



New England Carpenters
Guaranteed Annuity Fund

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Dear Participant:

On behalf of the New England Carpenters Guaranteed Annuity Fund, we are writing to let you know of changes to the ways in which you can receive your benefits from the Guaranteed Annuity Fund.

In December 2019, Congress passed the Secure Act which delays the age at which you are required to begin receiving payments from qualified retirement plans. For participants born on and after July 1, 1949, the rule changed from age 70.5 to age 72. Your Required Beginning Date (RBD) will now be the April 1st following the year in which you attain age 72. This change does not affect participants that have attained their Required Beginning Date prior to January 1, 2021 under the age 70.5 rule and have been receiving payments.

Your Guaranteed Annuity Fund is a defined benefit pension plan under the Internal Revenue Service (IRS) code. Although it has similarities to a defined contribution plan, it is in fact a pension plan and must adhere to the pension plan rules and regulations in accordance with IRS regulations. Being a defined benefit pension plan allows the Trustees the ability to provide a guaranteed rate of return each year to participants' account balances no matter the outcome of investment returns.

The Fund offers several forms of payment that you can choose when you decide to retire, or if you become disabled or receive your annuity due to 24-month termination. The forms of payment available are listed below:

- Automatic forms of payment:
 - 50% Participant-Spouse Benefit, which provides a lifetime monthly payment for you and then your surviving spouse. This is the automatic form of payment if you are married.
 - Single-Life Annuity, which provides a lifetime monthly benefit for you. This is the automatic form of payment if you are not married.

If you do not wish to elect one of the automatic forms of payment noted above, you can reject these forms of payment and elect one of the optional forms of payment listed below:

- Optional forms of payment:
 - A 75% participant-spouse benefit;
 - One lump-sum payment;
 - A specific number of monthly payments up to 300. If you die prior to receiving the number of payments elected, your designated beneficiary will receive the remaining payments;

- Partial payments of up to two payments per calendar year (each payment must equal at least 5% of your account balance at your first distribution date) If you die prior to receiving your account balance, the remainder will be paid to your designated beneficiary; or
- A cash refund annuity that provides you with a monthly payment for your lifetime and provides a “refund” to your beneficiary if you die before receiving monthly payments that equal the lump-sum value of your account at the date you start receiving benefits.

Effective January 1, 2021, the following NEW OPTION will be made available to participants:

- **Annual Payments** – A specific number of annual payments up to 25, regardless of how long you live.

The following changes are also effective January 1, 2021

After a review of our current options and procedures, the Board of Trustees has determined that the following changes are necessary for our Plan to continue to maintain its tax-exempt status under the Internal Revenue Code:

- The partial payment option is only available prior to your Required Beginning Date. At your Required Beginning Date, you must elect a new form of payment where your monthly or annual benefits will be fixed and known. This change is a requirement and applies to participants who received a partial payment prior to January 1, 2021, as well as to those electing partial payments in the future. If you are married, a partial payment can only be issued with your spouse’s consent and waiver of the right to a survivor benefit for that payment.
- If you have not elected a form of payment when you reach your Required Beginning Date, you must elect one of the above forms of payment (other than the partial payment option). This requirement to elect a form of payment at your Required Beginning Date also applies to participants who reached their Required Beginning Date prior to January 1, 2021 and have not elected a form of payment, even if they have been receiving their Minimum Required Distributions annually.

These changes are being made to meet the governmental requirements to pay fixed, regular payments after your Required Beginning Date.

To ensure that participants who have elected Specific Monthly Payments or the Cash Refund Annuity receive fixed monthly payments, it has been determined that any bonuses credited to your account after your benefit payments began will be removed from your account and paid to you as a one-time lump sum in early 2021.

The Fund Office will contact all participants affected by the above changes directly in the coming weeks. You will receive correspondence relative to your current situation.

Impact on future bonuses

If the Board of Trustees approves a supplemental bonus in the future to participants who have started to receive their benefits, the bonus will be paid out as a supplemental payment in the year it is approved. Please note, this change will not affect how the Board of Trustees determines whether or not to approve a bonus and how bonuses are credited to individual account balances. This change will only affect how bonuses, if any, are distributed to participants receiving benefits.

Annual statements will no longer be issued to participants in payment status, since supplemental bonus payments will be issued in the year it is approved, and all payments, whether they are monthly, for your lifetime, for a specific number of months or annual payments, are fixed and do not change. If you have elected Partial Payments, you will continue to receive annual statements.

As previously noted, these changes are necessary for our Plan to continue to maintain its tax-exempt status under the Internal Revenue Code. While this letter describes several changes to the way benefits are distributed, there are no changes to how your individual account balance will grow prior to retirement. The Fund Office will review the options available to you when you apply for benefits or if you are in any of the groups that will need to elect an option effective January 1, 2021.

This is a Summary of Material Modifications regarding the above-named plan ("Plan"). This Summary of Material Modifications supplements the Summary Plan Description ("SPD") previously provided to you. You should retain this document with your copy of the SPD.

If you have any questions regarding this notice or any other matter, please feel free to contact the Fund Office at 1.800.344.1515.

Board of Trustees