



SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION LOCAL UNION NO. 73 ANNUITY PLAN



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Dear Participant:

The Board of Trustees is pleased to announce that the Sheet Metal Workers' Local 73 Annuity Plan has been amended to allow for Hardship Withdrawals and General Purpose Loans from your annuity account in the event you face a hardship.

Only Active participants may request a Hardship Withdrawal or General Purpose Loan. Retired participants, alternate payees and beneficiaries are not eligible for these services.

These changes will allow you to initiate these new services as follows:

I. HARDSHIP WITHDRAWAL

You may be eligible to apply for a Hardship Withdrawal if:

- You are currently participating in the Plan for a minimum of thirty-six (36) months; and
- You have obtained all other currently available distributions and nontaxable loans under the Plan and all other plans maintained by the employer; and
- The distribution may not exceed the amount of your immediate and heavy financial need; and
- The amount required to satisfy the financial need may include amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution.

The definition of financial hardship for the purpose of a Hardship Withdrawal is strictly defined and is limited to:

- Expenses for medical care for you, your spouse or dependents (must provide more than half total support);
- Costs related to the purchase of your primary residence (excluding mortgage payments);
- Tuition payments and related fees for the next 12 months of post-secondary education for you, your spouse, your children or dependents;
- The need to prevent your eviction from your primary residence or foreclosure of a mortgage on your primary residence; or
- Payments for funeral or burial expenses for the member's deceased parent, spouse, child or dependent as defined by the Plan.

Requesting a Hardship Withdrawal

You must submit your request for a Hardship Withdrawal in writing along with documented proof that no other funds are available to meet your specific financial need. You must submit the proof requested by the Fund Office. You may contact the Fund Office for a Hardship Withdrawal Application.

If you are married at the time of any Hardship Withdrawal, you must also submit a written consent signed by your spouse and it must be notarized. The Application form provides a space for such consent.

Amount of a Hardship Withdrawal

The Internal Revenue Code limits the amount of any Hardship Withdrawal(s) collectively to the lesser of the following two amounts:

- 50% of your account balance in the Profit Sharing (PS) Source funds
- Your request for a Hardship Withdrawal must be for a minimum of \$2,000.

II. GENERAL PURPOSE LOAN

A participant may take out one General Purpose Loan for any other reason not allowed under the Hardship Loan Provision during any twelve (12) consecutive month period. This loan amount shall not collectively exceed the lesser of: (a) 50% of the vested balance in the Participant's account; or (b) \$10,000.00.

You must repay the hardship loan and may elect to have monthly repayments for a maximum time period of five years or sixty (60) payments. You may pay off the hardship loan any time before the due date without penalty. Repayment starts within 35 days from the origination date of your general purpose loan.

Interest Rate

The General Purpose Loan will bear interest at 1% over the prime rate at Amalgamated Bank of Chicago on the date your General Purpose Loan is made. This rate will be fixed during the term of your loan. Payments will be credited first to interest.

Default

If you fail to make a payment and you fail to correct the missed payment by the last day of the calendar quarter following the calendar quarter in which you missed a payment you will be in default. If you default, you will receive a 1099-R for the outstanding loan including interest. In addition to being liable for income taxes, you may also be liable for a 10% early withdrawal tax if you are under the age of 59 ½. Please consult your own tax advisor if you have any questions regarding the tax treatment of any benefits you receive.

If you default on a loan, you will be ineligible for any future loans. If you have defaulted on a previous Hardship Loan you are not eligible for the General Purpose Loan.

If you terminated Covered Employment, you may continue to repay the loan. However, if you elect to take distribution of your account then you must repay the loan in full, including accrued interest. If you do not repay, then the loan, plus interest, will be offset against your distribution.

Documentation

You will be required to sign a Promissory Note and the Loan Application must be submitted to the Fund Office (your Plan Sponsor) for Approval. If you are married at the time of any General Purpose Loan, you must also submit a written consent signed by your spouse and it must be notarized. The Application form provides a space for such consent.

Military Service

If you enter the military and meet certain conditions, the need for you to make repayments may be suspended.

If you have additional questions about the General Purpose Loan and Hardship Withdrawal options, please contact Ms. Karen Meifert, Annuity Manager, at 708-449-7373, ext. 127.

Sincerely,

The Board of Trustees
Sheet Metal Workers' Local 73 Annuity Plan