Pipe Fitters' Local 597
INDIVIDUAL ACCOUNT & 401(K) PLAN

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SUMMARY OF MATERIAL MODIFICATION

October 2021

Dear Participants:

On December 20, 2019, the Setting Every Community Up for Retirement Enhancement Act of 2019 ("SECURE Act") was signed into law. As a result of the SECURE Act, the Board of Trustees of the Pipe Fitters' Individual Account and 401(k) Plan, Local 597 ("Plan") made the following changes to the Plan.

Required Beginning Date Changes

Before the SECURE Act, the Required Beginning Date was the April 1st of the calendar year following the later of the calendar year in which you attain age 70 ½ or the calendar year in which you retire. The SECURE Act increased the Required Beginning Date from age 70 ½ to age 72 for people who turn age 70 ½ on or after January 1, 2020.

In other words, if you reach age 70 ½ **on or after January 1, 2020**, your Required Beginning Date is the April 1st of the calendar year following the later of the calendar year in which you attain age 72 or the calendar year in which you retire. However, if you reached age 70 ½ **before January 1, 2020**, your Required Beginning Date has not changed and will continue to be April 1st of the calendar year following the later of the calendar year in which you attain age 70 ½ or the calendar year in which you retire.

Post-Death Distribution Changes

Before the SECURE Act, plans were able to "stretch" distributions over a beneficiary's life expectancy. The SECURE Act placed a cap on the timeframe of the distributions for certain beneficiaries as described below.

For deaths occurring after December 31, 2021, your benefit must be distributed to your Designated Beneficiary within ten (10) years after your death, or if you do not have a Designated Beneficiary, to a non-Designated Beneficiary within five (5) years after your death. However, if your benefit is payable to an **eligible** Designated Beneficiary, your benefit may be paid over the life expectancy of your eligible Designated Beneficiary.

An eligible Designated Beneficiary includes the following individuals:

1) Your surviving spouse.

2) Your minor child.

3) A permanently disabled person.

4) A chronically ill person.

5) A person who is not more than 10 years younger than you.

A minor child ceases to be an eligible Designated Beneficiary upon reaching the age of majority. At such time, any remaining balance in your account balance must be fully distributed to such Designated Beneficiary within 10 years. Likewise, if your eligible Designated Beneficiary dies, the remaining balance in your account balance must be fully distributed within 10 years.

Qualified Birth or Adoption Distributions (QBADs)

Effective February 25, 2021, you may be eligible for a qualified birth or adoption distribution ("QBAD") from your Salary Reduction Contribution Account for eligible child care and adoption expenses.

In order to be eligible for a QBAD, the distribution must be made during the one-year period beginning on the date your child was born or on which the legal adoption of your Eligible Adoptee is finalized. An Eligible Adoptee is an individual, other than the child of your spouse, who has not yet attained age 18 or is physically or mentally incapable of self-support.

The amount of the QBAD may not exceed the aggregate of $5,000 per child or Eligible Adoptee. If you receive a QBAD under the Plan, you are permitted to recontribute the distribution to the Plan in an amount not to exceed the amount of the QBAD.

To apply for a QBAD, you must complete and return a form to the Fund Office. To obtain a copy of the form, please contact the Fund Office. QBADs are subject to an automatic 10% federal tax withholding. However, you can waive the withholding completely or elect a greater value than 10% on the form. Additionally, QBADs are not subject to the 10% penalty on early distributions.

Please keep this notice with your Summary Plan Description (SPD) booklet for future reference. Please contact the Fund Office with any questions regarding these new provisions.

Sincerely,

THE BOARD OF TRUSTEES