

Office and Professional Employees Locals 30 & 537 Health & Welfare and Retirement Trust Funds

Administered By: Benefit Programs Administration

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SUMMARY OF MATERIAL MODIFICATIONS

IMPORTANT NOTICE

December 9, 2021

TO: Participants and Beneficiaries

FROM: Board of Trustees, OPEIU Locals 30 & 537 Retirement Fund

SUBJECT: Lump Sum Distribution of Small Benefits and Required Beginning Date

The Board of Trustees is pleased to announce the adoption of benefit modifications made by Amendment Nos. 8 and 9 to the OPEIU Locals 30 & 537 Retirement Plan (Plan). Following is a brief description of these changes.

Lump Sum Distribution of Small Benefits.

Effective for benefit commencement dates on or after June 1, 2020, Participants and Beneficiaries may voluntarily elect to receive their monthly benefits in the form of a single sum distribution if the actuarial present value of that benefit does not exceed \$5,000.00. This applies to pensions and death benefits payable to a Participant's surviving spouse or contingent annuitant. If a payee is eligible for this benefit option, the lump sum will be included among the available payment forms. The actuarial present value shall be calculated in accordance with Internal Revenue Code Section 417(e) as described in the Plan Document.

Also effective on and after June 1, 2020, any Participant or Beneficiary receiving a monthly benefit of \$20.00 or less may elect to receive a single sum distribution equal to the actuarial present value of the benefit. The provision mandating single sum distributions for benefits with an actuarial present value of \$1,000.00 or less has been repealed.

Required Beginning Date

The Trustees changed the definition of Required Beginning Date to comply with the SECURE Act (Setting Every Community Up for Retirement Enhancement Act) which was passed by Congress in 2019.

Your Required Beginning Date is the date as of which Federal law requires that you must commence your benefits under the Plan. Participants may be subject to a 50% excise tax penalty on funds not received timely and the Plan may face risks to its qualified status for failure to distribute benefits on time.

Effective February 1, 2020, for Participants born on or after July 1, 1949, the Participant's Required Beginning Date is April 1 of the calendar year following the calendar year in which the Participant attains age 72. For Participants born before July 1, 1949, the Participant's Required Beginning Date remains the April 1 of the calendar year following the calendar year in which the Participant attains age 70½.

Elimination of Suspension of Benefits after Required Beginning Date

The age at which suspension of pension payments stops is unchanged. Thus, pensions will not be subject to suspension for any month after a member reaches age 70½. Benefits will not be suspended for Participants commencing in-service distributions on or after age 70½ or for periods of re-employment on or after age 70½.

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If you have any questions about this notice, you may contact the Administrative Office at: 800-386-4350.

Sincerely,

Board of Trustees