MEMORANDUM

**TO: All Retirement Plan Participants**

**FROM: The Board of Trustees**

**SUBJECT: Temporary Plan Changes under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)**

**DATE: April 13, 2020**

On April 2, 2020, the Board of Trustees of the I.B.E.W. Local 405 Deferred Savings Plan (the "Plan") took action in accordance with the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which was signed into law on March 27, 2020. The CARES Act is intended to alleviate some of the financial pressures experienced by both employers and individuals as a result of the coronavirus pandemic.

**In-Service Distributions for Individuals Impacted by COVID-19**

The Trustees took action to permit participants impacted by COVID-19 to take an in-service distribution up to the lesser of $50,000 or 100% of the participant's account balance. This in-service distribution would not be subject to the IRS's 10% early withdrawal penalties (under Internal Revenue Code section 72(t)). Eligible participants may elect a COVID-19 in-service distribution until December 31, 2020.

A participant is eligible for the COVID-19 in-service distribution, if:

* The participant is diagnosed with COVID-19;
* The participant’s spouse or dependent is diagnosed with COVID-19; or
* The participant experiences adverse financial consequences as a result of being quarantined, being furloughed, being laid off, experiencing a reduction in work hours because of COVID-19 or an inability to work because they lack childcare.

The full distribution amount is not included in the participant’s taxable income in the year of the distribution, unless the participant elects otherwise. Instead, the distribution is included in a participant’s taxable income proportionally over a three-year period beginning in the year of the distribution.

A participant may repay a COVID-19 in-service distribution over a three-year period, beginning on the date of the distribution. The distribution may be repaid in multiple installments and participants are not required to repay the distribution in full.

Milliman is suspending its distribution fee for COVID-19 distribution through the end of May.

Please contact Auxiant if you are eligible for and wish to elect a COVID-19 in-service distribution, or if you have questions. 1-800-475-2232 ext. 1221

**Required Minimum Distribution Waiver**

As required under the CARES Act, the Trustees took action to permit participants to waive any required minimum distribution ("RMD") payments due during calendar year 2020. RMD payments from the Plan will begin or continue as otherwise required by law unless a participant elects to waive them.

Please contact Milliman if you are due RMD payments during the 2020 calendar year and wish to waive them without penalty from the IRS, or if you have questions. 1-866-767-1212