qualify for favorable tax treatment made available through the CARES Act (as explained below).

Effective April 15, 2020, coronavirus-related hardship distributions of up to \$30,000 in total will be available to eligible participants on a tax-favored basis through December 30, 2020.

An eligible participant is one who meets one or more of the following criteria:

- Is diagnosed with or who has a spouse or dependent who is diagnosed with the virus SARS-CoV-2 or with the coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention (CDC), or
- Who experiences adverse financial consequences as a result of:
  - being quarantined,
  - being furloughed, or laid off or having work hours reduced due to the virus or disease,
  - being unable to work due to lack of child care due to such virus or disease,
  - closing or reduction of hours of a business owned or operated by the individual due to such virus or disease, or
  - other factors determined by the Secretary of Treasury.

These distributions qualify for the following favorable tax treatment:

- Distributions are not subject to the 10% penalty for early withdrawals
- Distributions are not subject to mandatory withholding
- Distributions are subject to ordinary income tax, which can be paid in equal amounts over three-years
- Distributions may be repaid in one or more installments to an eligible retirement plan within three years of receipt, in which case the participant may seek a refund for any ordinary income tax paid on repaid amounts.
- The repayments will not count toward the annual contribution limits of the receiving plan.

Please contact the Fund Office if you meet the eligibility criteria discussed above and are interested in a distribution of this type.

This SMM is intended to provide you with an easy-to-understand description of certain changes to the Plan. While every effort has been made to make this description as complete and as accurate as possible, this SMM, of course, cannot contain a full restatement of the terms and provisions of the Plan. If any conflict should arise between this SMM and the Plan, or if any point is not discussed in this SMM or is only partially discussed, the terms of the Plan will govern in all cases.

The Board of Trustees or its duly authorized designee, reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the Plan and the Agreement and Declaration of Trust establishing the Plan (the "Trust Agreement"). The Trust Agreement is available at the Fund Office and may be inspected by you free of charge during normal business hours.

No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters arising under the Plan.