

IATSE LOCAL 38 AND LOCAL 812 PENSION PLAN

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Administered for the Trustees by:
TIC INTERNATIONAL CORPORATION

August 2020

IMPORTANT NOTICE

To: ALL PLAN PARTICIPANTS OF
IATSE LOCAL 38 AND LOCAL 812 PENSION PLAN

RE: Summary of Material Modifications – *New September 1, 2020 Temporary and Emergency Hardship Distribution Program (HDP) Changes*

Dear Plan Participants:

Due to the continued employment emergency created by the Coronavirus (COVID-19), we have **temporarily** amended the Pension Plan's *Hardship Distribution Program (HDP)*, **effective September 1, 2020**.

Under this **temporary** change, you can qualify for **another** hardship distribution *if you've lost work, been laid off or have had other losses or expenses due to COVID-19*.

Because *this temporary* change differs from the temporary HDP changes that were made in April 2020 and June 2020 -- and which we wrote to you about -- please read carefully the questions and answers below. They summarize and explain this September 1, 2020 **temporary** change in the HDP.

Q1. How has the HDP changed?

A1. We have **temporarily** added a new condition that will permit you to take a hardship distribution. This condition is related **solely** to the disastrous impact of COVID-19.

Q2. What is the additional condition that will temporarily permit me to take a hardship distribution?

A2. Before our **temporary** and emergency change, the *Hardship Distribution Program* permitted distributions only to prevent evictions, and to pay for certain medical expenses, child support, funeral and burial expenses, disability, or certain damage repairs to your principal residence.

Now, with our **temporary** change, you're also eligible for a hardship distribution *if you have lost work, been laid off, or have had other losses or expenses due to the COVID-19 virus*.

Q3. To qualify for this COVID-19 related hardship distribution, must I have a minimum account balance?

A3. Yes. You must have a minimum account balance of **\$12,500**.

Q4. Is there a minimum distribution amount related to this COVID-19 hardship distribution?

A4. Yes. The minimum distribution amount is **\$2,500**. That is, there will be no COVID-19 related distributions *under \$2,500*.

Q5. Is there a cap on how much hardship distribution is available under this temporary COVID-19 related criteria?

A5. Yes, there's a cap. For this COVID-19 related hardship distribution, you can only take the *lesser of \$20,000, or thirty percent (30%) of your vested account balance*.

So, in no case can anyone take more than \$20,000 in a hardship distribution under this *temporary* COVID-19 related measure.

Q6. When does this temporary COVID-19 related change expire?

A6. It expires on December 31, 2020.

Q7. If I received a COVID-19 related hardship distribution earlier this year, am I eligible for another COVID-19 related hardship distribution?

A7. It depends.

If you received a COVID-19 related hardship distribution between April 1, 2020 and August 31, 2020, you *must* still have a minimum vested account balance of **\$12,500** and request a distribution amount of at least **\$2,500** to qualify for *another* COVID-19 related distribution.

If you received a COVID-19 related hardship distribution between April 1, 2020 and August 31, 2020, and your vested account balance is now *less* than \$12,500, you are *ineligible* for another COVID-19 related hardship distribution.

Q8: If I did *not* receive a COVID-19 related hardship distribution *before* September 1, 2020, can I request *two* COVID-19 related hardship distributions before the end of the year?

No. You can only request *one* COVID-19 related hardship distribution between September 1, 2020 and December 31, 2020.

Q9. If I qualify for this COVID-19 related hardship distribution, can I be paid directly from the Pension Fund?

A9. Yes. We'll pay you directly if you qualify for this *temporary* COVID-19 related hardship distribution.

Q10. How do I establish eligibility for this COVID-19 related hardship distribution?

A10. You must simply certify, in writing, that *you have lost work, been laid off, or had other losses or expenses due to the COVID-19 virus*. But, we could require additional proof to confirm your eligibility.

Q11. Will taxes be applied to this temporary COVID-19 related distribution?

A11. Michigan taxes *will* be deducted from your COVID-19 related distribution. So, your hardship distribution is net this tax withholding.

Federal taxes will *not* be deducted from your COVID-19 related distribution. But, you should consult with your tax advisor regarding your liability for federal taxes.

Your COVID-19 hardship distribution is *not* subject to the 10% excise tax that is normally associated with hardship distributions.

Q12. Can I pay back my COVID-19 related hardship distribution to the IATSE Local 38 and Local 812 Pension Plan?

A12. Yes. For a period of up to three (3) years from the date of your COVID-19 related hardship distribution, you may pay back all or part of your distribution. You should consult with your tax advisor as to the tax implications for any amounts you repay.

Q13. Is my spouse's consent required before I can collect this temporary hardship distribution?

A13. Yes, like *all other* hardship distributions, your spouse *must* consent to this distribution.

Q14. What if I'm divorced?

A14. If you're divorced, we *must* review your divorce decree or QDRO before you can collect this hardship distribution. This is the same procedure that is followed for *all* distributions from the Pension Plan -- including *all* hardship distributions.

Q15. Does this temporary change affect any of the other, existing criteria for a hardship distribution?

A15. No. This emergency and temporary modification does *NOT* change any of the other rules related to the HDP.

Q16. What if I took a hardship distribution within the last twelve (12) months for a reason other than COVID-19?

A16. If that's the case, you *may* still qualify for the COVID-19 related hardship distribution.

But, if your earlier distribution is already at the maximum amount permitted under the *Hardship Distribution Program* -- *i.e.*, half of your account balance or \$75,000 -- you're ineligible for this COVID-19 related distribution regardless of your circumstances.

Q17. How do I apply?

A17. You must submit the application on a form prepared by the Fund Office.

The application will be available on the Fund's website, www.iatse38and812pension.org, under the Forms link.

Q18. Is there any cost connected with this hardship distribution?

A18. Yes. Like all other hardship distributions, there is a \$100 fee to process your application.

If you have any questions, please contact the Fund Office.

Sincerely,

Board of Trustees of the
IATSE Local 38 and Local 812 Pension Fund