



International Union of Elevator Constructors

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September 24, 2020

Re: Elevator Constructors Annuity and 401(k) Retirement Plan—
Extension of the Emergency Coronavirus-Related Distribution
Program through December 15, 2020

Brothers and Sisters,

In April, we notified you that the Trustees of the Elevator Constructors Annuity and 401(k) Retirement Plan agreed to allow members who are adversely impacted by the COVID 19 Pandemic to receive an **Emergency Coronavirus-Related Distribution**. Initially, to be eligible to receive an Emergency Coronavirus-Related Distribution, members were required to submit their applications to MassMutual by June 30, 2020. In June, the Trustees agreed to extend the Annuity 401(k) Plan's emergency coronavirus-related distribution program through September 30, 2020.

Last week, the Trustees concluded that for many members, economic hardships on account of the COVID-19 Pandemic will continue past September 30, 2020. Also, they are concerned that some members who have not yet applied for an Emergency Coronavirus-Related Distribution will likely be in need of economic assistance in the future while other members who may have already received an Emergency Coronavirus-Related Distribution, will have exhausted their Emergency Coronavirus-Related Distributions along with most of their savings within the next several months. Finally, Fund Counsel has advised the Trustees that nothing in the relevant provisions of the CARES Act prevents the Trustees from providing a third round of Emergency Coronavirus-Related Distributions to eligible members.

Therefore, the Trustees of the Annuity 401(k) Plan have agreed to extend the Emergency Coronavirus-Related Distribution Program through **December 15, 2020** by establishing an **Emergency Coronavirus-Related (Phase 3 Period) Distribution** as follows:

1. A member who submits his or her Emergency Coronavirus-Related (Phase 3 Period) Distribution Application Form **on or after October 1, 2020 and by December 15, 2020**, may receive an Emergency Coronavirus-Related (Phase 3 Period) Distribution not to exceed \$25,000.
2. Members who may have already received one or two Emergency Coronavirus-Related Distributions may still be eligible to receive an Emergency Coronavirus-Related (Phase 3 Period) distribution.

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3. The amount of the Emergency Coronavirus-Related (Phase 3 Period) Distribution for members who have not yet received an Emergency Coronavirus-Related Distribution by September 30, 2020 will still be capped at \$25,000.
4. All other eligibility rules that apply to Emergency Coronavirus-Related Distributions will continue to apply to Emergency Coronavirus-Related (Phase 3 Period) Distributions.

Attached is the Application Form a member must submit if he or she wishes to take advantage of the Elevator Constructors Annuity and 401(k) Retirement Plan's **Emergency Coronavirus-Related (Phase 3 Period) Distribution**. As set forth in the Application Form, the Application Form must be submitted to MassMutual. MassMutual will be ready to begin processing these applications on October 1, 2020.

The Application Form also will soon be available online at <http://www.massmutual.com/iuec> and on the IUEC COVID-19 Resources page on the IUEC website www.iuec.org.

Highlights of the Emergency Coronavirus-Related (Phase 3 Period) Distribution

Participants who experience a Coronavirus-Related event **on or after March 1, 2020 and who submit a properly completed Application Form to MassMutual between October 1, 2020 and December 15, 2020** may receive an Emergency Coronavirus-Related (Phase 3 Period) Distribution, which is a lump sum distribution of up to **\$25,000** from their Individual Accounts.

An Emergency Coronavirus-Related (Phase 3 Period) Distribution is available to any Participant:

- Who is diagnosed with COVID-19 by a test approved by the CDC; or
- Whose spouse or dependent is diagnosed with COVID-19 by such a test; or
- Who experiences adverse financial consequences resulting from –
 - Being quarantined due to COVID-19;
 - Being furloughed, laid off, or having work hours reduced due to COVID-19;
 - Being unable to work due to lack of child care due to COVID-19,
 - A closing or reducing of hours of a business owned or operated by the Participant, or
 - A reduction in pay (or self-employment income) due to COVID-19 or having a job offer rescinded or start date for a job delayed due to COVID-19;
 - His or her spouse or member of his or her household (i.e., someone who shares the Participant's principal residence):
 - Being quarantined, furloughed or laid off, or having work hours reduced due to COVID-19;
 - Being unable to work due to a lack of childcare due to COVID-19;
 - Having a reduction in pay (or self-employment income) due to COVID-19, or
 - Having a job offer rescinded or start date for a job delayed due to COVID-19, or
 - Closing or reducing hours of a business owned or operated by the Participant's spouse or a member of his or her household due to COVID-19.

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The Plan will rely on Participants' certifications that they satisfy these conditions.

- The Plan has special account source rules for Emergency Coronavirus-Related (Phase 3 Period) Distributions:
 - **First**, your Rollover Account (if you have established a Rollover Account).
 - **Then**, if you haven't established a Rollover Account or your Rollover Account is less than \$25,000, your 401(k) Account,
 - **Then**, if you haven't established a 401(k) Account and/or Rollover Account, or if the total balance of your 401(k) Account and/or Rollover Account is less than \$25,000, your Old Annuity Account (if you have an Old Annuity Account).
 - **Finally**, if you don't have an Old Annuity Account or if the total balance of your 401(k) Account (if any), Rollover Account (if any) and Old Annuity Account is less than \$25,000, your New Annuity Account.
- Emergency Coronavirus-Related (Phase 3 Period) Distributions receive special federal income tax treatment:
 - They are not subject to the 10% tax penalty typically applicable to early distributions.
 - They are not eligible rollover distributions, meaning they are not subject to mandatory 20% income tax withholding. MassMutual will withhold 10% of these distributions as federal income tax withholding unless Participants elect otherwise.
 - They will be included gross income for federal tax purposes over a 3-year period unless Participants elect otherwise.
 - May be re-contributed, in whole or in part, in one or more payments, to this Plan or another eligible retirement plan that accepts rollovers under which you participate, within three years of receipt.

Fraternally,

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General President

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