



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: Holly Ubilla, Director of Fund Administration
Date: October 7, 2024
Re: New Distribution Options and Increase to Catch-Up Contributions for Certain Participants

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.

1. Qualified Birth or Adoption Distributions.

The Plan permits a participant following the birth of a child or adoption of an Eligible Adoptee (defined below) to request a distribution from the Plan (a "Qualified Birth or Adoption Distribution"), subject to the restrictions described below.

The following restrictions apply to Qualified Birth or Adoption Distributions:

- *Time Period for Distribution.* The distribution request must be made during the one-year period beginning on the date on which the participant's child is born or the date legal adoption of an Eligible Adoptee is finalized.
- *Amount of Distribution.* The maximum amount that may be requested for a Qualified Birth or Adoption Distributions is \$5,000 (provided, this distribution may only be sourced from contributions (and earnings thereon) made to the participant's Individual Account on or after November 1, 2002).
- *Eligible Adoptee.* An Eligible Adoptee is an individual (other than a child of the participant's spouse) who has not attained age 18 or who is physically or

mentally incapable of self-support (as defined by the Internal Revenue Code).

- *Spousal Consent.* Married participants must obtain spousal consent to request such a Qualified Birth or Adoption Distribution.
- *Optional Repayment.* Subject to IRS guidance and the Trustees' procedures, participants are permitted to repay all or a portion of the Qualified Birth or Adoption Distribution within the three years beginning on the day the participant received the withdrawal, provided the participant is eligible to make rollover contributions to the Plan at the time of recontribution.

Accordingly, Section V. of the SPD is revised to add a new subsection M. to read:

M. Qualified Birth or Adoption Distributions

You may request a Qualified Birth or Adoption Distribution from the Plan during the one-year period beginning on the date on which your child is born or the date the legal adoption of an Eligible Adoptee (defined below) is finalized. The maximum amount that may be requested for a Qualified Birth or Adoption Distribution is \$5,000, per participant, per child. Funds available for such distribution are limited to employer contributions made to your Individual Account on or after 11/01/2002, including earnings on those contributions.

An Eligible Adoptee is an individual (other than a child of the participant's Spouse) who has not attained age 18 or who is physically or mentally incapable of self-support (as defined by the Internal Revenue Code).

If you are married, you will be required to obtain written consent from your Spouse to request a Qualified Birth or Adoption Distribution.

In addition, subject to IRS guidance and the Trustees' procedures, you are permitted to repay to the Plan all or a portion of the Qualified Birth or Adoption Distribution within the three years beginning on the day you received the Qualified Birth or Adoption Distribution, provided you are eligible to make rollover contributions to the Plan at the time of recontribution.

You will be required to certify to the Trustees that you meet the eligibility requirements for a Qualified Birth or Adoption Distribution.

2. Increase to Catch-Up Contributions for Certain Participants.

Currently, the Plan allows participants that are 50 years or older (by the end of the Plan Year) to elect to make catch-up contributions up to the IRS limit (for 2024, the limit is \$7,500). Effective January 1, 2025, if you are age 60, 61, 62 or 63 (by the end of a Plan Year), the catch-up limit for that Plan Year is increased to the greater of: (1) \$10,000 (indexed), or (2) 150% of the regular catch-up limit.

Accordingly, effective January 1, 2025, Section III.C. of the SPD under the subheading "Catch-up Contributions" is revised to read:

Catch-up Contributions: *If you are age 50 or older (by the end of a Plan Year), you are eligible to make "catch-up contributions" during that Plan Year. These contributions are also made on a before-tax basis, meaning you will reduce your taxable income by the amount of your catch-up contributions to the Plan. Subject to the increased limit for certain participants described below, the maximum amount of catch-up contributions is the maximum amount allowed by law (\$7,500 for the 2024 calendar year).*

Beginning January 1, 2025, if you are ages 60, 61, 62 or 63 (by the end of a Plan Year), the catch-up contribution limit for that Plan Year is increased to the greater of:

- *\$10,000 (adjusted for inflation), or*
- *150% of the regular catch-up limit.*

3. No Early Distribution Penalty for Terminal Illness Distributions.

For Plan participants that request a distribution from the Plan before age 59½, the IRS requires that a 10% early withdrawal penalty applies, unless an otherwise applicable exception applies.

Effective for distributions made on and after November 1, 2024, the Plan will waive the 10% early withdrawal penalty for distributions made to a participant who is determined to be a Terminally Ill Individual (defined below). In order to obtain such a waiver, the participant must present sufficient evidence to the Trustees that the participant qualifies for the waiver as a Terminally Ill Individual.

A "Terminally Ill Individual" means an individual who has been certified by a physician as having an illness or physical condition that can reasonably be expected to result in death in 84 months or less after the date of the certification.

Optional Repayment. Subject to IRS guidance and the Trustees' procedures, participants are permitted to repay all or a portion of the Terminal Illness Distribution within the three years beginning on the day the participant received the withdrawal, provided the participant is eligible to make rollover contributions to the Plan at the time of retribution.

Accordingly, effective for distributions on and after November 1, 2024, Section V. of the SPD is revised to add a new subsection N. to read:

N. Terminal Illness Distributions

Beginning November 1, 2024, if you are under age 59-1/2, the 10% early distribution penalty may be waived for distributions made to you for periods on or after you are

considered a "Terminally Ill Individual." A "Terminally Ill Individual" is an individual who has been certified by a physician as having an illness or physical condition that can reasonably be expected to result in death in 84 months or less after the date of the certification.

In addition, subject to IRS guidance and the Trustees' procedures, you are permitted to repay to the Plan all or a portion of a Terminal Illness Distribution within the three years beginning on the day you received the Distribution, provided you are eligible to make rollover contributions to the Plan at the time of recontribution.

To qualify for such a waiver, you must present sufficient evidence to the Trustees demonstrating that you qualify for the waiver as a Terminally Ill Individual.

* * *

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.