

Puget Sound Electrical Workers 401(k) Savings Plan

Physical Address 7525 SE 24th Street, Suite 200, Mercer Island, WA 98040 • Mailing Address PO Box 34203, Seattle, WA 98124
Phone (206) 441-4667 or (866) 314-4239 • Fax (206) 505-9727 • Website www.pseustrusts.com

Administered by
Welfare & Pension Administration Service, Inc.

March 8, 2022

**TO: All Eligible Plan Participants in the
Puget Sound Electrical Workers 401(k) Savings Plan**

RE: Changes to the 401(k) Savings Plan

This is a Summary of Material Modification describing changes to your Plan adopted by the Board of Trustees. Please be sure that you and your family read it carefully and keep this document with your Summary Plan Description booklet.

Beneficiary Payout Sequence for Death Benefits

Effective January 1, 2022, the Plan has updated the payout sequence for pre-retirement and post-retirement death benefits. For dates of death on or after January 1, 2022, if a beneficiary is not named, or if the designated beneficiary dies before receiving full payment of the benefits due under the Plan, and a contingent beneficiary has not been named, the remaining payments will be made to your next-of-kin in the following order:

1. Spouse
2. Children (whether natural or adopted)
3. Grandchildren
4. Parents
5. Siblings (whether whole or half-sibling)
6. Estate

If none of the above listed individuals survive you, or you do not have an Estate, no benefits will be payable, except in a case where the Board may reimburse those persons who have paid reasonable funeral and burial expenses.

Installment Plan Options

Currently, **Participants eligible for a distribution** may take a full distribution, or partial distribution from their available balance with a \$10,000 minimum per transaction limited to one time per fiscal year (June 1 – May 31). The amount you receive can be rolled over into another qualified retirement plan that accepts rollovers and/or to an IRA.

Effective with March 1, 2022, distributions, the Trust has added an Installment Distribution option that will permit level monthly, quarterly, or annual installment distributions in the amount you designate. If your account runs out before the designated period ends, no further payments will be made. If you should die with a remaining balance, the remainder will be paid to your beneficiary. You will be permitted to change the amount and/or frequency of payments as you so choose through John Hancock by calling **1-833-38UNION**.

Rollover option benefits

In certain circumstances, you may elect to have benefits earned under another eligible retirement plan transferred or rolled over to your account under this Plan. You should contact the Administration Office if you are interested in making a rollover contribution.

Clarification to Distribution Rules

The Plan currently reads that you are eligible for a distribution of your Plan account:

- a. in the event of your Permanent Total Disability;
- b. in the event of your attainment of age 65;
- c. if you have attained age 55 and no contributions have been made to the Plan on your behalf for at least 6 consecutive months;
- d. if you have attained age 55 and you qualify for and have elected "Special Early retirement" under the Puget Sound Electrical Workers Pension Plan;
- e. if, regardless of your age, no contributions have been made to your account under the Plan for at least 12- consecutive months and you are not working in the electrical industry;
- f. if, regardless of your age, there have been less than 250 hours of contributions made to the Plan on your behalf in each of two consecutive fiscal years (June 1 – May 31) and you are not working in the electrical industry; or
- g. if, regardless of your age, no contributions have been made to the Plan on your behalf for a period of 24 consecutive months whether or not you continue working in the electrical industry (amount distributable is limited to contributions based on hours worked prior to September 1, 2016, plus investment earnings and minus administrative expenses applied thereto to the date of distribution).

Effective December 7, 2021, language under sections "e" and "f" distributions above has been clarified to replace "not working in the electrical industry" with "no longer working in the electrical industry". The replacement distribution event language now reads:

- e. if, regardless of your age, no contributions have been made to your account under the Plan for at least 12-consecutive months and you are no longer working in the electrical industry;
- f. if, regardless of your age, there have been less than 250 hours of contributions made to the Plan on your behalf in each of two consecutive fiscal years (June 1 - May 31) and you are no longer working in the electrical industry;

If you have any questions concerning the changes described in this notice or Trust benefits in general, please contact the Administration Office at (866) 314-4239 or (206) 441-4667, option 2.

Board of Trustees
Puget Sound Electrical Workers 401(k) Savings Plan

Important Reminder - You must advise the Administration Office of any changes in your basic demographic data, including changes in your name, marital status, designated beneficiary, home address, email address and telephone number. Provide information changes by completing and sending a new Enrollment Form or Beneficiary Designation Form to the Administration Office. If you divorce your spouse, please also provide a complete filed copy of your divorce decree and any accompanying court orders.

Failure to update your information on file may delay the timely payment of your benefits, and communication of important Plan information.