

**IBEW LOCAL 164 ANNUITY PLAN**

**TO: ALL PARTICIPANTS IN THE IBEW ANNUITY PLAN**

**FROM: BOARD OF TRUSTEES**

**SUBJECT: SPECIAL COVID-19 DISTRIBUTIONS**

**DATE: APRIL 24, 2020**

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Pursuant to the recently enacted CARES Act, the Trustees have implemented a special "COVID-19 DISTRIBUTION" for Plan Participants who have experienced hardships related to the Coronavirus ("COVID-19").

You will be eligible to apply for a COVID-19 Distribution if you experience one of the following hardships:

1. You, your spouse or dependent has been diagnosed with COVID-19 Virus by a test approved by the Centers for Disease Control and Prevention or;
  2. If you experience adverse financial consequences as a result of being quarantined, laid-off, furloughed, having work hours reduced, or if you are unable to work due to a lack of childcare due to such COVID-19 Virus.
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**THE SPECIAL COVID-19 DISTRIBUTION**

If you experience one of the above referenced hardships and wish to receive a Special COVID-19 Distribution from your Account Balance, you must submit an application to the Plan Administrator – Fabian & Byrn, LLC., 425 Eagle Rock Avenue, Suite 105, Roseland, New Jersey 07068. The application will be provided by Fabian & Byrne and will require you to certify that you have experienced one of the COVID-19 hardships.

If qualified, you will be permitted to receive a distribution from your Account Balance in any one month up to a maximum of \$12,500.00 and, in the aggregate such distributions not to exceed \$100,000.00 during the period April 1, 2020 through December 31, 2020.

If you are married, your spouse must consent to the withdrawal and his/her signature must be either notarized or witnessed by the Plan Administrator. If COVID-19 travel restrictions or other conditions prevent your spouse's access to a Notary Republic or

the Plan office, the Plan Administrator is authorized to attempt to provide for video conferencing or other electronic means to confirm your spouse's consent. You should contact the Plan Administrator's office if you have any questions regarding this benefit or this process.

While the Trustees cannot provide tax or legal advice, you should be aware of certain tax benefits that are applicable to COVID-19 Distributions. While you will receive a Form 1099-R to reflect the distribution, the following special provisions apply to a COVID-19 Distribution.

- If you are under the age of 59 ½, the customary ten percent early distribution penalty that would normally apply to distributions from your Account Balance, will not apply to a COVID-19 Distribution.
- The ordinary gross income tax liability for the distribution can be paid over a three year period.
- You may repay some or all of the COVID-19 Distribution you receive to your Account Balance within three (3) years after you receive such distribution and by doing so, you can avoid and or recover some or all of the gross income tax that would normally be due on the distribution.
- In all tax matters you should consult with your tax advisor for appropriate advice.

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The provision for the COVID-19 Distribution shall be reflected in an additional section 6.11.1 to Article VI of the Local 164 Plan document.

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#### **WAIVER OF REQUIRED MINIMUM DISTRIBUTION REQUIREMENT**

For those Participants who have been or are required to take the Required Minimum Distribution ("RMD"), that requirement has been waived by the CARES Act for the year 2020 and therefore at your option you may decline to take the RMD in the year 2020.

**IN ALL TAX MATTERS YOU SHOULD CONSULT WITH YOUR TAX ADVISOR FOR APPROPRIATE ADVICE.**