



## Welfare, Pension and Annuity Funds

May 2021

Dear Participant:

The Board of Trustees would like to inform you of the changes reflected in an Amendment it adopted to the Sheet Metal Workers' International Association Local Union No. 73 Annuity Plan (the "Plan") to comply with applicable laws provided in the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019. The changes are described in this notice, which serves as a summary of material modification (SMM).

### **THE CHANGES AND THEIR EFFECTS:**

#### **1. REQUIRED BEGINNING DATE**

The SECURE Act changed the age in which the Plan must begin making required minimum distributions. This date is referred to as the required beginning date (RBD). Note that a plan like this one satisfies the minimum distribution rules by distributing your benefit on or before your RBD. You can apply for your benefit under the Plan any time after you are eligible, but distribution must begin before your RBD if you have not yet started receiving benefits by that time. Contact the Fund Administrator for more information or for an application to begin distribution of your benefits.

- Under the **old rule**, your RBD is April 1 of the calendar year following the calendar year in which you reached age 70-1/2. The **old rule** applies to you only if you were born before July 1, 1949 (meaning, you reached age 70-1/2 prior to January 1, 2020).

**Example:** You were age 70 and 6 months on September 7, 2019 and had not begun receiving distribution of your benefits by December 31, 2019. Given this information, the Plan began making your required minimum distribution payments by April 1, 2020.

- The **new rule** is effective January 1, 2020 and applies to you if you were born on or after July 1, 1949 (meaning, you reach age 70-1/2 on or after January 1, 2020). Under the **new rule**, your RBD is April 1 of the calendar year following the calendar year in which you reach age 72.

**Example:** On January 1, 2020, you were age 70 and 5 months. This means that you reached age 70-1/2 in February 2020, you reached age 71 in August 2020 and you will reach age 72 in August 2021. Given this information, the Plan must begin making required minimum distribution payments to you no later than April 1, 2022.

This change also may have an impact on the date that your surviving spouse, if any, is able to elect to defer his or her required receipt of distributions after your death.

#### **2. DURATION OF DISTRIBUTION TO CERTAIN BENEFICIARIES**

The SECURE Act changed the allowable time period for a participant's beneficiary to receive distribution payments after the participant's death.

- Under the **old rule**, which applies to beneficiaries of participants who die on or before December 31, 2021, beneficiaries generally may stretch out the deceased participant's required minimum distribution payments over the life expectancy of the beneficiary.
- However, the **new rule**, which applies to beneficiaries of participants who die after December 31, 2021, requires beneficiaries to deplete the deceased participant's required minimum distribution payments within 10 years of the participant's death, unless certain exceptions apply (i.e. the beneficiary is the deceased participant's spouse, a minor child or is chronically ill or disabled).

**Questions?** If you have any questions regarding these Plan changes or the Annuity Plan in general, please call or write the Fund Office.

Sincerely,

### **Board of Trustees**

*This announcement letter contains only highlights of certain provisions of the Sheet Metal Workers' International Association Local Union No. 73 Annuity Plan. Complete details are contained in the official Plan Document. In case of conflicts between the wording in this announcement letter and the wording in the official Plan Document, the Plan Document always governs. All plans are subject to change without prior notice to participants.*

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