

# PLUMBERS' RETIREMENT SAVINGS FUND LOCAL 130, U.A.

## UNION TRUSTEES

JAMES F. COYNE  
Co-Chairman

1340 WEST WASHINGTON BOULEVARD  
CHICAGO, ILLINOIS 60607  
TELEPHONE (312) 829-1262  
FAX (312) 421-1749



Joseph F. Ohm  
Fund Administrator

Anthony M. Rottman  
Field Representative

## CONTRACTOR TRUSTEES

MICHAEL J. KERRIGAN  
Co-Chairman

April 9, 2020

### \*\*\*IMPORTANT BENEFIT IMPROVEMENT NOTICE\*\*\*

#### PLUMBERS' RETIREMENT SAVINGS FUND, LOCAL 130, U.A. SUMMARY OF MATERIAL MODIFICATIONS

Dear Participant:

**PLEASE READ THIS NOTICE VERY CAREFULLY. THIS NOTICE IS VERY IMPORTANT. YOU SHOULD INSERT THIS NOTICE INTO YOUR SUMMARY PLAN DESCRIPTION. YOU SHOULD RETAIN THIS NOTICE PERMANENTLY FOR YOUR RECORDS.**

This notice is a Summary of Material Modification, also called an "SMM". An SMM is an addition to your Fund's benefit booklet. Another name for your "benefit booklet" is a Summary Plan Description or SPD. An SMM is an important change to your benefits. You should be aware of some important changes taking place with respect to the Plumbers' Retirement Savings Fund Local 130, U.A. (hereafter referred to as the "Plan").

The Trustees are pleased to announce the following benefit improvements. This important improvement to your future retirement security is possible because of the continuing dedicated efforts of your Local 130 Union and Contractors.

#### **1. Temporary In-Service Distribution for Coronavirus-Related Reasons**

The recent stimulus package signed into law by President Trump (i.e., the CARES Act) provided for the opportunity for participants in a defined contribution plan (like the Plan) to be able to receive a penalty-free distribution from the plan for coronavirus-related reasons. You may receive a "coronavirus-related distribution" pursuant to the terms and conditions set forth below.

Effective April 1, 2020, you may receive a coronavirus-related distribution if you:

- (a) tested positive for COVID-19,
- (b) your spouse or dependent has tested positive for COVID-19, or
- (c) you experience adverse financial consequences as a result of:
  - being quarantined,
  - being furloughed or laid off or having work hours reduced due to coronavirus,
  - being unable to work due to lack of childcare due to coronavirus, or
  - closing or reducing hours of a business you own or operate due to coronavirus.

You will be required to certify on the applicable form(s) provided by the Fund Office that your request for a coronavirus-related distribution meets the applicable requirements. The Fund Office may request additional information to support your certification.

You may receive up to three (3) coronavirus-related distributions between April 1, 2020, and June 30, 2020. The total combined limit of coronavirus-related distributions you may receive is \$25,000 (assuming you have this amount available in your Plan account). For example, a request for \$8,000 could be made on April 20, a second request for \$10,000 is made on May 15, but the third and final request would need to be made by June 30 and for no more than \$7,000 (for a combined total of \$25,000).

You have the option to repay all or part of the coronavirus-related distribution (this is not a loan, there is no interest tied to the repayments) at any time during the 3-year period beginning on the date after you receive the distribution. Repayments may be made in any amount or frequency of your choosing.

**Please note:** Any portion of the coronavirus-related distribution that is not repaid will be included in your gross income and subject to applicable taxes. You may elect to have any amounts not repaid to the Plan be included in your gross income proportionately over the three-taxable-year period beginning with 2020. **When completing your taxes for 2020, please consult your tax advisor regarding your reporting options for any coronavirus-related distributions that have not been repaid.**

**2. Additional Hardship Distribution for Natural Disasters**

Effective April 1, 2020, you may take a hardship distribution for expenses and losses (including loss of income) you may incur due to a disaster declared by the Federal Emergency Management Agency (“FEMA”) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (“DREAA”), provided that your principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster. Please note, at this time, the coronavirus has not been declared to be a disaster by FEMA under the DREAA. As such, we encourage you to take a coronavirus-related distribution as described in Item 1 above if you have experienced a hardship due to the coronavirus.

**3. Suspended Required Minimum Distributions for 2020**

Due to the coronavirus’ impact on the economy, required minimum distributions (“RMDs”) that were due to be distributed in 2020 are suspended pursuant to the CARES Act unless the Participant contacts the Fund Office to continue such payments. RMDs will resume beginning in 2021.

**4. Extension of Required Beginning Date Age**

Pursuant to the SECURE Act which was signed into law at the end of 2019, the age at which you must begin receiving RMDs from the Plan was extended from age 70 ½ to age 72. As such, any Participant in the Plan who was not age 70 ½ prior to January 1, 2020, shall be required to receive an RMD by April 1 of the year following the year in which they reach age 72. Participants who were age 70 ½ prior to January 1, 2020, will not receive this extension (however, please note the suspension of RMDs for 2020 noted in Item 3 above).

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The above is a brief summary of the benefit improvements recently approved by the Trustees. The provisions of the Plan are controlling on all matters pertaining to Plan benefits. Accordingly, please contact the Fund Office if you have questions regarding your rights and benefits under the Plan.

Sincerely,

Board of Trustees

Plumbers’ Retirement Savings Fund, Local 130, U. A.