



IRON WORKERS

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Mid-America Pension Plan – Mid-America Supplemental Monthly Annuity (SMA) Fund

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ANNOUNCEMENT REGARDING THE IRON WORKERS MID-AMERICA SUPPLEMENTAL MONTHLY ANNUITY (SMA) FUND

To All Participants:

The Board of Trustees is pleased to announce a new, temporary benefit provided by the SMA Fund as a response to the COVID-19 pandemic.

There are several different ways that you can become eligible to receive benefits from the Fund, including attaining a certain age requirement, not working in Disqualifying Employment (as defined in the Plan Document) for a certain period of time or becoming disabled. This new, temporary benefit is in addition to the existing benefit provisions.

Effective May 1, 2020 through December 31, 2020, a new, temporary benefit is being offered as follows:

Regardless of age, you are eligible to receive a one-time benefit if you have not worked in Disqualifying Employment for at least 3 consecutive months and you do not return to work before your distribution. Only months from February 2020 through December 2020 can be used to meet the 3-month requirement. To qualify, you must apply before the end of this period. If you qualify, you are eligible to receive a maximum benefit of up to \$62,500 or your current account balance, whichever is less. Of course, you can apply to receive less than your maximum benefit.

If you elect the Lump Sum option and elect to directly receive some or all of this distribution, Federal law requires that any amount you directly receive is subject to mandatory Federal tax of 20%. You may elect to have more tax withheld but not less than 20%. If you elect the maximum \$62,500 benefit, then you will receive no more than \$50,000 (\$62,500 – \$12,500 mandatory Federal tax of 20%).

Additionally, if you have any SMA monies remaining after taking a distribution under this new, temporary benefit, you must file an application to receive those SMA monies under existing Plan rules.

Example 1

Suppose Ron does not work in Disqualifying Employment from March 2020 through May 2020. If he files an application for his benefit on or before May 31, 2020, he would have an effective date of June 1, 2020.

Ron's account balance is currently \$150,000 and he applies for the maximum benefit. His benefit options, including the Lump Sum option, will be based on \$62,500 since that is the maximum benefit he can receive.

Example 2

Suppose Brian does not work in Disqualifying Employment from April 2020 through June 2020. If he files an application for his benefit on or before June 30, 2020, he would have an effective date of July 1, 2020.

Brian's account balance is currently \$35,000 and he applies for the maximum benefit. His benefit options, including the Lump Sum option, will be based on \$35,000 since his account balance is less than \$62,500.

Other Information

In order to receive benefits, as with any other claim for benefits, you must make a formal application. Your effective date is the first of the month after you apply **and** meet all of the necessary qualifications. Your actual payment date will be later than your effective date. Your actual payment date depends on when you formally apply and complete and return all the necessary paperwork including your benefit election forms. Therefore, please apply one month in advance, if possible.

If approved, you would be eligible to receive your benefit under the normal form of payment (Single Life pension for non-married participants or 50% Husband-and-Wife pension for married participants) or any of the available optional forms of payment (such as the Lump Sum option). If you are married, then spousal consent will be required if you elect a form of payment other than the 50% Husband-and-Wife pension.

Finally, any benefits you receive under this new, temporary benefit will first reduce any pre-January 1, 1997 SMA balance you had as of that date.

Effective January 1, 2021, the rules will revert to the existing rules prior to this new, temporary benefit.

As with any distribution from a retirement plan, there may be financial consequences such as tax liability and/or tax penalties if you receive a distribution under this new, temporary benefit. We suggest you consider the advice of a tax professional in assisting you on these matters.

This is a Summary of Material Modifications to the Iron Workers Mid-America Supplemental Monthly Annuity (SMA) Fund. Please read this letter carefully and keep it with your copy of the Summary Plan Description. If you have any questions regarding this change, please contact the Fund Office at (708) 474-9902, Ext. 2.

Sincerely,

Board of Trustees of the Iron Workers Mid-America Supplemental Monthly Annuity (SMA) Fund

May 2020