

IATSE LOCAL 38 AND LOCAL 812 PENSION PLAN

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Administered for the Trustees by:
TIC INTERNATIONAL CORPORATION

December 2019

To: ALL PARTICIPANTS IN THE IATSE LOCAL 38 AND LOCAL 812 PENSION PLAN

Re: Summary of Material Modifications – Hardship Distribution

Dear Plan Participant:

This notice, known as a Summary of Material Modifications (“SMM”), describes an important change in your Pension Fund that we recently adopted.

1. Hardship Distributions. *Effective July 1, 2019*, you may collect a portion of your vested Fund account balance under limited, financial hardship circumstances. These are known as Hardship Distributions.

Specifically, if you are experiencing “financial hardship”, you are eligible for a Hardship Distribution under certain, limited circumstances. *Only* in the following circumstances is a Hardship Distribution available:

- 1) to prevent an eviction or foreclosure of your principal residence; or
- 2) to pay certain medical expenses for you, your spouse, or a dependent; or
- 3) to pay delinquent child support obligations; or
- 4) for funeral or burial expenses involving a deceased parent, spouse, child, or dependent; or
- 5) a payment to repair damage to your principal residence that would qualify for a casualty loss deduction under the Internal Revenue Code section 165.

As a Participant, you must provide the Pension Fund with information sufficient to establish your “financial hardship”. The required information is described below.

If you qualify for this Hardship Distribution, the Pension Fund will issue your distribution *directly* to your bank or mortgage company, the medical provider, your apartment landlord, a funeral home, or other appropriate payee.

You may apply for one (1) Hardship Distribution in any 12-month rolling period. Your Hardship Distributions are limited, in total, to the lesser of one-half (1/2) of your vested Fund Account Balance and there is a lifetime maximum of seventy-five thousand dollars (\$75,000).

The minimum Vested Account balance required for obtaining a distribution is twenty thousand dollars (\$20,000).

The minimum hardship distribution is two thousand five hundred dollars (\$2,500); medical care expenses from a provider must total at least two thousand five hundred dollars (\$2,500).

2. How to Apply. You must submit an application on a form prepared by the Fund Office. You must also provide proof of a mortgage foreclosure or land contract default, apartment eviction, health provider invoice, the child support order, or other appropriate documentation, as described in the application.

You must also identify the amount of the Hardship Distribution you seek and the name and address of the person(s) or entity(ies) to whom your "Hardship Distribution" will be paid. You may choose more than one hardship event at the time of application.

A \$100 non-refundable administrative processing fee will be deducted from your account.

3. Taxes. Hardship distributions are taxable to you – no matter to whom they are paid. Remember, if the Fund direct pays your mortgage company through your Hardship Distribution, **you** still owe the taxes on the amount of the entire distribution.

If you have any questions, please contact the Fund office at 248-645-6550.

Sincerely,

The Board of Trustees of the
IATSE Local 38 and Local 812 Pension Plan