

PLUMBERS & STEAMFITTERS LOCAL 21 BENEFIT FUNDS

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

Date: May 3, 2024

To: Participants, Beneficiaries and Alternate Payees under a Qualified Domestic Relations Order ("QDRO")

From: The Board of Trustees

The purpose of this announcement is to inform you of the changes made to the Plumbers and Steamfitters Local 21 Annuity Plan in accordance with (1) the Required Beginning Date ("RBD") provisions of the Setting Every Community Up for Retirement Enhancement Act ("SECURE Act") of 2019 and (2) the RBD and automatic cash-out provisions of the SECURE 2.0 Act of 2022.

This Summary of Material Modification ("SMM") describes the changes regarding your Plan benefits. Please keep this SMM with your copy of the Summary Plan Description ("SPD") for future reference. If you have lost or misplaced your copy of the SPD, you can contact the Fund Office for another copy.

THE EXTENSION OF THE RBD AGE

The SECURE Act of 2019 and SECURE 2.0 Act of 2022 permit a Plan to extend the age by which the Plan must begin:

1. making required minimum distributions to a participant from (i) age 70½ to age 72 for a participant who attained age 70½ after December 31, 2019, or (ii) age 73 for a participant who attains age 72 after December 31, 2022, or (iii) age 75 for a participant who attains age 73 after December 31, 2032.
2. making required minimum distributions to the surviving spouse of a participant from (i) age 70½ to 72 for a participant who dies and would have attained age 70½ after December 31, 2019, or (ii) age 73 for a participant who dies and would have attained age 72 after December 31, 2022, or (iii) age 75 for a participant who dies and would have attained age 73 after December 31, 2032.

Old Rule:

1. The Plan was required to begin making required minimum distributions to a participant no later than April 1st of the calendar year following the later of the calendar year in which the participant reaches age 70½ **OR** the calendar year in which the participant retires. This date is called the participant's RBD under the Plan.
2. The Plan was required to begin making required minimum distributions to a participant's surviving spouse by December 31st of the calendar year immediately following the calendar year in which the participant dies, or if later, by December 31st of the calendar year in which the participant would have reached age 70½.

New Rule:

1. A participant's RBD is April 1st of the calendar year following the later of the calendar year in which the participant reaches:
 - (i) age 70½ for a participant that attained age 70½ before January 1, 2020, or
 - (ii) age 72 for a participant that attained age 70½ after December 31, 2019, or
 - (iii) age 73 for a participant that attains age 72 after December 31, 2022, or

(iv) age 75 for a participant that attains age 73 after December 31, 2032, **OR** the calendar year in which the participant retires.

2. Distributions to the surviving spouse will begin by December 31st of the calendar year immediately following the calendar year that a participant dies, or if later, by December 31st of the calendar year in which the participant would have reached:
 - (i) age 70½ if the participant would have attained age 70½ before January 1, 2020, or
 - (ii) age 72 if the participant would have attained age 70½ after December 31, 2019, or
 - (iii) age 73 if the participant would have attained age 72 after December 31, 2022, or
 - (iv) age 75 if the participant would have attained age 73 after December 31, 2032.

HOW DOES THE EXTENSION OF THE RBD AGE AFFECT YOU?

1. If you reach age 73 **after** December 31, 2032 (meaning you were born on or after January 1, 1958), the Plan is required to begin making required minimum distributions to you no later than April 1st of the calendar year following the later of the calendar year that you attain age 75 **OR** the calendar year in which you retire.

Example: You stopped working on September 15, 2023 at the age of 63 and reached age 73 on January 15, 2033. You will turn age 75 on January 15, 2035. So, your RBD will be **April 1, 2036** (the April 1st of the calendar year following the calendar year in which you attain age 75).

2. If you reach age 72 **after** December 31, 2022 (meaning you were born on or after January 1, 1951), the Plan is required to begin making required minimum distributions to you no later than April 1st of the calendar year following the later of the calendar year that you attain age 73 **OR** the calendar year in which you retire.

Example: You stopped working on November 20, 2018 at the age of 64 and will reach age 72 on March 10, 2026. You will turn age 73 on March 10, 2027. So, your RBD will be **April 1, 2028** (the April 1st of the calendar year following the calendar year in which you attain age 73).

3. If you reach age 70½ **after** December 31, 2019, (meaning you were born on or after July 1, 1949), the Plan is required to begin making required minimum distributions to you no later than April 1st of the calendar year following the later of the calendar year that you attain age 72 **OR** the calendar year in which you retire.

Example: You stopped working on October 15, 2018 at the age of 68 and reached age 70½ in January of 2021. You turned age 72 in July of 2022. So, your RBD was on **April 1, 2023** (the April 1st of the calendar year following the calendar year in which you attain age 72).

4. If you reached age 70½ **before** January 1, 2020, (meaning you were born before July 1, 1949), the date the Plan was required to begin making required minimum distributions to you **remains unchanged**. This means that your RBD is no later than April 1st of the calendar year following the later of the calendar year that you attain age 70½ **OR** the calendar year in which you retire.

Example: You stopped working on August 15, 2013 at the age of 65 and reached age 70½ in February of 2019. So, your RBD was on **April 1, 2020** (the April 1st of the calendar year following the calendar year in which you attain age 70½).

5. If you were to retire after your RBD, the Plan must begin making required minimum distributions to you no later than April 1st of the calendar year following the later of the calendar year that you attain your RBD **OR** the calendar year in which you retire.

INCREASE IN THE DOLLAR LIMIT FOR LUMP SUM PAYMENTS

The SECURE 2.0 Act increased the dollar limit for lump sum payments from \$5,000 to \$7,000 for distributions made after December 31, 2023.

Effective for distributions made on and after January 1, 2024, if the actuarial present value of your benefit is no more than \$5,000, the Plan will distribute your benefit in a single-sum payment.

If you have any questions regarding these Plan changes or the Pension Plan in general, please refer to the SPD or call the Fund Office at 914-737-7220.