

SAN MATEO ELECTRICAL CONSTRUCTION INDUSTRY RETIREMENT PLAN

SUMMARY PLAN DESCRIPTION

**For Members of IBEW Local 617
(Including Apprentices)**



January 2024

**Keep this Summary Plan Description
For Future Reference**

**SAN MATEO COUNTY ELECTRICAL CONSTRUCTION INDUSTRY
RETIREMENT PLAN**

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SAN MATEO ELECTRICAL CONSTRUCTION INDUSTRY
RETIREMENT PLAN
(408) 288-4400
www.ibew617benefits.com

Dear Participant:

We are pleased to provide this new booklet, known as a Summary Plan Description, for the San Mateo Electrical Construction Industry Retirement Plan ("Plan"). The Plan, which was originally established as of May 22, 1963, provides retirement benefits to members of IBEW Local 617 working under a collective bargaining agreement between IBEW Local 617 and the National Electrical Contractors Association ("NECA"), San Mateo Chapter, and some individual employers. **Information on the Plan is available on the Plan's website: ibew617benefits.com.**

This booklet summarizes the key provisions of the Plan including the investment options available, how you earn benefits, when you may commence receiving your benefits and the benefit options available to you. The formal text of the Plan controls eligibility, benefit payments, and other aspects of the Plan. **In the event of any ambiguity or conflict between this booklet and the Plan, the Plan will govern.**

You should read this booklet carefully. Moreover, if you are married you should discuss the Plan's benefits, options, and other rules with your spouse.

KEEP THIS BOOKLET FOR FUTURE REFERENCE

Over the years you may accumulate substantial funds to which you or your named beneficiary may be entitled. Please submit a completed beneficiary form to the Plan office and notify the Plan of any address changes.

The Board of Trustees has the full discretionary authority to determine eligibility for benefits and appeals and to construe and interpret the Plan and related documents, including any rules.

The benefits provided in this Plan are in addition to your Social Security benefits and any pension you earned from the National Electrical Benefits Fund (NEBF").

If you have any questions about the Plan or desire additional information, please contact the Plan office at the address listed above.

Sincerely,

Board of Trustees

IMPORTANT NOTICES

CAUTION: FUTURE PLAN AMENDMENTS

Future amendments to the Plan may be made from time to time to comply with Congressional action, rulings by federal agencies, and/or courts and other changes deemed necessary or prudent by the Board of Trustees. You will be notified when material amendments to the Plan are made. Before you decide to retire, you should contact the Administration office to determine if there have been Plan changes or other developments that may affect your retirement benefits.

LIMITATION UPON RELIANCE ON BOOKLET AND STATEMENTS

This booklet provides a brief, general summary of the Plan rules. It is not intended to cover all the details of the Plan. Nothing in this Summary Plan Description is meant to change the Plan provisions. You should review the Plan to fully determine your rights. The Plan document is available for your review with the administrative office upon written request.

You are not entitled to rely upon oral statements from employees of the Plan office, a Trustee, an Employer, any Union Officer, or any other person or entity. If you wish an interpretation of the Plan, you should address your request in writing to the Board of Trustees at the Plan office. To make its decision, the Board of Trustees must be furnished with full and accurate information concerning your situation.

As a courtesy to you, the Administration office may respond orally to questions; however, oral information and answers are not binding upon the Plan and cannot be relied upon in any dispute concerning your benefits and/or the Plan. You should further understand that, from time to time, there may be an error in a statement, letter, or other communication that you receive which may be corrected upon an audit or review. The Board of Trustees reserves the right to make corrections whenever any error is discovered.

CONSULT WITH TAX ADVISOR RE: DISTRIBUTION

The Administration office does not provide tax advice or suggest how you should receive your benefits. **You should discuss with a tax advisor the tax consequences of any withdrawal of funds or selection of a benefit option.**

ONE YEAR TO FILE A LAWSUIT/FILE LAWSUIT IN NORTHERN DISTRICT OF CALIFORNIA/NO PARTICIPATION IN CLASS ACTION LAWSUITS

If a claim for benefits has been denied and you filed an appeal which is also denied or you have a different type of adverse determination, you have one year from the date of the denial of the appeal or the adverse determination to file a lawsuit. **Failure to do so means that you will not be able to file your lawsuit. Any such lawsuit must be filed in federal district court in the Northern District of California. In addition, to minimize potential legal costs, the Plan contains a rule that a Participant is not permitted to join a Class Action lawsuit against the Trustees, the Plan or others associated with the Plan.**

Highlights of Important Plan Changes

This summary highlights important Plan changes since December 2016 booklet that was provided to you.

A. ADDITIONAL INVESTMENT OPTIONS The Five New Investment Options as of 1/1/2018

Since January 1, 2018, the Plan has offered five new investment options based on a Participant's age. The five options are designed to give Participants an investment mix as they progress toward retirement. This is based on the understanding that in most situations, younger Participants invest more aggressively than those Participants getting close to retirement age. The five options are listed on page 8 of this booklet.

The 'Investment Mix' is completely independent of the Plan's Fixed Fund and Equity Fund. All the new options will be invested in various combinations of mutual funds available to the public, and the Plan will obtain these funds at a low expense level.

The Plan provides information concerning the above investment options, but no recommendations are made. Instead, you will make your own investment allocation decisions among these different options. You are encouraged to review the materials related to the investment options, as well as additional documentation if you are uncertain and/or speak to the Plan's investment consultant about your options and questions.

B. ADDITIONAL REASONS FOR DISTRIBUTION OF BENEFITS

Since the last Summary Plan Description was printed, the Trustees have amended the Plan to permit partial or total distributions for a few new situations as follows:

1. **Travelers.** An Employee, known as a Traveler, who terminates employment in the jurisdiction of IBEW Local 617, with an Individual Account balance of \$5,000 or less is entitled to a transfer of the entire balance to his or her Individual Account to his or her IBEW Local Home Fund's Defined Contribution Plan upon filing an application with the Administration office.

2. **Attainment of Age 70.** You are entitled to a partial or total distribution of your Individual Account with the Plan upon attainment of age 70 even if you continue to work in the Covered Employment.

3. **Signatory Employer Attain Age 59-1/2.** An owner of a signatory employer who has not had any contributions made to the Plan for six consecutive months is entitled to a distribution of the entire balance upon attainment of age 59-1/2 so long as he or she has not worked for any non-signatory employer in the electrical industry.

4. **Terminally Ill Distributions--Elimination of Early Withdrawal Penalties.** A Participant who is not working in Covered Employment who has been determined to be terminally ill (physician certifies the illness or condition reasonably expected to result in death in 84 months or less) is entitled to a distribution of his or her Individual Account. This provision is intended to comply with the SECURE Act II, which would enable the Participant to not have to pay the premature IRS tax penalties for an early distribution.

5. **Residents of Federally Declared Disaster Areas-Elimination of Early Withdrawal Penalties/Increased Loan Amounts.** A Participant living in a federally declared disaster area is entitled to a distribution of up to \$22,000 for each declared disaster. The distribution request must be made within 180 days after the date of the federally declared disaster. The inclusion of the amount of the withdrawal may be spread over a three-year period for tax purposes. The President of the United States must have declared a disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. This provision is effective for disasters occurring on or after January 26, 2021.

C. IRS REQUIRED MINIMUM DISTRIBUTION AGE CHANGED

Pursuant to Section 107 of the Setting Every Community Up for Retirement Act (also known as “SECURE” Act II (signed by President Biden on December 29, 2022), the age for Required Minimum Distributions (“RMD”) is increased to age 73 for a person who attains age 72 after December 31, 2022, and to age 75 for a person who attains age 73 after December 31, 2032. (Individuals who have already started receiving their RMD must continue to receive such benefits.) The term Required Minimum Distribution and/or RMD refers to the Required Minimum Distribution Age in the SECURE Act II and/or the applicable provision of the Internal Revenue Code, and applicable federal guidelines, rules and/or regulations. The Plan shall be interpreted to comply with such applicable law. (If you attained age 70-1/2 prior to January 1, 2020, your Required Minimum Distribution Age remained at age 70-1/2.) (The first SECURE Act, which became law as of December 20, 2019, increased the RMD age to 72.)

D. EXPANDED PARTICIPANT LOAN OPTION

To be entitled to a Participant loan from the Plan, a Participant no longer must be an Active Participant and no longer must have had employer contributions made on his or her behalf for at least six or nine of the twelve months immediately prior to the loan. Moreover, the Plan no longer performs a credit check on a Participant seeking a Participant loan.

Increased Loan Amounts—Reside in a Federally Declared Disaster Area and Suffer Economic Harm. Effective as of January 1, 2023, pursuant to the SECURE Act II, there is an increase in the limit on Participant loans for individuals living in a Federally Declared Disaster Area who suffer an economic loss because of such disaster and takes the loan within 180 days after the disaster. The standard \$50,000 maximum for Participant loans is increased to \$100,000 for such individuals (the lesser of \$100,000 or 100% of the vested account balance). For any Participant with an outstanding loan who lives in an area in which a Federally Declared Disaster occurred, the repayment period for any such existing loan is postponed for one year (and that one

year is not counted as part of the maximum five-year loan period). The President of the United States must have declared a disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. This provision is effective for disasters occurring on or after January 26, 2021.

E. QUICKER REVIEW: REQUEST FOR BENEFITS BASED ON DISABILITY

Benefit Denials involving disability claims and/or determinations are required to be reviewed within 45 days of the Plan's receipt of the denial unless special circumstances exist. An extension of time not exceeding 30 days may be necessary due to matters beyond the control of the Plan. The notice of extension will include in addition to the reasons for the denial, the standards on which entitlement to the benefit is based; the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. The Claimant would have at least forty-five (45) days to provide the specified information, if any. The deadline for the Board of Trustees to render its decision is tolled from the date on which the notification of the extension is sent to the Claimant until the date a response from the Claimant is received.

F. ONE YEAR LIMITATION PERIOD FOR FILING LAWSUITS/FILE ACTIONS IN U.S. DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA/NOT PARTICIPATE IN CLASS ACTION LAWSUITS

Upon exhausting the Plan's claims and appeal procedures, if you are still not satisfied, your next step is to file a lawsuit if you, so desire and such a lawsuit is permitted under ERISA or other applicable law. **No legal action may be commenced or maintained against the Plan, a Trustee, the Board of Trustees, or other person or entity involved with the denial or decision on appeal more than one year after the determination of your appeal by the Board of Trustees, or if not a formal appeal, one year after the act or omission of which you are questioning. Any such lawsuit must be filed in the United States District Court for the Northern District of California.**

Moreover, Participants are not permitted to participate in a class action lawsuit against the Plan, the Trustees, or other individuals and/or entities associated with the Plan, as the Plan provides explicit waiver language of such actions.

I. PARTICIPATION, RECIPROCITY AND VESTING

A. Participation and Reciprocity

1. Becoming a Participant/Participation in the Plan/Owners

You become a Plan Participant once you have worked an hour of Covered Employment with an Employer that is required by a collective bargaining agreement with IBEW Local 617 to make contributions to the Plan on your behalf (or a Subscription Agreement entered by your Employer with the Board of Trustees providing for such contributions). The Plan will establish an Individual Account for you once an Employer contribution is first made on your behalf. Certain full-time employees of the Union and Apprenticeship Program also participate in the Plan under rules approved by the Board of Trustees.

Former Bargaining unit personnel who qualify as “alumni” under Internal Revenue Service rules (previously worked as an IBEW Local 617 member with contributions made to this Plan) also may participate in the Plan. Owners who are not alumni may participate pursuant to a written Subscription Agreement (which requires contributions for other non-bargaining employees too).

2. Reciprocity/Obligation to Register with ERTS

If you work under a collective bargaining agreement (“CBA”) in the jurisdiction of another IBEW Local Union, your Employer’s contributions pursuant to that CBA will be made on your behalf to that Local Union’s pension fund. But you may have those funds transferred back to this Plan because the Plan has signed on to the Electrical Industry Pension Reciprocal Agreement, which gives Participants the ability to cause the transfer of employer contributions from a signatory plan in which the benefits were earned to the Participant Home Fund.

To qualify for this type of transfer, you must register online at the local union office (IBEW Local 617) in the ERTS (Electronic Reciprocal Transfer System) before your contributions are transferred. In addition, the other Plan also must be signatory to the Electrical Industry Reciprocity Agreement. **Because retroactive contributions are not made, timely registration with ERTS is important. If you do not authorize the transfer of contributions, the contributions will not be transferred and the contributions made on your behalf to the other pension fund will be subject to that other Plan’s rules.**

If you are a Participant and an Individual Account has been established for you. You will receive a statement from the Fund office each quarter showing the Employer Contributions paid on your behalf in the previous period and the value of your Individual Account.

B. Vesting: Three Year Vesting Rule if you Worked on or after January 1, 2009

For any Participant who has worked in Covered Employment on or after January 1, 2009, you will be a vested Participant if you have three years of Covered Employment without incurring a permanent break in service. For Participants who worked in Covered Employment prior to January 1, 2009, the Plan required five Years of Service, or you reached your Normal Retirement Date. Your Normal Retirement Date is the later date you attain age 65, or the fifth anniversary of the date you became a Participant in the Plan.

For vesting purposes, you earn Years of Service in the following manner:

| <u>Hours of Service in a Plan Year</u> | <u>Vesting Service</u> |
|--|------------------------|
| 0-299 | 0 |
| 300-399 | 3/10 |
| 400-499 | 4/10 |
| 500-599 | 5/10 |
| 600-699 | 6/10 |
| 700-799 | 7/10 |
| 800-899 | 8/10 |
| 900-999 | 9/10 |
| 1000 or more | 1 year |

If you are a non-vested Participant and you incur a Permanent Break in Service (see Item C below), you will forfeit your entire Individual Account balance with the Plan.

Caution if you Return to Work after a Full Distribution—3 Year Vesting. If you retire and receive a distribution of your pension benefits but later return to Covered Employment requiring contributions to the Plan you must again meet the three-year Vesting requirement. Different Plan rules govern your Vesting status for Covered Employment prior to June 1, 1976.

Investment Losses Could Cause your Pension Value to Decrease. It is possible that your pension benefits may decrease because the value of your Individual Account depends upon the Plan's investment yields and the Plan's expenses.

Small Accounts—Value Could be Eliminated. If you have a small account balance your Individual Account could reach a zero balance over time if you only work a few hours a year and your share of Plan expenses exceeds the aggregate of the contributions paid on your behalf and your share of Plan earnings. (See also Section XI of this booklet for a summary of the circumstances which might cause a reduction, loss, or delay in the payment of your benefits.)

C. When Does My Participation Terminate?

1. Your participation in the Retirement Plan terminates when:

- a. You incur a Permanent Break in Service (see number 2 below) on the last day of the Plan Year in which you have five consecutive One-Year Breaks in Service before you become vested, or
- b. You retire and/or terminate your Covered Employment and take a total distribution from the Plan, or
- c. You die.

2. How do I incur a Permanent Break in Service? If you are not vested, you incur a Permanent Break in Service on the last day of the Plan Year in which you have five consecutive One-Year Breaks in Service. A “One-Year Break in Service” occurs on the last day of any Plan Year during which you fail to earn at least 300 Hours of Service.

3. **Are there special rules for counting Hours of Service for the purpose of determining breaks in Service?**

a. Yes. To the extent require by ERISA, including lawful regulations, Hours of Service will include work for a contributing Employer which does not require Employer contributions, which immediately precedes or immediately follows Covered Employment with the same Employer. There may be no gap in time between such employment (more than thirty days). In addition, the following special rules apply to active Participants after July 1, 1985, for purposes of determining whether you have incurred a Break in Service:

1. If you are absent from work because of temporary disability and are receiving Workers Compensation or State Unemployment Disability Compensation, you may be credited with up to 35 Hours of Service per month for up to 24 months.

2. If you are absent from work by reason of your, or your spouse's pregnancy, or because of the birth or adoption of your child, you will be credited with the Hours of Service you would normally have been credited with except for such absence, or 8 hours per day of absence if that cannot be determined. The maximum number of Hours of Service credited under this provision will be 501.

To use the above rules, you must submit in advance a written request to the Plan to either be placed on the temporary disabled list for the period of your disability up to 24 months, or to have recorded the period of your absence due to rule 2 above. The Hours of Service will be credited to the Plan Year in which the absence occurs if necessary to avoid a Break in Service. The Hours may not be used in determining your existing status.

D. What happens if I have a Permanent Break in Service?

When you have a Permanent Break in Service, all amounts in your Individual Account are irrevocably forfeited (which means they are lost). That means that you have no pension benefit with this Plan. Account forfeitures are used to pay administrative expenses.

II. TYPE OF PLAN

The name of the Plan is the San Mateo Electrical Construction Industry Retirement Plan ("Plan"). The Plan is a multi-employer, collectively bargained Defined Contribution Pension plan (also known as a "Money Purchase Pension Plan") in which employer contributions are invested for your benefit. Benefits are payable on or at retirement (after age 55 or older), disability and in limited situations and amounts, upon termination of employment.

Under the Plan you will have an Individual Account comprised of Employer contributions and investment earnings. Thus, the amount of your retirement benefits will depend upon the amount of Employer contributions made on your behalf, the Plan's investment earnings (or losses) and expenses, and the benefit option selected. Employee contributions to the Plan are not permitted.

The Plan is governed by a federal law known as the Employee Retirement Income Security Act as amended ("ERISA"). The Plan is not, however, insured under ERISA's Pension Benefit Guaranty Corporation, which applies only to Defined Benefit Pension plans. **Thus, there is no federal guarantee if the market value of your Individual Account decreases in value.**

Please contact the Plan Administration office at (408) 288-4400 if you have questions.

III. ADMINISTRATION OF THE PLAN/INVESTMENTS

A. Administration

The Plan is administered by a Board of Trustees comprised of up to eight Trustees. One-half of the Trustees, called "Employer Trustees," are selected by NECA, San Mateo Chapter, and one half of the Trustees, called "Union Trustees," are selected by IBEW Local 617. The current Trustees are listed on page ii of this booklet. The Board of Trustees has many powers and functions including without limitation, investing the Plan's assets, interpreting Plan provisions, amending the Plan, deciding policy questions, and appointing advisors and consultants, such as an auditor, legal counsel, and investment consultant.

The Board of Trustees has delegated the day-to-day administration of the Plan, including preparation of the annual statements and processing of applications and issuance of benefit payments, to United Administrative Services, a professional third-party administration firm.

Only the Board of Trustees and its authorized representatives are authorized to interpret the Plan for benefits described in this booklet. No one else can interpret this Plan or act as an agent for the Board of Trustees – this includes individual Trustees, Employers, the Union, and their representatives. The Board of Trustees (and persons or entities appointed or so designated by the Board) has the full discretionary authority to determine eligibility for benefits and to construe the terms of the Plan (and other documents pertaining to the Plan and Trust), and any rules adopted by the Trustees. Please contact the Plan Administration office at (408)288-4400 if you have any questions.

B. Investments

1. General. The Board of Trustees has contracted with Morgan Stanley, a registered investment manager, to prudently invest the Plan's assets in accordance with the Investment Policy adopted by the Board of Trustees. Morgan Stanley selects and, in some situations, recommends investment managers for particular investments for the Plan. As explained below, the Plan now has seven investment options, which includes five model funds that are designed to provide you an "age-balanced" investment mix as you progress toward retirement. The investment mix of each fund will change over time based on recommendations of the Plan's Investment Advisor as approved by the Board of Trustees. The Fixed and Equity Funds, two additional options, are summarized below.

a. Traditional Investment Options. For many years, the Plan had overall two investment options: The Fixed Fund and the Equity Fund. The investment mix of each Fund will change over time. With guidance from the investment consultant, the Board of Trustees selects different investment managers to manage your Plan assets. The "Fixed-Income Fund" is designed to invest in debt instruments, such as bonds and mortgages. It usually contains bonds of varying durations and types, as well as other fix-return investments. Currently, the Plan has monies on deposit with rated insurance companies, mutual funds and in pooled mortgage investments. But

the asset mix can change at any time. The Equity Fund is invested primarily in the common stock of both foreign and domestic companies but may also include a small proportion of other instruments such as real estate. The investment results of the Equity Fund depend primarily on the dividends of the stock in which it is invested and the market fluctuations of those stocks. Moreover, the real estate portion will fluctuate with values in the real estate market and the income and expenses of such real estate investments.

b. The Five New Investment Options

Since January 1, 2018, the Plan provided five new investment options based on a Participant’s age. These are also known as Target Date Funds. The five options are designed to give Participants an investment mix as they progress toward retirement. This is based on the understanding that younger Participants invest more aggressively than those Participants getting close to retirement age. Specifically, the five options are:

| Investment Option | Intended for Participants | Investment Mix |
|--------------------------|----------------------------------|--------------------------------|
| Conservative | Age 61 and above | 70% Fixed Income, 30% Equities |
| Moderate Conservative | Age 51 to 61 | 60% Fixed Income, 40% Equities |
| Moderate | Age 41 to 50 | 50% Fixed Income, 50% Equities |
| Moderate Aggressive | Age 31to 40 | 40% Fixed Income, 60% Equities |
| Aggressive | Age 30 and below | 30% Fixed Income, 70% Equities |

The ‘Investment Mix’ is completely independent of the Plan’s Fixed Fund and Equity Fund. All of the new options are invested in various combinations of mutual funds available to the general public, and the Plan will obtain these funds at a low expense level.

The Plan provides information concerning the above investment options, but no recommendations are made. Instead, you will make your own investment allocation decisions among these different options. You are encouraged to review the materials related to the investment options, as well as additional documentation if you are uncertain and/or speak to the Plan’s investment consultant about your options and questions.

c. Application to Vested and Non-Vested Participants

Accounts of non-vested Participants will be placed in the New Investment Options according to their ages and will be automatically moved to the appropriate option if the Participant’s age-group changes as described in the table above. Non-vested Participants will not be able to change their investments.

Vested Participants will be able to immediately choose among the options as they wish using the form available from the Plan’s Recordkeeper and/or on the Plan’s website at www.nwps401k.com.

d. Rebalancing

A Participant may rebalance any of the Plan’s investment options in any whole percentages. Once done, a subsequent rebalance can be done after 30 days. Investment of Future Contributions may be changed in the same manner.

Once you are vested in your Individual Account, you may select any Investment percentage between 0 and 100%, (in whole percentages) investment options for future Employer contributions.

You may change your allocation of future Employer contributions at any time. Changes will be effective with the next employer transmittal following the on-line request by the participant. On-line requests are made through the www.nwps401k.com website, or by using an enrollment allocation form available with the administrative office. You may contact NWPS at 1 (844) 629-1949 to register for online access.

Until you become fully vested (once you have three years of service in the Plan), the Employer contributions made on your behalf to the Plan are invested 50% in the Fixed Fund and 50% in the Equity Fund.

2. Can I change my investment decisions? You are permitted to transfer up to 25% of the Fixed-Income or Equity Account portion of your existing Individual Account (known as “old money”) to the other investment option permitted under the Plan. Any such transfer is permitted on a rolling cycle no sooner than 180 days from your last change pursuant to rules established by the Board of Trustees. For future requests not within the 180-day cycle they will be declined.

Changes can be made by either, 1) using the NWPS website at www.nwps401k.com, or 2) by using an enrollment allocation form available with the administrative office.

Independent of the above option, once you attain age 50, you may at any time make a one-time written election to liquidate your Equity Account assets and transfer the proceeds to the Fixed-Income Account. Please contact NWPS to make this one-time change.

C. Auditor

The Board of Trustees has contracted with Ineich & Company, a certified public accounting firm that specializes in auditing multiemployer plans to audit the Plan’s assets and to prepare the Plan’s annual tax return (Form 5500).

IV. EARNING BENEFITS-EMPLOYER CONTRIBUTIONS

Your pension benefit is funded by Employer contributions made on your behalf pursuant to collective bargaining agreements (CBA) with IBEW Local 617. The contribution rates for each hour of your employment are set by the parties to such agreements. Effective as of July 1, 2023, your Employer contributes \$21.25 an hour to the Plan. Lower contribution amounts are made for certain apprentices, and there are no contributions for some apprentice levels (such as 35% apprentices). (Employee contributions to this Plan are not permitted.) The mandatory Employer contributions are not subject to withholding for FICA, FUTA or state or federal taxes. The recent Employer hourly contribution rate history under the CBA is:

| CONTRIBUTION RATE HISTORY | |
|----------------------------------|---------|
| 1/1/15 – 12/31/15 | \$11.90 |
| 1/1/16 – 12/31/16 | \$13.30 |
| 1/1/17 – 5/31/18 | \$14.00 |
| 6/1/18 – 6/30/19 | \$14.50 |
| 7/1/19 – 5/31/20 | \$16.50 |
| 6/1/20 – 5/31/21 | \$18.00 |

| | |
|------------------|---------|
| 6/1/21 – 6/30/22 | \$19.00 |
| 6/1/22 – 6/30/23 | \$20.00 |
| 7/1/23 – 6/30/24 | \$21.25 |

Your Employer is required to make contributions for your hours of work by the 15th day of the month following the month in which your hours of work were performed. Your Employer forwards the Administration office a transmittal form that contains the name and hours of work performed by each Covered Employee together with a payment to the Trust. The Administration office credits your Individual Account with the amount of employer contributions made on your behalf.

The Administration office reviews your Employer's monthly transmittal reports for mathematical accuracy and notifies the Employer if there is an error in the Employer's contributions which requires correction. Employer payments are transmitted to the custodial bank which allocates sums contributed to this Plan. Each month the Administration office makes the necessary computer entries reflecting the contributions made on your behalf.

ALERT: IF YOU BELIEVE YOUR EMPLOYER IS NOT CONTRIBUTING THE FULL AMOUNT TO THE PLAN

You **should notify the Union and the Administration office immediately** if you are aware or suspect that your Employer has not contributed to the Plan on your behalf the full amount required under your collective bargaining agreement. If you fail to do so, your Individual Account may not be credited with the correct or full amount or there may be delays in the crediting of such amounts.

The amount of Employer contributions made to the Plan for non-bargaining unit employees will be governed by individual Subscription Agreements entered into with the Plan and any rules adopted by the Board of Trustees.

The Plan accepts other types of contributions. If you are a Participant in the Plan and you are eligible for a distribution from another IRS tax-qualified Defined Contribution Pension Plan, you may rollover that distribution into this Plan. The Plan will accept trustee-to-trustee transfers from another pension Plan or from a rollover IRA, which received a rollover from another qualified pension plan. See Number four on the next page for more details.

V. YOUR INDIVIDUAL ACCOUNT

A. Valuation, Earnings, Expenses and Periodic Statements

1. **Daily Valuations.** The value of each Individual Account will be determined each workday (Monday-Friday, exclusive of certain holidays). The value of your Individual Account is based on the amount of Employer contributions made to the Plan on your behalf and your pro rata share of the Plan's earnings (which includes any asset appreciation), minus your share of the Plan's expenses and any asset depreciation.

A L E R T: If You Find Errors in Your Statement.

If you notice any errors in your Statement and/or have any questions regarding your statement, you should contact the Administration office immediately.

Distributions from Participant's Individual Accounts will be based on the most recent valuation of the assets underlying the account, determined in accordance with administrative procedures then in effect. In times of normal operation of both the Plan and the investment markets, such a valuation will be undertaken after market close on each day the relevant markets are open and will be completed prior to the next following market close. The Board of Trustees or the Board's delegate has total and absolute discretion to interpret this provision, including the determination that a valuation may not take place on a particular day for reasons beyond the control of the Plan and/or the entity performing the valuation. Your account could also include rollover transfers.

2. **Earnings.** Your Individual Account is credited with your share of the Plan's earnings, which includes any asset appreciation and investment returns (minus expenses and any losses). Because the amount in your account at retirement depends upon the Plan's unforeseeable future earnings and expenses, the Plan cannot guarantee that a certain or fixed amount will be available in your account at retirement.

3. **Expenses.** The Plan incurs expenses for administration, postage, insurance, printing, data processing, investment consulting, legal, auditing, and other services which are paid on an ongoing basis from the Plan's assets. Your Individual Account shares proportionately in those expenses. This charge may vary each year. Certain expenses attributable to an individual Participant, such as for a divorce (the Plan assesses a \$500 QDRO administration fee that is shared by the parties), may be assessed against that Participant's Individual Account. The Board of Trustees may also assess a minimum fee to be allocated to each account.

4. **The Plan Accepts Rollovers.** The Plan accepts rollovers from other eligible retirement plans as provided in the Internal Revenue Code ("Code"). If you have other retirement plan accounts, you may be able to transfer your balances directly into the Plan. Specifically, you may rollover amounts from the following sources to this Plan:

- Tax qualified Code Section 401K or other pension plans.
- Code Sections 403(a) and 403(b) annuity plans.
- Code Section 457(b) Plan maintained by a state or local government.
- Individual Retirement Accounts (previously rolled over from a qualified retirement plan), but not a Roth IRA.

Consolidating your accounts can make your retirement benefits easier to manage, while retaining the tax advantages you currently enjoy. Funds rolled over into the Plan are subject to the same withdrawal rules under the Plan. Contact the Plan Administrator for rollover details and assistance with rollover eligibility and process questions. Keep in mind that fees may apply when closing and consolidating accounts. Moreover, the Plan does not permit the distribution of such rolled-over amounts unless the Participant is otherwise eligible for a distribution (such as being retired).

B. Benefit for Certain Military Service.

Pursuant to various military veterans' laws including the Veterans' Reemployment Rights Act and USERRA (the Uniformed Service Employment and Reemployment Rights Act), an authorized leave of absence due to certain military service in the United States Armed Forces is considered Covered Employment provided that you comply with the requirements of applicable federal law, the Plan and any rules established by the Board of Trustees. **This Plan provides such credit only for military service for which the Plan is required to provide under**

applicable federal law. (Covered Employment is employment under a collective bargaining agreement with IBEW Local 617 which requires employer contributions to this Plan.) The Plan also is in compliance with the Heroes Earnings Assistance and Relief Tax Act (known as “HEART”).

To be entitled to credit for military service, you must have been working as a Covered Employee during the 90 days prior to your commencement in the Armed Service, have returned to work as a Covered Employee within the time required by federal law following your discharge from the Armed Service, have been honorably discharged, and served more than 90 days but less than five years in such military service. (Under federal law, there are some exceptions to this five-year rule.) The Board of Trustees has the absolute discretion to determine whether you meet the military service requirements and may require that you certify periods of employment if the Plan is unable to determine your beginning and ending dates of employment and provide any other pertinent information or documentation.

USERRA applies to persons who perform duty, voluntarily or involuntarily, in the "uniformed services." These services include the Army, Navy, Marine Corps Air Force, Coast Guard, and Public Health Service Commissioned Corps. Federal training or service in the Army National Guard and Air National Guard also provide rights under USERRA. Uniformed service includes active duty, active duty for training (such as drills), and initial active-duty training.

In determining your Employer contributions, the Plan will calculate the Employer contributions that were made to the Plan on your behalf based on the average of the contributions made on your behalf during the Plan Year immediately preceding the date you commenced such service, or if greater, by using the Plan Year in which you entered the Armed Services. Such amounts shall be considered an expense of the Plan to be shared among the Participants.

If your military service did not exceed 90 days, you may be entitled to benefits for that period under the Uniform Services Employment and Reemployment Rights Act of 1994.

C. IRS Benefit and Contribution Limits

Congress has established annual limits on Employer contributions and benefits. The amount of contributions that can be allocated to your Account for any Plan Year is limited by law to the lesser of 100% of your Compensation or the annual IRS-established dollar limit, which is \$69,000 during 2024 and as is adjusted in the future by the IRS. The IRS limits have been:

| Defined Contribution Plans (Annual Limit) | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
| \$66,000 | \$61,000 | \$58,000 | \$56,000 | \$55,000 | \$54,000 | \$53,000 |

This limitation does not apply to the amount of earnings that can be allocated to your Account, to the amount of any Rollover Contributions you can make to the Plan, or to any other funds transferred to this Plan on your behalf from another qualified plan. Although it is anticipated that these rules should not affect your benefits, they are contained in the Plan because of IRS requirements.

VI. APPLICATION AND ELIGIBILITY FOR BENEFITS

YOUR RESPONSIBILITY TO PROVIDE CURRENT ADDRESS.

It is your responsibility to notify the Trust Fund office of changes to your address so that you continue to receive notices of Important Plan changes that may affect your coverage. To avoid a delay in providing your Plan benefits, please check that your home address and beneficiary designations on file with the Trust Fund office are current.

A. Eligibility to Receive Your Benefits

To receive your benefits once you are eligible for such benefits, you must file an application in a form and manner prescribed by the Plan within 60 days of your anticipated retirement or benefit commencement date. Applications may be obtained from the Administration office.

To avoid delays, your application must include the following documents:

- Your intended retirement date or benefit commencement date.
- Proof of age (copy of your birth certificate), and that of your spouse if you are married.
- Your social security number, and if married, your spouse's social security number.
- Proof of marriage (copy of your marriage certificate) if applicable.
- Court-approved Qualified Domestic Relations Order and/or any Final Judgment in your divorce action, including any marital settlement agreement or other pertinent divorce documents.

If you will be receiving a monthly pension benefit from the Plan, your pension is effective the first day of the month following the date you file your completed pension application and you are eligible to receive your benefits. Benefit checks are prepared effective as of the first day of each month. Benefits are paid as soon as it is administratively feasible after all contributions are received and your application is processed. Thus, filing a timely application is important.

For any benefit option in which monthly or other periodic payments are made to a Participant, the benefits commence as of the first day of the month following the date a Participant has reached his or her designated retirement age and has otherwise satisfied the conditions of eligibility. By way of example, a Participant who attains age 65 (or any other age, such as fifty-five, the Plan's early retirement age) on June 1 or 2 or any other date in June, will have his or her pension commence as of July 1. This also applies to any monthly payments commencing prior to early retirement date, such as for a termination of employment and/or disability retirement.

If you are eligible for a lump sum distribution of a portion or all your Individual Account, the Administration office will attempt to make the distribution within a reasonable period. In most instances, your benefit check will be issued within 60 days of the receipt of your completed pension application. If, however, you have a pending divorce, you have not obtained a required spousal consent or otherwise fully completed the application and provided the necessary documentation (such as to confirm a disability), there could be delays in processing your distribution.

B. Distribution of Benefits/Eligibility for Benefits—When Can You Receive Benefits?

To be entitled to receive your Plan benefits you must terminate your employment, file a timely complete benefit application, and satisfy one of the following requirements:

1. **Normal Retirement - Age 65.** You attain age 65, the Plans Normal Retirement Age, or later if you are not yet vested, or at the fifth anniversary of your Participation in the Plan without a Break in Service. You are considered retired when you reach age 65 and work less than 40 hours in a month in the Electrical Construction Industry in San Mateo County. (You will be required to certify that you are no longer working in the Electrical Construction Industry in San Mateo County.)

The term “Electrical Construction Industry” means all branches of the Electrical Industry. This includes working as a supervisor, estimator, salesperson, consultant, or self-employed in any branch of the Electrical Construction Industry, or any other work involving any electrical knowledge you have acquired as a Participant. Such work, known as Prohibited Employment, includes, but is not limited to (1) work in employment of the type performed by Employees covered by the Plan whether or not under a Collective Bargaining Agreement, also known as “Covered Employment”; (2) work which requires directly or indirectly the use of the same skills used by Employees covered by the Plan on the date the Pension became effective; (3) work in Employment for compensation or wages of any kind or for profit in the Electrical Construction Industry; (4) work for profit as an owner or partner in any business directly or indirectly connected with the Electrical Construction Industry; (5) work where you supervise Employees in the same trade or craft or directly or indirectly use the same skills as Employees covered by the Plan on the date you retire.

“Prohibited Employment” is interpreted in the broadest manner. It includes Employment in which a salary is paid (which includes payment based on an hourly, daily, weekly, bi-weekly, bi-monthly, monthly, annually or any other rate), work in which the Pensioner is considered an “independent contractor” work in which the Pensioner receives anything of value (or is to receive anything of value) in exchange for services rendered.

2. **Early Retirement- Age 55—Thirty Days Without Working Elapse.** You terminate your Covered Employment, attain age 55, the Plan's Early Retirement Age, or thereafter, and file a written certification that you have terminated or are intending to terminate your Covered Employment and/or any other employment in the electrical industry prior to your benefit commencement effective date. **For this purpose, you are considered to be working as an Electrician if you are employed or are working one or more hours in the Electrical Construction Industry in California.**

To be entitled to a distribution on or after age 55, you must be vested and have terminated your work in Covered Employment or any employment in the Electrical Construction Industry in California. To enforce this rule, the Plan provides that no distribution can be made to you until at least thirty (30) days have elapsed since your last date of Covered Employment. You should not be on the Union’s out-of-work list during that thirty-day period.

3. **Permanent and Total Disability.** Regardless of your age if you are totally and permanently disabled, you may apply for the money credited to your Individual Account. You will be considered totally and permanently disabled only if you are entitled to a Social Security

Disability Benefit, which is effective during the time of your Covered Employment or immediately following such.

The Board of Trustees may periodically require satisfactory evidence of continued disability. You must provide the Administration office with proof of your disability deemed necessary. The Trustees have the sole discretion to determine whether you are disabled.

If you are married, the normal form of benefit for the disability benefit will be the 50% Joint and Survivor Annuity, unless waived by you and your spouse as set forth in Article VII below.

4. **Travelers.** An Employee, known as a Traveler, who terminates employment in the jurisdiction of IBEW Local 617, with an Individual Account balance of \$7,000 or less is entitled to a transfer of the entire balance to his or her Individual Account to his or her IBEW Local Home Fund's Defined Contribution Plan upon filing an application with the Administration office.

5. **Attainment of age 70.** You are entitled to a partial or total distribution of your Individual Account with the Plan upon attainment of age 70 even if you continue to work in the Covered Employment.

6. **Signatory Employer -Age 59-1/2.** An owner of a signatory employer who has not had any contributions made to the Plan for six consecutive months is entitled to a distribution of the entire balance upon attainment of age 59-1/2 so long as he or she has not worked for any non-signatory employer in the electrical industry.

7. **Terminally Ill Distributions--Elimination of Early Withdrawal Penalties.** A Participant who is not working in Covered Employment who has been determined to be terminally ill (physician certifies the illness or condition reasonably expected to result in death in 84 months or less) is entitled to a distribution of his or her Individual Account. This provision is intended to comply with the SECURE Act II, which would enable the Participant to not have to pay the premature IRS tax penalties for an early distribution.

8. **Residents of Federally Declared Disaster Areas-Elimination of Early Withdrawal Penalties/Increased Loan Amounts.** A Participant living in a federally declared disaster area is entitled to a distribution of up to \$22,000 for each declared disaster. The distribution request must be made within 180 days after the date of the federally declared disaster. The inclusion of the amount of the withdrawal may be spread over a three-year period for tax purposes. The President of the United States must have declared a disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. This provision is effective for disasters occurring on or after January 26, 2021.

Amounts may be recontributed to the Plan during the next three years. Pursuant to the SECURE Act II and regulations issued thereunder, certain home purchase distributions may be recontributed to a Plan if those funds were to be used to purchase a home in a disaster area and were not so used because of the disaster.

The intent of this provision is to comply with the SECURE Act II, which authorizes such distributions without the Participant having to pay the IRS premature tax penalty for early distributions.

VII. REASONS TO RETAIN FUNDS IN THE RETIREMENT PLAN

A. Investment Expertise/Positive Investment Returns. The Retirement Plan's investment returns have been positive over the years. Keeping your funds in the Plan after retirement means that you continue to have the benefit of the investment advice provided by Morgan Stanley, the Plan's Investment Consultant. The Plan's investment returns have exceeded the applicable investment benchmarks in many years and over short and long-term periods.

B. The Plan's Costs Are Reasonable if not Low. While a fee is charged to the Individual Accounts of the Plan, the cost assessed is relatively small compared to fees charged in similar situations by other Plans and/or institutions (recognizing that in some situations, such as mutual funds, the fees are indirect and that you may not be aware of the total fees being paid).

C. Daily Valuation of Your Retirement Funds/Easy Access on The Computer. The Plan is valued each workday. Thus, you can monitor your investment returns as much as you wish. The online system used by NWPS, the Plan's Recordkeeper, is easy to use.

D. Flexibility On Distributions/Partial Payments Permitted. The Plan permits Participants who have retired or terminated their employment to take partial distributions of their Account balance upon reaching age 55. Thus, you may keep your Individual Account balance with the Plan but if you need funds for special needs, partial withdrawals are permitted from the Plan. There is no limit to the number of partial withdrawals that can be made. In contrast, distributions are not permitted prior to age 59-1/2 from Individual Retirement Accounts without a penalty in most situations.

E. Distributions Made Quickly. The Plan is operated efficiently and as a result distributions can be made quickly. If you keep your funds with the Plan and need funds for an unexpected situation or emergency, the Plan has a practice of making quick distributions.

F. Investment Options. The Plan has both an equity (stocks) and a fixed income (such as bonds) component. You may choose how risky you desire to be based on your percentage allocation in either or both the equity and fixed income investment options in the Plan (See Pg 7-8).

G. Personal Attention/Not Bureaucratic. The Trustees of the Plan remain committed to acting in your best interest after you retire. They share your concerns and interests. At least half of the Trustees are IBEW Local 617 members. Moreover, the advisors to the Plan, such as the Recordkeeper (NWPS, formerly known as Kaufmann & Goble), the Fund Manager (United Administrative Services), the Investment Consultant (Morgan Stanley), consultant (Innovative Cost Management) and legal counsel (Neyhart, Anderson, Flynn & Grosboll) are committed to the labor movement and helping members who have retired.

III. PAYMENT OF BENEFITS

(Normal Form of Benefits and Benefit Options)

A. Normal Forms of Benefit

1. **50% Joint & Survivor Annuity.** For a Participant who has been married for at least one year (at the time of retirement), ERISA requires that the Plan's normal form of retirement and disability benefit is a 50% Joint and Survivor Annuity (unless your Individual Account balance is \$7,000 or less). (Pursuant to IRS Guidelines, a same-sex spouse is treated in

the same manner as an opposite sex spouse.) The Joint and Survivor Annuity provides a reduced lifetime pension, and after your death, a lifetime pension for your surviving spouse equal to one-half the monthly pension amount paid to you. If you select a Joint and Survivor Annuity benefit, the Plan will use your Individual Account balance to purchase an annuity from an insurance company or other entity at then current market rates or otherwise provide you with such a benefit. Monthly payments made directly from the Plan to you, or your spouse will terminate when your Individual Account balance reaches zero if you and/or your spouse live longer than the ages projected under the life expectancy tables. With the consent of your spouse, you may waive the Joint and Survivor Annuity and select a benefit option described in Section B below.

2. Spousal Waiver/Beneficiary Designation. Pursuant to federal law, if you are married, you are not permitted to designate a beneficiary other than your spouse without your spouse's written consent before a notary or Plan representative. Moreover, if you are married, your spouse's election to select a benefit other than the Joint and Survivor Annuity is effective only if your spouse provides written consent to such election and such consent is witnessed by a Plan representative or notary public. Neither the beneficiary nor the form of payment can be changed without spousal consent. If you later desire to revoke such beneficiary designation and choose another non-spouse beneficiary, your spouse must consent to such revocation and/or alternative beneficiary selection. This section also applies to a same-sex spouse.

If you retire on a Joint and Survivor Annuity and later divorce your spouse, your pension will not be increased to the level you would have received had this coverage not been provided. In most instances (i.e. unless a Court order provides otherwise), your former spouse will continue to be entitled to his or her portion of your pension. **Moreover, if you subsequently remarry, you may not transfer your former spouse's benefit to your new spouse.**

3. Single Life Annuity-Single Participant. Under federal law the normal form of benefit for a single Participant is a single life annuity, which is a series of monthly pension payments intended to extend the balance of your life. Under the life annuity option, payments end when you die. A married Participant, with spousal consent, also may select this form of benefit. If you choose this option the Plan will use your Individual Account balance to provide such annuity from an insurance company or other entity at then current market rates, or determine your monthly benefit based on standard life expectancy tables as required under applicable law. Regardless, monthly payments made directly from the Plan will terminate when your Individual Account balance reaches zero even if you live longer than the age projected under the life expectancy tables.

4. Notice Requirement. A married Participant and his lawful spouse may **elect not to receive** the Joint and Survivor Annuity during a one hundred-eighty (180) day period ending on the Participant's Annuity Starting Date by filing a written waiver of such annuity option with the Plan on such form (including written spousal consent before a notary or Plan representative) and in the manner as the Administration office requires.

B. Other Benefit Options

The Plan contains the following benefit options that you may elect in lieu of the Joint and Survivor or Life Annuity once you are entitled to commence receiving your benefits.

1. Lump Sum Payment/Rollover Distribution. You may elect a partial or total withdrawal of your entire Individual Account balance in a lump sum distribution upon reaching age 62 and retiring or upon qualifying for a total and permanent disability. This includes the option to

rollover your Individual Account balance to an IRA. There is no limit on the number of partial distributions that may be made. A partial lump sum also may be rolled over to an IRA or to a qualified retirement plan.

Small Account Rule

Pursuant to the Internal Revenue Code, if your Individual Account balance is \$7,000 or less (\$7,000 prior to 1/1/24) and you are entitled to a distribution, the Plan will distribute such amount in a lump sum. You have no choice, and no spousal consent is required.

2. **Partial Lump Sum Payment Followed by Periodic Payments.** You may elect a partial lump sum distribution of your Individual Account followed by fixed monthly payments (as summarized in number 3 below).

3. **Periodic Monthly Payments.** Consecutive monthly payments do not exceed your life expectancy or the joint life expectancies of you and a designated beneficiary until your account is exhausted. During such a period, your Individual Account continues to be credited and/or charged with its share of the Plan's earnings and expenses. The final payment may be in a different amount.

Option to Convert to Lump Sum

If you elect to receive your benefits in periodic or specified monthly payments, you may, at a later date, elect to have the remaining balance in your Individual Account paid in a lump sum (subject to spousal consent).

The periodic payments will terminate when the account is exhausted, which may occur if the Participant lives longer than the period of payments selected. The periodic payments and any other payment option under the Plan may be facilitated through an insurance company or other entity or provided in any manner deemed reasonable by the Trustees or their delegate, and subject to Internal Revenue Code distribution requirements.

4. **Installments.** Specified monthly payments in \$100 increments. The rules in number 3 above also apply to this option.

5. **Optional One-Time Adjustment of Monthly Benefit.** A Participant receiving monthly pension benefits may, on a one-time basis only, request a change in the amount of monthly benefits to be received, subject to applicable Internal Revenue Code distribution requirements.

6. **Partial Lump Sum Payment.** A Participant may elect to take a partial lump sum benefit. There is no limit on the number of partial lump sum distributions.

7. **75% Joint and Survivor Annuity.** A Participant may elect a benefit providing monthly payments during the continued lifetime of and after the death of the Employee but reduced to 75% and payable to the spouse during the spouse's lifetime after the death of the participant. The benefit will be paid similar to the manner in which the 50% Joint and survivor is

paid except that 75% will be substituted for 50%. Benefit levels are adjusted accordingly. During your lifetime, you will receive monthly benefits at a lower level than you would with the Life Annuity Form. Moreover, if your spouse is much younger than you, benefits will be reduced more than if you were close to the same age or if your spouse is older than you. The reason is that the younger spouse is likely to receive benefits over a longer period.

8. **100% Joint and Survivor Annuity.** This benefit is similar to the benefit described in number 7 above except that 100% is substituted for 75%.

IX. IRS AND OTHER DISTRIBUTION RULES/DIVORCE ORDERS (QDROS)

A. IRS Required Distributions—Age 73 if Not Working

Pursuant to Section 107 of the SECURE Act II, the age for Required Minimum Distributions (“RMD”) is increased to age 73 for a person who attains age 72 after December 31, 2022, and to age 75 for a person who attains age 73 after December 31, 2032. (Individuals who have already started receiving their RMD must continue to receive such benefits.) The term Required Minimum Distribution and/or RMD refers to the Required Minimum Distribution Age in the SECURE Act II and/or the applicable provision of the Internal Revenue Code, and applicable federal guidelines, rules and/or regulations. The Plan shall be interpreted to comply with such applicable law. (If you attained age 70-1/2 prior to January 1, 2020, your Required Minimum Distribution Age remained at age 70-1/2.)

Under the Internal Revenue Code, the Plan must commence paying your benefits no later than April 1 following the year you attain your Required Minimum Distribution Age (also known as your “RMD”) or the date you retire, whichever is later. Although you may take your first RMD by the end of the calendar year in which you reach such age, you can delay taking that first distribution until April 1 of the year following the year. If you choose to delay the first RMD, you will have to take two distributions in that same year (the second one by December 31). Consequently, you will want to compare the advantage of leaving the money in your account with the tax consequences of taking two distributions in one year. All subsequent RMDs must be taken by December 31 of each year.

A Participant who is required to take a Required Minimum Distribution who has an Individual Account balance of \$1,000 or less will be required to take a complete lump sum distribution of his or her Individual Account from the Plan upon being required to take any distribution.

A Participant who attains the Required Minimum Distribution Age may elect to receive his or her benefits regardless of whether he or she retires. Upon attainment your Required Minimum Distribution Age, the Plan will, if you are receiving periodic or specified monthly payments, ensure that your payments are paid over a period that does not exceed your life expectancy or the life expectancy of you and a designated beneficiary. Your RMD is calculated each year according to IRS guidelines. If you take a distribution of only your RMD, the remaining part of your Individual Account balance can remain in the Plan and continue to be tax deferred. You can take more than the minimum. **Not taking the RMD, however, will result in a significant penalty.** (If you own five percent or more of a contributing employer, the Plan will be required by IRS rules to commence paying your benefit when you reach your Required Minimum Distribution Age even if you are still working.)

Federal income tax withholding applies at the rate of 10% unless you elect some other rate, or you elect not to have withholding apply. For any Lump Sum distribution, the IRS requires 20%

withholding. Certain states also require state tax withholding. You will owe income tax on the distribution. You cannot roll the RMD portion of your pension into an IRA or retirement plan.

WARNING—POTENTIAL IRS PENALTY ASSESSED AGAINST YOU

(If your benefits are not paid at Age 73)

The IRS assesses a severe penalty against you if you do not begin receiving your pension benefits by April 1 of the year following the date you attain age 73 or the date you retire, whichever is later. If you are a 5 percent owner, you must begin receiving your benefits at age 72 even if you are still working.

B. Internal Revenue Code Distribution Rules

Pursuant to the Internal Revenue Code, the Plan contains other benefit distribution rules. First, if you die after payment of your Individual Account has commenced and a portion of your Individual Account remains to be paid, the payments to your beneficiary must be made at least as rapidly as provided in the form of payment being made at the time of your death.

Second, if your death occurs before distribution of your Individual Account has begun, distribution of your Individual Account must be completed by December 31 of the calendar year containing the fifth anniversary of your death. If, however, your benefits are payable to a designated beneficiary, the distribution may be made over the life (or life expectancy) of the designated beneficiary, but payments must commence on or before December 31 of the year immediately following the year in which you died. If your spouse is the beneficiary, however, he or she does not have to commence receiving benefits until April 1 following the year you would have attained age 72.

Non-Spouse Beneficiary—Ten Year Distribution Rule. With respect to the methods of distribution, a non-spouse beneficiary is subject to the 10-year distribution rule in the CARES Act and in the Internal Revenue Code. If a beneficiary is subject to the 10-year rule, the beneficiary must take a full distribution from the Individual Account by the end of the 10th year following the year of the account owner's death. Pursuant to IRS Notice 2022-53 for beneficiaries subject to the 10-year rule, the IRS will not treat a beneficiary of an inherited account who was subject to the 10-year rule and who failed to take an RMD for 2021 and 2022 as having failed to take the correct RMD. The ten-year rule does not apply to a minor child (under age 21) of the deceased Participant (but the ten-year rule starts when the minor reaches age 21), or a disabled or chronically ill individual, or a beneficiary who is no more than ten years younger than the Participant, or such other individuals permitted by the Internal Revenue Code and/or IRS regulations and guidelines. The Plan will be interpreted in accordance with applicable IRS regulations and guidelines.

C. Rights of Former Spouse - Domestic Relations Orders

If you are divorced your former spouse may be entitled to a portion or all your pension. The Plan is required by federal law to comply with a court order that awards a portion or all your pension benefits to a spouse, former spouse, child, or other alternate payee if the order qualifies as a Qualified Domestic Relations Order ("QDRO") as defined in ERISA.

A QDRO is a court order, judgment, or decree (including a court-approved property settlement) that creates or recognizes the existence of a former spouse's or child's (or other alternate payee's)

right to receive all or a portion of your accumulated pension benefits. Benefit payments to a former spouse under a QDRO may begin at any time after the order is approved by the Court.

When you file your Pension application, you are required to provide the Administration office with information on any pending or prior divorce action (even old divorce orders). This includes a Final and/or Interlocutory Judgment, marital settlement agreement and any related documents.

You, your spouse, or former spouse may request the Plan's procedures for handling domestic relations orders which includes a sample order containing sample language acceptable to the Plan. You or your attorney (or your spouse or her attorney) may submit a proposed QDRO to the Plan's legal counsel prior to submission to a court. Counsel will then provide notice of any required changes. The Plan assesses a \$500 QDRO administration fee, which is shared equally between the Participant and spouse (irrespective of whether the fee is referenced in the Order).

WARNING: PENDING DIVORCE MAY AFFECT YOUR PENSION

Unresolved disputes regarding a divorce and your pension benefits may delay payment of your pension.

If the Plan is notified of a pending divorce action or receives a court pleading known as a "Joinder Request" or a similar document, the Plan has the discretion to delay paying your Plan benefits for a reasonable period to allow time for the parties to prepare a QDRO, even if your pension application is on file. If it appears that your former spouse or other alternate payee is seeking only a portion of your pension, the Plan may, at its discretion, distribute to you that portion of your pension benefit that is not addressed by the pending QDRO. Moreover, if a spouse or other person fails to pursue a QDRO in a timely manner, the Plan may proceed with a distribution.

D. Your Benefits Cannot be Assigned in Most Situations

You may not borrow against or otherwise pledge any part of your Individual Account balance as security or collateral for a loan or otherwise transfer your rights. Moreover, your pension is exempt from claims of creditors, such as garnishments or executions, except for certain divorce and child support orders as set forth in Section C above, certain Internal Revenue Service liens, and as is otherwise required by applicable law.

E. Overpayments Recoverable by the Plan

As a Participant or beneficiary, you are entitled only to the amount and form of benefits described in the Plan document, as amended from time to time. If you or any beneficiary receives an overpayment of benefits, the Plan will reduce any future benefits to recover the overpayment, subject to the SECURE Act 2.0 rules on recovery of overpayments. Pursuant to federal law, the Plan will withhold 10% of your pension payments until the overpayment is recovered by the Plan. The Plan may also file a claim against your estate. The Plan will comply with applicable law regarding such overpayments.

X. DEATH BENEFITS/PRERETIREMENT SURVIVOR BENEFITS

A Designation of Beneficiary

IMPORTANT: DESIGNATE A BENEFICIARY(IES)
You should provide the Plan with the name and address of your beneficiary or beneficiaries.

The Plan office will provide you with a beneficiary designation form. You may change your beneficiary at any time, except if you are married, your spouse must provide written consent (before a notary or Plan representative) to any beneficiary designation (other than such spouse) and the form of benefit. Each designation of beneficiary or beneficiaries must be in writing, signed, in a form acceptable to the Administration office and submitted to and received by the Plan during your lifetime. If no beneficiary has been designated or no designated beneficiary has survived you, distribution of the balance in your Individual Account will be made to your spouse, if any, and if none, in equal shares to your children, natural or adopted; if none survive you, to your parents; then to your brothers and sisters; finally to your estate if there are no survivors.

ALERT: Divorce Invalidates Beneficiary Designation

If you divorce, any previous designation of your former spouse as a beneficiary prior to your retirement is automatically revoked and is no longer valid. **Thus, when your divorce is final, you should immediately submit a new beneficiary form to the Plan office.**

SECOND ALERT: Marriage Invalidates Beneficiary Designation

If you marry, any previous designation of a beneficiary other than your new spouse prior to your retirement is automatically revoked and is invalid. **Thus, upon becoming married, you should immediately change your beneficiary (subject to the Plan's spousal consent requirements).**

B. Pre-Retirement Survivor Annuity—For Surviving Spouses Only

If you die before retirement or withdrawal of your Individual Account, your surviving spouse will be entitled to a Pre-Retirement Survivor Annuity, which is a survivor pension for life equal to the amount of monthly benefits that can be provided by your Individual Account balance. That annuity is not payable, however, until the Participant has reached age 55. If your spouse desires such an Annuity, the Plan will use your Individual Account balance to facilitate the purchase of an annuity from an insurance company or other entity at then current market rates or the Plan will otherwise provide the spouse with this benefit. But this form of benefit may be waived as provided in Section C below. A spouse includes a same-sex spouse.

C. Lump Sum Payment

Upon your death your spouse may, however, waive the joint and survivor annuity and instead elect payment in a lump sum or one of the other benefit options provided in the Plan as summarized above. Non-spouse beneficiaries are entitled to a lump sum distribution upon your death, and all required information has been furnished to the Administration office.

D. Non-spouse Beneficiary—Inherited IRA Option

Pursuant to IRS rules, a non-spouse beneficiary may choose to have any benefits payable paid in a Direct Rollover to an inherited IRA.

E. Payments to a Minor

Any death benefit payable to a minor under age 18 may be paid to the legally appointed guardian of the minor or, if there is no guardian, to such adult(s) that has, in the discretion of Plan representatives, assumed principal support of said minor. The Plan may also decide to distribute benefits to a minor, depending upon the circumstances. The Board, and its delegates, have absolute discretion in making such determinations and may delay making a distribution until the beneficiary attains age 18.

F. Survivor Benefits Under Qualified Military Service.

If you die while performing qualified military service as defined in the Internal Revenue Code, the Plan will make available to your beneficiary any additional benefits that would have been provided under the Plan had you resumed employment and then terminated employment on the account of death, if applicable. Pursuant to IRS guidelines, this provision applies only to Participants who would have been entitled to reemployment rights under USERRA if he or she had applied for such rights immediately before his or her death. To the extent applicable for this Plan, any benefits under the Plan that would otherwise be provided to such Participant if he or she had died while employed would apply. This provision does not require that contributions be imputed or otherwise be made for the period of qualified military services for purposes of determining benefits payable under the Plan.

XI. POTENTIAL LOSS OR DELAYED PAYMENT OF BENEFITS

You or your beneficiary could suffer a loss in the value of your Individual Account or have payments delayed in at least the following circumstances:

A. **Investment Losses.** The Plan may incur investment losses, such as the depreciation in the market value of the Plan assets, reducing the value of your Individual Account.

B. **Divorce or Child Support Order ("QDRO").** Pursuant to a Qualified Domestic Relations Order, a Court may award a spouse, former spouse, child or other dependent a portion or all your Individual Account. Payment may also be required by a Court order to be paid to a county or state child support agency. Moreover, the Plan assesses a \$500 QDRO administration fee, which is usually shared between the parties (\$250 each).

C. **Plan Expenses/Small Accounts.** Plan expenses decrease the value of your Individual Account. You may incur a loss if your share of Plan expenses exceeds your contributions and

earnings in a Plan Year. Moreover, if your Individual Account balance is small, the Plan's expenses may exceed your account balance resulting in the termination of your account.

D. **Continuing to Work After Age 55.** If you obtain age 55 and are still working in Covered Employment (or other industry employment), you are not entitled to a distribution from the Plan as the IRS requires that there be a termination of employment for a distribution to be made. Thus, there will be a delay in the payment of your benefits if you keep working after reaching the Plan's Early Retirement Age.

E. **Incomplete Information/False Statements.** If you fail to provide information or give false information to verify disability, age, beneficiary information, marital status or other vital information, payment of your pension will be delayed or stopped.

If you make a false statement to the Plan or other officials regarding the payment of benefits or other issues related to the Plan, you will be liable to the Plan for any benefits paid in reliance on such false statements or information, and any attorney fees and costs incurred in effecting recovery and/or which were incurred as a result of the false statement or information. This includes but is not limited to costs incurred by the Administration office, reasonable attorney fees and interest charges. The Plan may deduct any such fees and costs from any benefits otherwise payable to you, a beneficiary, your estate, or other persons.

F. **Disappear/Returned Mail.** If the Plan office is unable to locate you for five years (for example, your statement is returned in the mail and the Plan does not have your address), the Plan may close your account. Moreover, no death benefits are payable if your beneficiary does not apply for such benefits within 12 months following your date of death. It is your responsibility to notify the Plan of any new mailing address. The Plan uses the address on file as the address of record for you and your beneficiaries. Failure to keep your address current could reduce or postpone payment of your benefits. The Plan may charge the costs of locating missing participants against the Individual Accounts of separated participants with incorrect addresses.

G. **IRS Benefit/Contributions Limits.** The annual Employer contributions to the Plan on your behalf cannot exceed the maximum amount allowed by the Internal Revenue Code and applicable IRS regulations. Although the Board of Trustees does not foresee this occurring, the Plan contains provisions to address this situation.

H. **Employer Delinquencies.** If your Employer fails to make contributions to the Plan on your behalf for your Covered Employment, you may lose benefits to which you would otherwise be entitled (or at a minimum, lose earnings on the delayed contributions). In addition, pursuant to Internal Revenue Service requirements, certain Employer delinquencies may be considered Plan expenses to be shared by all Plan Participants. Thus, if there are serious delinquencies by a contributing Employer which the Board of Trustees has determined are not recoverable, the Plan's expenses could increase, resulting in a decrease in the value of your Individual Account even though you do not work (or have not worked) for that delinquent employer(s).

I. **Prohibited Employment.** If you perform any work in the Electrical Industry after your retirement that is not approved by the Board of Trustees, your pension benefits will be suspended and/or postponed.

J. **Refund Overpayments.** If the Plan mistakenly makes an overpayment to you or your beneficiary, you or your beneficiary may be required to reimburse the Plan subject to applicable federal law.

K. **Time Lag in Distribution.** Because there might be a time lag between the time you request and receive a distribution of your Plan benefits, there might be a difference in the fair market value at the time you ask for the distribution and when you receive the distribution.

L. **Fail to File Complete Application.** If you fail to file a completed application or other forms required by the Plan office, there will be a delay in the payment of your benefits. Moreover, applications are kept on file for only six months. After that period expires, you would have to start the process over.

M. **Default on a Participant Loan.** If you default on a Participant loan you will lose your entitlement to such defaulted amount, be required to pay state and federal income tax on the defaulted amount and could be assessed a penalty by the IRS. Moreover, you will no longer be eligible for a Participant loan from the Plan.

N. **Beneficiary Dispute—Potential Interpleader Action.** If there is a dispute between or among beneficiaries, the Plan may be required to file an interpleader or other court action seeking guidance from the Court on whom to make a distribution. The legal fees and costs associated with any such dispute, including any legal action, may be reduced from the Individual Account that is the subject of the dispute.

XII. DEFERRAL OF TAXES/WITHHOLDING/ROLLOVERS

A. Deferral of Taxes

An advantage of this Plan is that non-taxed Employer contributions to the Plan accumulate non-taxed earnings for your retirement. **You will pay taxes only when you receive your benefits as a distribution from the Plan unless you elect to directly rollover your pension to an IRA or other qualified pension plan.** Therefore, if you keep your funds in the Plan, neither the amount contributed by the Employer on your behalf, nor the earnings thereto are taxable. The amount of taxes you will owe will depend on when and how your benefits are paid to you and based on the tax laws in effect at the time.

Due to the complexity and frequency of changes in the federal laws that govern benefit distributions, penalties and taxes, the following is only a brief explanation of the law and IRS rules and regulations as of the date this summary is issued. You will receive additional information at the time of any benefit distribution. This information is not provided to you as tax advice; it only provides general tax information to help you understand potential tax issues from a withdrawal or distribution from the Plan. Regardless, **you should consult your tax advisor to determine your personal tax situation before taking a distribution from the Plan.**

Congress passed a law imposing a 10% penalty on early lump sum distributions, except for distributions on account of certain disabilities, death, and at age 55 or older on account of a termination of employment, among other reasons. Thus, if you receive a lump sum distribution of any share of Plan interest prior to age 59 1/2, the IRS could assess a 10% penalty. The penalty applies if you default on a loan or receive disability benefits but are not totally disabled as defined in the Internal Revenue Code.

The Plan is required by federal law to withhold for taxes 20% of certain lump sum and other distributions from the Plan (see section B below). For monthly or other periodic payments, federal income tax will be withheld unless you elect otherwise.

B. Tax Withholding Rules on Pension Payments

Federal income taxes are withheld from your pension payments unless you elect otherwise. When you retire, you must notify the Plan office on the appropriate Plan forms whether you wish tax withholding. (As explained in Section C of this Article, tax withholding is required for certain distributions.) **You may want to consult with a tax advisor to discuss your payment and withholding options and the tax consequences of a distribution.**

WARNING: POSSIBLE INSUFFICIENT TAX WITHHOLDING **(Potential of Being in Higher Tax Bracket)**

The federal and state tax withholding on your pension payment may be insufficient to meet your tax obligations, particularly if you take a large partial or total distribution from the Plan. **The Plan distribution, which may have the effect of increasing your taxable income, may, in many instances, place you in a higher tax bracket requiring a tax payment of much more than the 20% or smaller tax withholding (plus there may be a greater state tax).**

Participants who choose to take a distribution are responsible for satisfying the IRS' distribution rules and any tax consequences of the distribution. Distributions to Participants are reported annually on IRS Form 1099R, which is sent to you (and the IRS) in January following the calendar year in which the distribution was issued.

C. Rollovers and Mandatory Tax Withholding Rules

The rollover rules apply only when you are entitled to receive your benefits by meeting the Plan's eligibility requirements summarized on pages 13-16. If you are eligible to receive your benefits in a lump sum or in periodic payments of less than ten years and your distribution otherwise meets the requirements of an eligible rollover distribution (as defined by the Internal Revenue Code), you may have all or any portion of your benefits paid: (1) in a "DIRECT ROLLOVER" or (2) paid to you. A rollover is a payment of your Plan benefits to a traditional individual retirement arrangement (IRA) or to another qualified employer plan. A "traditional IRA" does not include a Roth IRA, SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an "Education IRA"). A qualified Employer Plan includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401K Plan, Profit Sharing Plan, Defined Benefit Pension Plan, Stock Bonus Plan, and Money Purchase Pension Plan; a Section 403(a) Annuity Plan; a Section 403(b) Tax-Sheltered Annuity; and an eligible Section 457(b) Plan maintained by a government employer.

Required distributions such as when you attain age 73 or retire, whichever is later, cannot be rolled over pursuant to Internal Revenue Code requirements. Spouses and other beneficiaries may also rollover certain distributions from the Plan.

You have two ways in which you can rollover your funds. This choice will affect the tax you owe as follows:

1. Direct Rollover. If you elect a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year and no income tax will be withheld.

- Your payment from the Plan must be made directly to your traditional IRA or if you choose, to another qualified employer plan that accepts your rollovers.
- Your payment will be taxed later when you take it out of the IRA or employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would if received from this Plan.

2. **Benefits Paid Directly to You.** If you elect to have your Plan benefits PAID TO YOU:

- You will receive only 80% of the payment, because the Administration office is required by law to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes. (This is so even if you later decide to roll over your pension distribution within 60 days of your receipt of it.)
- Your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. If, however, you receive the payment before the Plan's early retirement age of 55, you also may have to pay an additional excise tax.
- You can rollover all or part of your payment to your traditional IRA or to another eligible Employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible Employer plan.
- If you want to rollover 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and was not rolled over.

D. Your Right to Waive the 30-Day Notice Period

As a general rule, you have 30 days in which to make a direct rollover or other distribution (after your receipt of the IRS rollover notice). If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the 30 days indicating that you wish to make a Direct Rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Administration office.

E. Distributions Not Eligible for Rollover

You cannot rollover a distribution made (1) in a series of equal (or almost equal) periodic payments for your life or the joint lives of you or your spouse or other beneficiary, or (2) as a "required minimum payment" beginning on April 1st of the year after the year during which you reach age 72 (or thereafter). Thus, you may not rollover your monthly Pension received under a 50%, 100% Joint and Survivor Annuity or a Life Annuity. Nor may a Pre-Retirement Survivor annuity paid to your surviving Spouse be rolled over. In addition, the amount of a Participant loan from the Plan that becomes taxable deemed distribution because of a default cannot be

rolled over. There may be other benefits that may not be rolled over. **You may want to consult with a tax advisor.**

XIII. PARTICIPANT LOANS

WARNING REGARDING PARTICIPANT LOAN PROGRAM

The Internal Revenue Service has established strict guidelines for Participant Loans that must be followed. For example, if too many Participants default on their Participant loans, the IRS could take the position that the Board of Trustees is not properly administering the Loan Program and that the Plan is not being run, as intended, as a retirement program. Thus, the Board of Trustees reserves the right to terminate the Participant loan program at any time or to cease making any new loans.

A. Eligibility, Processing and Defaulting on Participants Loans

The Plan contains a Participant loan section. To be eligible for a loan, an individual must have a balance of at least \$5,000 in his or her Individual Account. Program participation requires compliance with the Participant loan program rules adopted by the Board of Trustees pursuant to strict IRS requirements.

Pursuant to government regulations, you should treat a Plan loan in the same manner as any other loan. Your Individual Account balance and/or other assets will secure each Participant loan. If you fail to repay any part of a loan and default thereon, your pension benefit will be reduced by the defaulted loan amount that remains outstanding.

Defaulting on a **Plan loan** has more severe consequences than defaulting on a regular loan. (See subsections 8 and 9 of Section F below for more information on a default.) Under applicable IRS regulations, if you default, your loan is considered a taxable distribution from the Plan. Under the Internal Revenue Code and state law, you are then liable for regular income taxes plus a 10% federal tax penalty and a 2-1/2% state tax penalty for a premature distribution if you are under age 55 (and prior to age 59-1/2 if you are still working). **Thus, you should not seek a loan if you intend to or are likely to default. Once you default, you are not entitled to another Participant loan from the Plan.**

B. General Requirements for Loans

Loans are made pursuant to a written agreement, will bear a reasonable rate of interest, and are offered to Participants on a reasonably equivalent basis in accordance with the Plan and any rules adopted by the Board of Trustees. The Trustees eliminated the rule that there be a credit check when you seek a loan. In addition, the Plan no longer requires a Participant to be an Active Participant to qualify for a Plan Loan. **Spousal consent for a Participant loan is required if you are married.**

C. Loan Amount Limits

Vested Participants may borrow up to one-half of the Participant's Individual Account balance for loans for the purchase or renovation of a primary residence, up to a maximum of \$50,000. The minimum loan amount is \$1,000. Participant loans which have as their purpose the purchase of a primary residence may have a term for up to twenty years (20); however, a Participant requesting a repayment period of more than five (5) years is required to submit a contract of sale or equivalent proof that the loan purpose is for the purchase of a primary residence. Participant

loans for any purpose other than for the purchase or renovation of a primary residence may be for a maximum period of five (5) years.

Pursuant to Internal Revenue Code requirements, the \$50,000 maximum is reduced by the amount of outstanding Participant loans in existence during the prior twelve-month period. Thus, if you had a \$20,000 loan balance twelve (12) months ago, for which you now only owe \$15,000, the maximum amount that you can borrow from your Individual Account is an additional \$30,000 (not \$35,000).

Live in Federally Declared Disaster Area and Suffer Harm--Increased Loan Amounts.

Effective as of January 1, 2023, pursuant to the SECURE Act II, there is an increase in the limit on Participant loans for individuals living in a Federally Declared Disaster Area who suffer an economic loss because of such disaster and takes the loan within 180 days after the disaster. The standard \$50,000 maximum for Participant loans is increased to \$100,000 for such individuals (the lesser of \$100,000 or 100% of the vested account balance). For any Participant with an outstanding loan who lives in an area in which a Federally Declared Disaster occurred, the repayment period for any such existing loan is postponed for one year (and that one year is not counted as part of the maximum five-year loan period). The President of the United States must have declared a disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. This provision is effective for disasters occurring on or after January 26, 2021.

D. Treatment of an Outstanding Loan Balance Upon a Distribution or Death

Neither you, nor a beneficiary or an alternate payee may receive a distribution of the portion of an Individual Account balance that is pledged as security for a loan. If you qualify for and apply for a distribution from the Plan, any remaining amount owed on a loan will be converted to a regular distribution. Upon your death, your Individual Account balance is used to pay off the loan prior to distribution of the remaining account balance.

E. Specific Loan Rules

The following loan conditions also apply:

1. **Multiple Loans.** You may have more than one loan outstanding at any time.
2. **Loan Interest.** The current interest rate is one point above the prime rate. Your loan will have a fixed interest rate and a fixed monthly payment amount. Loans granted at different times may bear different rates as justified by a change in the prime rate.
3. **Valuation Date for Loan.** The value of your Individual Account is determined as of the most recent valuation prior to submission of your loan application form. The Valuation Date will not anticipate any contributions received after the most recent Valuation Date.
4. **Application Procedures.** When you apply for a loan, you must complete an application form and submit the required information as requested by the Plan. You pay a non-refundable loan application fee of \$100.00. (The fee may change in the future.) A Participant purchasing a home and requesting a repayment period of more than five (5) years is required to submit a contract of sale or some equivalent proof that the loan purpose is for a primary residence. To receive a loan, you must follow the Plan's rules and requirements.

5. **Spousal Consent.** Pursuant to federal law, if you are married, your spouse must consent in writing to the loan.

6. **Due Date for Payments.** Payments must be received by the due date established by the Plan at the time of your loan or as otherwise agreed to by you and the Plan.

7. **Delinquency Fee.** The Trustees may authorize a delinquency fee for each monthly payment not paid in full by the due date. The current fee is \$15.00 for each late payment of 15 days or more. The Board may change this fee without a formal Plan amendment. If a Participant is 90 days late, the Participant will be considered in default and the loan will be declared a distribution. The Trust Fund office may assess additional fees for such a default.

8. **Default/Additional Taxes/No Future Loans if you Default.** Pursuant to applicable Internal Revenue Service regulations, a cure period for a delinquent loan cannot extend beyond the last day of the calendar quarter following the calendar quarter in which the missed payment was due. Thus, under the Plan, your loan will be in default if you are 90 days late on a payment. Upon default, the Plan will charge your Individual Account with the loan balance, including any costs incurred relating to the loan default and any fees.

If you default on your Plan loan, you will owe income taxes on the distribution. As required by applicable law, the Trust Fund office automatically reports your distribution to the IRS and state tax authorities at the end of the year (on IRS Form 1099R). If you are under age 55 (and prior to age 59-1/2 if you are still working), you will owe an additional federal tax of 10%, and a state tax of 2-1/2%. Failure to withhold or pay these taxes may result in liability for additional tax penalties and interest. Once you default on a loan, you are not eligible for another Participant loan from the Plan.

9. **Pension Loss if You Default.** Once your loan is declared a distribution, the unpaid balance is lost as a pension benefit. You may not repay a defaulted loan later to restore your Plan account. This also will result in the loss of the future income on your Plan account and the tax savings that you would have earned under the Plan for the defaulted amount of the loan.

10. **Military Service—Postpone Payments.** Your loan payments may be excused (payments postponed) and the interest rate adjusted during certain military service to the extent required by federal law.

11. **Changes.** The Board of Trustees may change the terms and conditions of the Plan's Participant loan program as set forth herein at any time without a formal Plan amendment.

XIV. CLAIMS AND APPEAL PROCEDURE

A. Claims and Appeal Procedure

The Plan, which is available for review by appointment at the Trust Fund office, or upon written request of the Plan office, contains a claims and appeal procedure that must be followed. Be sure to read the claims procedure carefully before filing a claim or a lawsuit regarding your pension or the Plan. The purpose of the claim's procedure is to make it possible for claims and disputes to be resolved fairly and efficiently without necessitating costly litigation and attorneys' fees. **No lawsuit affecting the Plan may be brought unless the Plan's appeal procedure is followed first (and see Section D below for the time period for filing lawsuits).**

B. Denial of Claim and Appeal Rights

Under the procedures set forth in the Plan and as is required by ERISA, if your claim for a pension benefit is denied in whole or in part, you will receive a written explanation including the specific reasons for the denial. You then have the right to have the Board of Trustees review and reconsider your claim.

To have your claim reviewed or if an issue is not resolved or you or any beneficiary disagrees with any act, omission, or decision by the Plan office, you must file with the Plan office a written appeal within 60 days of your receipt of the Board's initial denial of your claim or other adverse action. Your appeal must state the specific reasons the denial of the claim or other adverse action was in error. **If you fail to submit your written appeal within that period, there will be no review of your claim.**

You may submit supporting documents or records, and you may examine Plan records pertinent to your dispute. You have the right to representation throughout the review procedure.

A review of your appeal will be held, and a decision rendered by the Board of Trustees by the next regularly scheduled Trust meeting unless the appeal is received within thirty days of such meeting or special circumstances exist requiring additional time. You may request or you may be requested by the Board of Trustees to appear at a hearing on your appeal. The Trustees, however, have the sole discretion whether to hold a hearing and whether to allow you to appear at such a hearing.

The decision on review will be in writing and, if your appeal is denied, will include specific reason(s) for the denial. There is no mandatory arbitration of any denied claim or appeal. The parties may mutually agree on arbitration but that is voluntary only.

If you believe that you are entitled to a Non-Disability related benefit that you are not receiving, you can make a written request to the Plan (or its representative) for the benefit. If your request is denied, you will be informed by written notice within 90 days after the Plan receives your request. If the Board of Trustees needs more than 90 days to review your claim for benefits, you will be advised by written notice within 90 days after receipt of your claim. The notice will inform you why the Plan needs more time (which cannot exceed an additional 90 days), and the date by which you can expect a decision.

C. Disability Claims and Appeals

Disability Claims. A Disability Claim must be submitted to the Plan office within 90 days after the date of the onset of the disability. Decisions on disability claims and appeals have different time periods. If the Plan denies your application for disability benefits, the Plan will notify you of the denial within 45 days after the Plan's receipt of your application or claim (with two potential 30-day extensions).

An extension of time not exceeding 30 days may be necessary due to matters beyond the Plan's control. If a decision cannot be rendered due to matters beyond the control of the Plan prior to the expiration of the 30-day extension, the period for making a determination may be extended for up to an additional 30 days, in which event notice will be sent to you prior to the expiration of the first 30-day extension.

The notice of extension will include in addition to the information set forth above, the standards on which entitlement to a benefit is based; the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. You will be afforded at least 45 days to provide the specified information, if any. The deadline for the Board of Trustees to render its decision is tolled from the date on which the notification of the extension is sent to you until the date a response from you is received.

The denial notice of a disability claim will include at least the following (when applicable):

- (1) The reasons for the denial.
- (2) The specific internal rule, guideline, protocol, standard, or other similar criterion, if any, relied upon in making the determination (if applicable) or alternatively, a statement that such rules, guidelines, protocols, standards, or other similar criteria does not exist.
- (3) An explanation of the scientific or clinical judgment for the determination if the adverse benefit determination was based on medical necessity or other similar exclusion or limitation or a statement that such explanation will be provided free of charge upon request.
- (4) Explanation for: (a) disagreeing with the views of any health care professional who treated you or vocational professionals who evaluated the claim, when you present those views to the Plan (if applicable), (b) disagreeing with the view of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's denial, without regard to whether the advice was relied upon in making the benefit determination (if applicable), and (c) disagreeing with the view of any disability determination made by the Social Security Administration (if applicable);
- (5) Statement that you have the right to receive, upon request and free of charge, reasonable access to and copies of all relevant documents, records, and other information to your claim for benefits.
- (6) Statement of your right to present evidence and testimony in support of your claim during the appeal/review process.

Appeal Procedure. If the application for benefits of a claim is denied, the Claimant or the Claimant's duly authorized representative may petition the Board of Trustees for review of the decision with the Plan office within one hundred and eighty (180) days of receipt of the notification of the denial of your claim. Your appeal of the adverse benefit determination of your disability claim will be decided at the next regularly scheduled meeting of the Plan's Board of Trustees following the Plan's receipt of your appeal unless the appeal was received within 30 days prior to the date of the Board meeting. If that occurs, the appeal will be decided by the following regularly scheduled Board meeting. If special circumstances require a further extension of time for processing, the Plan office will provide you with written notice of the extension, describing the special circumstances and the date as of which the determination will be made.

The Claimant shall have access to relevant documents, records, and other pertinent information, including any statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit for the Claimant's diagnosis, without regard to whether such advice or statement was relied upon in making the benefit determination. The Board of Trustees will not afford any deference to the initial benefit determination. If the adverse benefit determination is based in whole or in part on a medical judgment, the Board of Trustees shall consult with a health care professional with appropriate training and experience in the field of medicine involved in the medical judgment. Such consultant shall be different from any individual consulted in connection with the initial determination nor the subordinate of any such person.

D. One Year Limitation Period for Filing Lawsuits/File Actions in U.S. District Court, Northern District of California/Not Participate in Class Action Lawsuits

Upon exhausting the above claims and appeal procedures, if you are still not satisfied, your next step is to file a lawsuit if you so desire and such a lawsuit is permitted under ERISA or other applicable law. **No legal action may be commenced or maintained against the Plan, a Trustee, the Board of Trustees, or other person or entity involved with the denial or decision on appeal more than one year after the determination of your appeal by the Board of Trustees, or if not a formal appeal, one year after the act or omission of which you are questioning. Any such lawsuit must be filed in the United States District Court for the Northern District of California. Moreover, Participants are not permitted to participate in a class action lawsuit against the Plan, the Trustees, or other individuals and/or entities associated with the Plan, as the Plan provides explicit waiver language of such actions.**

XV. AMENDMENT/TERMINATION/MERGER OF PLAN

A. Amendment of Plan

The Board of Trustees may amend the Plan at any time.

Any amendment may apply to all groups and/or Participants covered by the Plan or only to certain groups of Participants. Retroactive amendments may be made to the extent permissible under ERISA and other applicable law. Except as permitted or required by applicable law, an amendment may not divest accrued benefits that have previously been vested.

B. Merger or Consolidation or Transfer of Assets

In the event of a merger or consolidation of the Plan or transfer in whole or in part of the assets or liabilities of the Plan to any other pension plan, each Participant is entitled to a benefit immediately after the merger, consolidation or transfer which is at least equal to the benefit such Participant would be entitled to receive before such merger, consolidation, or transfer. The Plan will accept the transfer of assets from another Plan upon approval of the Board of Trustees.

C. Termination of Plan

The parties to the collective bargaining agreements between IBEW Local 617 and NECA may terminate the Plan in whole or in part. Although there is no intent to terminate the Plan, there is no guarantee that the Plan will last forever.

In the event of termination or partial termination of the Plan, the assets then remaining, after providing for the expenses of the Plan and for the payment of any Individual Account theretofore approved, would be distributed among Participants, and each Participant would be 100% vested in his or her accrued benefits and shall receive that part of the total remaining assets in the same ratio as his or her Individual Account bears to the aggregate amount of the Individual Accounts of all Participants. The assets are not returned to any Employer (unless the Employer is a Participant in the Plan). Once the Plan is terminated and all assets have been distributed, the Board of Trustees will be discharged from all liability under the Plan and Participants will have no further rights or claims.

XVI. ADDITIONAL INFORMATION REQUIRED BY ERISA

A. Name and Type of Plan

The name of the Plan is the San Mateo Electrical Construction Industry Retirement Plan ("Plan"). The Plan is a Money Purchase Pension Plan exempt from income tax under Section 401(a) of the Internal Revenue Code. The Internal Revenue Service Employer Identification Number (EIN) for this Plan is 51-6052127. The Plan Number is 001.

B. Plan Administrator

The Board of Trustees is the Plan Administrator of the Plan. The Board of Trustees is responsible for ensuring that information regarding the Plan is reported to governmental agencies and disclosed to Plan Participants and beneficiaries in accordance with ERISA.

C. Agent for the Service of Legal Process

The person designated as agent for service of legal process is:

Richard K. Grosboll/ Lois H. Chang
Neyhart, Anderson, Flynn & Grosboll
369 Pine Street, Suite 800
San Francisco, CA 94104-3323
(415)677-9440, Ext. 130

Service of legal process may also be made on United Administrative Services, a Plan Trustee, or the Board of Trustees, at the addresses listed on page iv of this booklet. As addresses can change, you may consult the Plan Administration office for current addresses.

D. Plan Year

The Plan Year commences on January 1 and ends on December 31.

E. Funding Contributions and Collective Bargaining Agreements and Fund Medium

The Plan is maintained in accordance with collective bargaining agreements between the IBEW Local 617 and NECA (and individual Employers), which require Employers to contribute to the Plan. There are no employee contributions to this Plan. The Plan Administrators office will provide you upon written request with information on whether a particular Employer for whom the Participant is employed is contributing to the Plan and, if the Employer is a contributor, the Employer's address. Assets of the Plan are held in Trust.

STATEMENT OF ERISA RIGHTS

A. Your Rights as a Participant. As a Participant in the San Mateo Electrical Construction Industry Retirement Plan ("Plan"), you are entitled to certain rights and protections under the employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that Participants are entitled to:

- Examine without charge at the Plan office and at other specified locations such as worksites and the union office, documents governing the Plan, including collective bargaining agreements and the annual report (Form 5500 series) filed with the Department of Labor.
- Obtain copies of Plan documents and other information required by law to be furnished upon written request to the Plan. Pursuant to ERISA, the Plan office may require that you pay a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report, known as a Summary Annual Report ("SAR"). The Plan is required by law to furnish each Participant with the SAR.
- Receive a statement showing the value of your pension benefits once a year, upon written request (at no charge).

B. Prudent Action by Fiduciaries. In addition to creating rights for Plan Participants, ERISA imposes duties upon the people responsible for operating the Plan. The people who operate your Plan, called "fiduciaries," have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries.

No one, including your employer, your union, or any other person or entity, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

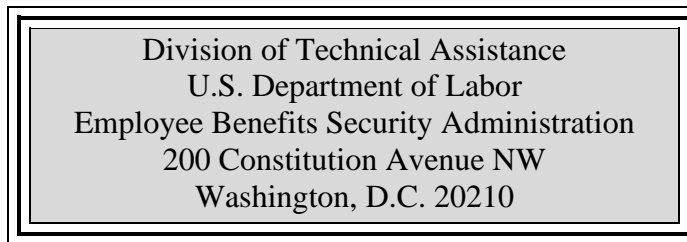
C. Enforcing Your Rights. If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request certain documents (specified in ERISA) from the Plan and do not receive them within 30 days, you may file a suit in federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits that is denied or ignored in whole or in part, and which is upheld on appeal (or ignored), you may file a lawsuit. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file a lawsuit. As summarized on page 33 of this booklet, **any lawsuit must be filed within one year of the Trustees' determination of your appeal or otherwise.**

If it should happen that Plan fiduciaries misuse the Plan's money or other assets, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

If you file a lawsuit, the court may decide who should pay court costs and legal fees. If you are successful, the court may order the person(s) you have sued to pay your costs and fees. If you lose, the court may order you to pay the Trust's or other defendants' costs and fees (e.g., your claim was frivolous).

D. Assistance If You Have Questions. If you have any questions about this statement, the Plan or about your rights under ERISA or if you need assistance in obtaining Plan documents you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory (or which can also be found at the EBSA website at) or:



You can call the Employee Benefits Security Administration at (866) 444-3272; TTY/TDD users: (877) 889-5627. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security administration.

You may find answers to your question and a list of EBSA offices at <http://www.dol.gov/ebsa/welcome.html>.