

**PLUMBERS & STEAMFITTERS LOCAL 21  
BENEFIT FUNDS**

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**SUMMARY OF MATERIAL MODIFICATION  
TO THE  
PLUMBERS AND STEAMFITTERS LOCAL 21 ANNUITY FUND**

**September 2020**

**To: Plumbers and Steamfitters Local 21 Annuity Fund Participants**

**From: The Board of Trustees**

**Re: Annuity Fund COVID-19 Related Plan Changes**

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The Trustees of the Plumbers and Steamfitters Local 21 Annuity Fund (the "Fund" or the "Plan") want to inform you of certain changes in the Plan's benefits that we have made in response to the COVID-19 Coronavirus pandemic.

**Temporary Change in the Definition of "Termination of Employment"**

If, during the period January 1, 2020 through December 31, 2020, you have fourteen (14) consecutive days during which the Fund receives no Employer Contributions on your behalf, you will be considered "terminated" and will be eligible to apply for a distribution of up to \$50,000 from your Participant Account.

**Benefits Provide by the Coronavirus Aid, Relief and Economic Security Act ("CARES Act")**

The CARES Act is making several benefits available for a limited period of time, i.e., beginning March 27, 2020 and before December 31, 2020, to assist you with financial difficulties you may be facing because of the Coronavirus pandemic. They are listed below:

1. Coronavirus-Related Distributions

A Coronavirus-Related Distribution is a withdrawal from the Profit-Sharing portion of your Participant Account in the Fund. It is paid as a lump sum and may be up to \$100,000. You may take more than one Coronavirus-Related Distribution, but the combined total of all Coronavirus-Related Distributions must not exceed \$100,000. You are eligible for a Coronavirus-Related Distribution if any of the following statements describes your situation:

- You are a Plan Participant who has been diagnosed with the virus SARS-Co-V-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention,
- Your spouse or dependent has been diagnosed similarly with the virus or disease,
- You are experiencing adverse financial consequences as a result of being quarantined, furloughed or laid off, or having work hours reduced due to the virus, being unable to work due to a lack of child care due to the virus, or closing or reducing hours of a business owned or operated by the individual due to the virus.

To apply for a Coronavirus-Related Distribution, please call the Fund Office at (914) 737-7220 and request a Coronavirus-Related Distribution application.

Coronavirus-Related Distributions enjoy several tax and financial benefits when compared to other distributions available under the Plan. They are:

- You have the right to repay the amount of the Coronavirus-Related Distribution into your Profit-Sharing Account in the Fund or roll it over into an IRA or eligible retirement plan within a period of three (3) years of its receipt.
- The Coronavirus-Related Distribution is not subject to mandatory 20% federal income tax withholding. In fact, the amount of the Coronavirus-Related Distribution can be taxed over a period of 3 years meaning you can spread out your federal income tax liability associated with the distribution over three years.
- The 10% penalty for an early distribution (i.e., before age 59 ½) is waived.

## 2. Deferment of Loan Repayments

If you have an outstanding loan or loans with the Fund, and you meet one or more of the above requirements for a Coronavirus-Related Distribution, you are eligible to defer making loan repayments due from March 27, 2020 and through December 31, 2020. You must contact the Fund Office directly to determine eligibility and initiate a deferment.

## 3. Optional 2020 Required Minimum Distributions

The CARES Act removes the requirement that the Fund pay 2020 Required Minimum Distributions. If you wish, however, to receive your 2020 Required Minimum Distribution, please put your request in writing and mail it to the Fund Office. We will send you your distribution as soon as administratively possible.

If you have any questions about these changes, please contact the Fund Office at (914) 737-7220.

### **Summary of Material Modification**

This notice is a Summary of Material Modifications (an “SMM”) intended to notify you of important changes made to the plan of benefits of the Plumbers and Steamfitters Local 21 Annuity Fund.

Please attach this SMM to your Summary Plan Description (“SPD”) for future reference. If you have lost or misplaced your copy of the SPD, you may request another copy from the Fund Office.

Questions regarding this SMM may be directed to the Fund Administrator at (917-737-2166). You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272.