



North Atlantic States Carpenters
Annuity Fund
Defined Contribution Plan

ANNUITY FUND

Summary Plan Description



Inside Front Cover
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To All Participants and Beneficiaries:

The purpose of the North Atlantic States Carpenters Annuity Plan (the “Annuity Plan” or “Plan”) and its associated trust fund, known as the North Atlantic States Carpenters Annuity Fund (the “Annuity Fund” or “Fund”), is to supplement the monthly retirement benefit to which you are entitled from Social Security and, assuming you are vested, from the North Atlantic States Carpenters Pension Fund. The Annuity Plan provides benefits upon specific events, such as death, disability, certain hardships, or termination of employment from the industry, and it also provides limited in-service withdrawals and hardship loans to eligible Participants.

Since the last edition of this booklet, our Annuity Plan has changed its legal name and has gone through a number of very significant structural changes, which include the following:

- ✓ the Rhode Island Carpenters Annuity Fund or “RICAF” was merged into our Annuity Plan effective as of January 1, 2018, and
- ✓ our Annuity Plan engaged in an asset and liability transfer with the Northeast Carpenters Annuity Fund or “NCAF” under which the NCAF accounts of New York Participants and Beneficiaries were transferred to our Annuity Plan effective as of January 1, 2020.
- ✓ As part of the asset and liability transfer with the NCAF, the Fund now maintains two distinct Fund Offices – one in Connecticut and one in New York. The contact information for each Fund Office is contained on page 23 of this booklet.

In addition to a number of changes which were mandated pursuant to federal law, including maintaining certain “sub-accounts,” the Annuity Plan contains: (1) several “grandfathering” rules in order to preserve the distribution options previously available to those Participants in the RICAF and the NCAF, and (2) a number of new distribution options, including hardship loans and limited in-service withdrawals. Please review this 2022 Edition of the Summary Plan Description carefully so you can understand how the Annuity Plan can help you plan for a financially secure retirement.

The Annuity Plan is an individual account plan to which employers make contributions for each hour that a Participant works in Covered Employment. A Participant pays no tax at the times these amounts are contributed, but is taxed when he/she receives a distribution from the Annuity Plan. The Annuity Plan also permits eligible Participants to make voluntary contributions with after-tax dollars.

The vast majority of the Annuity Plan’s assets are “Trustee-directed,” meaning that those assets are invested in accordance with the Fund’s Investment Policy, calling for diversification among asset classes and permitting reasonable levels of risk. Investment decisions are made by investment managers hired and monitored by the Trustees with the help of the Fund’s independent investment consultant.

However, the Fund also has a certain number of Participants and Beneficiaries previously covered under the NCAF who have grandfathered “Participant-directed” accounts with Empower Retirement (formerly known as the Massachusetts Mutual Life Insurance Company). While no new employer and/or voluntary contributions flow into those “Participant-directed” accounts for *any* Fund Participant or Beneficiary, our Annuity Plan continues to maintain these grandfathered “Participant-directed” accounts as part of the above-noted asset and liability transfer with the NCAF.

Benefit plans can change from time to time. The descriptions in this booklet generally apply to the year 2022 and later. Different rules may apply before 2022. If there are additional changes made in the future,

you will be notified of these changes in writing. You should keep all notifications provided by the Annuity Plan with this booklet so you have the most current information available in one place.

Personal or family situations also change from time to time. **You should always notify one of the Fund Offices of any change in your contact information (phone or email), your mailing address or your marital status.** Also, whenever your marital status changes for any reason, you should be sure to confirm that any Fund beneficiary designation you currently have in place continues to reflect your wishes.

The information in this booklet is based on the definitions, terms and conditions set forth in the North Atlantic States Carpenters Annuity Plan (as amended through March of 2022). If there are any differences or conflicts between information in this booklet and the Annuity Plan document referenced above, the definitions, terms and conditions contained in that Plan document will govern.

The Fund's Board of Trustees have the full discretion and authority to interpret the terms and conditions contained in the Annuity Plan. You should not rely on any individual or unofficial opinion about your eligibility for participation in the Annuity Plan or any Annuity Plan benefits that you may feel may be due to you.

If you have any questions or require any additional information regarding the Annuity Plan, you are encouraged to call or write one of the Fund Offices for an explanation. The Board of Trustees, or their authorized delegate, will provide such an explanation in writing. You may also obtain general information and Annuity Fund applications and forms on our website <http://www.ctcarpentersfunds.org> or you may contact us to ask questions via secure email at <https://web1.zixmail.net/s/login?b=ctcarpentersfunds>.

Participants may always contact a Fund Office regarding their Trustee-directed account balance. Connecticut Participants can also visit the website noted above, while New York Participants can visit the following website: <https://www.carpentersfund.org/new-york-participant>. New York Participants with a grandfathered Participant-directed account may currently utilize this website (<https://www.retiresmart.com>) to obtain that account balance or to update their chosen investment options, or they can call Empower Retirement at 1-800-743-5274 (toll free) weekdays from 8 a.m. to 8 p.m. Eastern time.

THE BOARD OF TRUSTEES,
NORTH ATLANTIC STATES CARPENTERS
ANNUITY FUND

APRIL 2022

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PARTICIPATION

You will become eligible to participate in the Annuity Plan, according to the following schedule:

If you:	You will become a Participant on:
Work as a carpenter or woodworker for a contributing employer covered by a Collective Bargaining Agreement	The first day you begin work in Covered Employment
Are eligible under a participation agreement and work as an employee for: <ul style="list-style-type: none"> ▪ the North Atlantic States Carpenters Pension Fund, ▪ the North Atlantic States Regional Council of Carpenters, or ▪ a Participating Local Union 	The first day you begin work in covered employment, as long as you earn 960 hours of service* in your first year of work. Otherwise, you will become a Participant on the first day of the Plan Year in which you earn 960 hours of service.*
* Hours of service are all of the hours of work for which you are paid, directly or indirectly, by a contributing employer and for certain military service.	

The Fund’s Board of Trustees may also enter into other specific participation agreements with respect to employers that employ carpenters or woodworkers, or individuals who were previously carpenters or woodworkers covered under the terms of a Collective Bargaining Agreement.

If you work in jurisdictions covered by the Annuity Plan (which include Connecticut, New York and Rhode Island) but you are a member of a local union outside of the Annuity Plan’s jurisdiction, then you will become a Participant on the 90th day after you first work in the Annuity Plan’s jurisdiction. The reason for the 90-day waiting period is to give you time to sign and submit a Reciprocity Authorization form directing the Annuity Fund to send back to your home local’s annuity fund all contributions received on your work in our Annuity Plan’s jurisdiction. If the Annuity Fund does not already have a Reciprocal Agreement in effect with your home local’s annuity fund, then the Annuity Fund’s standard Reciprocal Agreement must be signed before any contributions can be transferred. **Please be aware that if you don’t submit a signed form authorizing reciprocity within 90 days after you start work in our Annuity Fund’s jurisdiction, then the Annuity Fund will only reciprocate contributions paid *after* your signed form is received.**

If you are already a Participant in the Fund with an Account, then you will continue to be a Participant. For purposes of this section, an “Account” can be a Regular Account and/or a Voluntary Account, and it will consist of Trustee-directed assets. A Regular Account may also include Participant-directed assets, but solely with respect to certain grandfathered individuals previously covered by the NCAF who became Participants in this Fund as of January 1, 2020.

You will stop being a Participant when the total value of your Account has been distributed.

If the total value of your Account has been distributed and you later return to work that is covered by a Collective Bargaining Agreement, you will become a Participant again as soon as you return to such work.

VESTING; CONTRIBUTIONS TO THE PLAN

Vesting

As a general rule, you will always be 100% vested in the value of any contributions - employer or voluntary, as discussed below - that are properly made and allocated to your Account, after adjustment for net investment results (i.e., earnings or losses), administration fees and expenses. Subject to a limited exception, you cannot forfeit your vested interest, but it may be subject to a lien issued by the Internal Revenue Service, a state court order which meets the requirements of a Qualified Domestic Relations Order (QDRO) or other specific court orders permitted by the Internal Revenue Code.

The exception occurs in rare situations where the Fund cannot locate you (or your Beneficiary if you have passed away) after making reasonable attempts to do so. In such a case, your Account (or that of your Beneficiary) may be conditionally forfeited and used to pay reasonable Plan expenses. If you, or a Beneficiary, later come forward and file a proper Application for Benefits, then such conditionally forfeited Account can be reinstated, without any adjustment for net investment results, administrative fees or the like, and paid out. **To avoid this, always be sure that you keep one of the Fund Offices informed of your current contact information and mailing address!**

Employer Contributions

Contributing employers make contributions to the Annuity Plan's Trust Fund on a weekly or monthly basis, as required by the applicable Collective Bargaining Agreement governing the Participant's work.

The amount of the contribution is determined by multiplying the hours of Covered Employment worked by each Participant times whatever amount is agreed to under the Collective Bargaining Agreement. Keep in mind that such amount, known as the "contribution rate," to our Annuity Plan can vary depending on the Collective Bargaining Agreement you are working under (e.g., whether in Connecticut, New York or Rhode Island). When contributions are made on company owners, they must generally be paid on at least 160 hours per month.

With respect to those employees who participate in the Fund by virtue of a participation agreement, the terms of that specific participation agreement will control with respect to the employer's contributions to the Annuity Plan's Trust Fund on behalf of its employees.

All employer contributions are made to the respective Trustee-directed Account of the applicable Participant.

For all hours worked, the amount allocated to a Participant's Regular Account will be the amount of contributions *actually received* from employers on behalf of the Participant. This means that if an employer does not make contributions for your hours worked, the Fund cannot credit your Regular Account – even if the contributions are uncollectible due to bankruptcy or any other reason

We note that there are different allocation rules which applied under the Plan prior to 2022, and our Plan’s definition of “Plan Year” coincides with the calendar year.

Example

- Assume:
1. You work 1,000 hours in Covered Employment in a Plan Year.
 2. The Collective Bargaining Agreement which applies to your work calls for contributions of \$6.20 per hour of Covered Employment.
 3. Your employer pays the contributions in a timely manner.

$$1,000 \text{ hours} \times \$6.20 = \$6,200$$

This amount would be allocated to your Regular Account during the Plan Year.

Voluntary Contributions

If you are working as a carpenter under a Collective Bargaining Agreement, or are not “highly-compensated” as defined by the Internal Revenue Service (IRS), you may be able to make additional, voluntary contributions to the Annuity Plan if you wish to do so and only under procedures established by the Annuity Plan’s Trustees. These contributions will be credited to a separate Voluntary Account established for you.

Voluntary contributions are made by you with after-tax dollars from the compensation you earn in a Plan Year based on your work in Covered Employment, and they are invested in the Trustee-directed portion of the Annuity Plan. Because voluntary contributions are based on compensation earned while working in Covered Employment, individuals who are retired cannot make voluntary contributions. Once voluntary contributions are paid into the Trust Fund, any investment earnings will accumulate tax-free until distributed. Voluntary contributions cannot exceed 10% of your total compensation for Covered Employment for the respective Plan Year. A Fund Office may request verification of your total compensation from Covered Employment to confirm compliance with this 10% rule.

You are not required to make any voluntary contributions, and they will have no effect on the amount of employer contributions to which you are otherwise entitled. Voluntary contributions, after adjustment for net investment results, administration fees and expenses, are vested and non-forfeitable, but they are also subject to the rules outlined in the Vesting section on page 2.

You can withdraw your voluntary contributions to the Plan at any time before retirement or termination of employment. Any net investment earnings on your voluntary contributions will remain in the Annuity Plan until the amounts in your Regular Account are payable, unless the Trustees decide it is impractical to hold those earnings. Voluntary contributions and net investment earnings will be distributed in accordance with the rules explained in the section of this booklet about Distributions.

If you have any questions regarding voluntary contributions, or you wish to request voluntary contribution distribution forms, please contact one of the Fund Offices using the contact information on page 23.

Investment of Fund Assets

Trustee-directed assets.

With respect to the Trustee-directed portion of the Annuity Plan, the Trustees of the Annuity Plan hire an independent custodial bank to hold contributed amounts in the Trust Fund. They also hire an independent investment consultant for professional advice on adopting an Investment Policy and hiring investment managers to invest those amounts. The Investment Policy specifies that Fund investments be diversified among various asset classes, such as fixed income, equities, real estate, and alternatives, and permits a level of risk that is reasonable from a long-term perspective. The Annuity Plan's investments result in earnings or losses.

The earnings or losses arise from income on investments and any increases or decreases in the market value of the securities that may be held in the Trust Fund. Net earnings and losses on these investments, after payment of or allowance for expenses of this portion of the Trust Fund, are allocated proportionately to each Participant's or Beneficiary's Trustee-directed Account as of each Valuation Date. See page 7 for further details on how and when such allocation is made.

Participant-directed assets (specific only to certain New York Participants).

As described in the introductory letter of this booklet, a certain number of current Fund Participants and Beneficiaries who were previously covered under the NCAF have grandfathered "Participant-directed" accounts with Empower Retirement ("Empower"). While no employer or voluntary contributions flow into such accounts with Empower now, these specific Participants and Beneficiaries still have the ability, and the responsibility, to exercise control over how their Participant-directed Account is invested. Empower provides a toll-free telephone number and Internet website for this purpose. As of the printing of this booklet, the telephone number was 1-800-743-5274 (toll free) and the website was www.retiresmart.com, but you should always check your most recent Empower statement for any updated contact information.

The Fund's Board of Trustees, with assistance from an independent consultant, have selected several investment funds for these grandfathered Participant-directed Accounts. Currently, the Fund offers eighteen (18) distinct investment alternatives for Participant-directed Accounts which have different investment concentrations, levels of risk and associated fees. Those Participants and Beneficiaries who maintain a Participant-directed Account have the ability to invest in one or more of the Fund's offered investment options, and to transfer amounts to any other Fund investment option or combination of options. The investment performance of the investment option(s) selected by a Participant or Beneficiary in the Participant-directed Investment Program will, in large part, determine the ultimate value of his or her Participant-directed Account. There are other variables too, including fees and expenses which are discussed in more detail below.

Those few Participants and Beneficiaries in the Participant-directed Investment Program should know that the Trustees, working with Empower, may add or delete the particular investment alternatives offered under the Plan, and may also change the entity that administers the Participant-directed Investment Program. However, as long as the Program is in effect, Participants and

Beneficiaries with a Participant-directed Account will always have at least three (3) investment alternatives from which to choose. These alternatives will provide such individuals with diversified options and materially different risk and return characteristics.

By law, we must inform you that this Participant-directed Investment Program is intended to comply with ERISA Section 404(c) and Title 29 of the Code of Federal Regulations Section 2550.404c-1. What this means is that a Participant or Beneficiary with a Participant-directed Account “exercises control” over the investment of the assets in such Participant-directed Account. Such a Participant or Beneficiary has the ability to select from among the available options the investments in which those assets will be invested in a manner that best suits his or her personal retirement goals. As a consequence, the Fund’s Board of Trustees or other Plan fiduciaries are relieved of liability for losses that directly result from the investment choices such a Participant, or his or her Beneficiary, makes.

We also want you to know that Empower is an independent and separate entity, which is not otherwise affiliated with, or under the control of, the Fund or the Board of Trustees.

IMPORTANT ITEMS TO KEEP IN MIND:

- ✓ If you are a former NCAF Participant or Beneficiary with a Participant-directed Account, the Plan permits you to make a one-time irrevocable election to transfer all of the assets in your Participant-directed Account to the Fund’s Trustee-directed Account. If you are interested in this option, please contact the New York Fund Office at the address noted on page 23 and request a transfer form.
- ✓ It is possible for a former NCAF Participant who has a Participant-directed Account to also have a Trustee-directed Account. However, if you solely have a Trustee-directed Account now, then you **cannot** have a Participant-directed Account because such Accounts were only available to former participants in the NCAF who became Participants of our Fund in 2020 due to the asset and liability transfer. Put simply, the Participant-directed Investment Program is not open to current or new Fund Participants.

Fees and Expenses

Trustee-directed assets.

Fund expenses of the Trustee-directed portion of the Fund include all investment management, administrative, accounting, actuarial, consulting, legal, investment performance and custodial fees and all other expenses reasonably incurred in the operation of this portion of the Fund. An example of such an administrative fee is the Fund’s fee to review a domestic relations order which applies to a Participant’s Trustee-directed Account.

Fund expenses that are allocable to Trustee-directed Accounts, as described above, will be deducted from the Trust Fund’s gross investment return with respect to the Fund’s Trustee-directed Accounts as of each Valuation Date.

Participant-directed assets (specific only to certain New York Participants).

For the Participant-directed portion of the Fund, with respect to any specific investment option offered by the Fund through Empower, there can be transaction fees, investment management and other operating and administrative expenses or fees for that investment option, as well as any sales loads, redemption or exchange fees, commissions, etc. In addition, there are administrative expenses of running the Participant-directed portion of the Fund, such as Empower's recordkeeping fees, and legal, accounting and Fund administrative fees which are allocated to the Participant-directed portion. As of January 1, 2022, Empower's overall annual fee for a Participant-directed Account is \$105, while the Fund's annual administrative fee for such an Account is \$80. Please note that these fees are subject to change. The Fund also charges a separate administrative fee to review a domestic relations order which applies to a Participant-directed Account.

Fund expenses that are applicable to the Fund's Participant-directed Accounts will be allocable directly to such Accounts as outlined above. Also, Participant-directed Accounts are subject to gains and/or losses depending upon the investment performance of the underlying selected investment alternative(s).

Benefit Statements

Trustee-directed Accounts.

With respect to the Trustee-directed portion of the Annuity Plan, after earnings and losses for this portion of the Annuity Plan are determined and audited for a Plan Year, the Board of Trustees will notify you of the amount of the annual contributions allocated to your Account, the amount of net earnings or losses credited to or charged against your Account, and the total value of your Account (including a Voluntary Account, if applicable) as of the last day of the Plan Year, December 31st, also known as the "Valuation Date." Additional information may be included with this statement in accordance with applicable federal law. As it takes time to determine the actual fair market value of each of the Fund's Trustee-directed investments as of the Valuation Date, Trustee-directed Account statements are normally sent out during the time frame of May to June *following the end of the applicable Plan Year*. As noted in the letter at the beginning of this booklet, you may determine your contributions, investment returns, and Account values as of the latest Valuation Date by logging on to a Fund website or by calling a Fund Office.

Participant-directed Accounts (specific only to certain New York Participants).

For the Participant-directed portion of the Annuity Plan, Empower will send Participants and Beneficiaries a statement detailing the activity in such Account each calendar quarter, including any net investment results and fees and/or expenses which are allocable to a Participant-directed Account. You can also call the Empower toll-free number listed on your quarterly statement or go to their website to find out the value of a Participant-directed Account between statements. As of the printing of this booklet, the toll free telephone number was 1-800-743-5274 and the website was <https://www.retiresmart.com>. Participant-directed accounts are normally valued at the close of each day the major United States financial markets are open.

VALUATION OF ACCOUNTS UPON DISTRIBUTION

When you apply for any kind of distribution (for example, retirement, due to a Break in Service, disability, hardship or death) from the Annuity Plan, the value of your Fund Account will be determined. Here is the process the Fund utilizes for valuing each type of Account.

For Trustee-directed Accounts:

Under current Fund procedures, which may be altered by the Trustees at any time in their full and complete discretion, each Trustee-directed Account is valued on an annual basis, known as the “Valuation Date,” which is currently each December 31st. As it takes time to determine the actual fair market value of each of the Fund’s investments as of the Valuation Date, the final net investment earnings or losses of any Trustee-directed Account is not normally known until May or June *following* the applicable Valuation Date. Also keep in mind that all Fund administrative expenses that are allocable to the Trustee-directed Accounts are normally paid from the overall net investment results of the Trustee-directed assets, so there is no current monthly or quarterly fees assessed against the Trustee-directed Accounts. Once the Fund’s overall net investment return of the Trustee-directed assets are determined (normally in May or June), such return is then allocated among all Trustee-directed Accounts in existence at that time, on a time-weighted basis, based on the value of such Trustee-directed Account balance on the applicable Valuation Date. **Keep in mind that you must have a Trustee-directed Account in existence when the net investment return is determined AND on the Valuation Date to receive any net investment results (whether positive or negative) for that applicable Plan Year.**

EXAMPLE 1: Assume you only have a Trustee-directed Account and you are eligible for, and receive, a full distribution from the Fund as of July 1, 2022, and the Fund’s overall 2021 net investment return was determined in May of 2022 and allocated to all Trustee-directed Accounts, including yours. Your distribution would include net investment results through the end of the 2021 Plan Year (the Valuation Date of your Trustee-directed Account as of December 31, 2021), plus any employer contributions the Fund has received on your behalf during the months of January through June of 2022. You would not, however, receive any of the Fund’s net investment results, whether positive or negative, for the period January through June 2022. The only way you could receive a supplemental distribution is if employer contributions are received by the Fund with respect to your work *after* your initial distribution is made, and even then such supplemental distribution would not include any net investment results.

EXAMPLE 2: Same facts as Example 1 except that you are eligible for, and receive, a full distribution from the Fund as of February 1, 2023. Here, your distribution would include the Fund’s net investment results through the end of the 2021 Plan Year (the Valuation Date of your Trustee-directed Account as of December 31, 2021), plus any employer contributions the Fund has received on your behalf during the months of January 2022 through January of 2023. Note that you would not receive an allocation of the Fund’s net investment results to your Trustee-directed Account, whether positive or negative, for the 2022 Plan Year as of the relevant Valuation Date (December 31, 2022). The reason for this is that you no longer have a Trustee-directed Account and

the Fund's net investment return for the 2022 Plan Year has not been determined (and will not be until a later time, which would normally be in May or June of 2023).

If you would like further clarification of the above, please contact either Fund Office.

For Participant-directed Accounts (specific only to certain New York Participants):

As Participant-directed Accounts are valued at the close of each day the major United States financial markets are open, any distribution from a Participant-directed Account will be valued by Empower based upon your Participant-directed Account balance at the time of the distribution.

TYPES OF SUB-ACCOUNTS – PROFIT SHARING AND MONEY PURCHASE SUB-ACCOUNTS

Our Annuity Plan has been designated as a “profit sharing plan” under Internal Revenue Service rules since April of 1998, and prior to that it was designated as a “money purchase pension plan.” The designation as a profit sharing plan generally provides Participants with greater access to the contributions in their Accounts. Note that all contributions which flow into our Plan as of the printing of this booklet are profit sharing contributions.

However, with the merger of the RICAF in 2018, accounts that were merged into this Fund were money purchase pension accounts. Similarly, with the asset and liability transfer with the NCAF in 2020, a few accounts that were transferred to this Fund were money purchase pension accounts, while the vast majority were profit sharing accounts.

While you as a Participant will *always* see the overall total value of your Regular Account and your Voluntary Account (if you have one), if you ever had a money purchase pension account under this Plan, the RICAF and/or the NCAF, the Fund will maintain such money purchase pension account(s) in one or more separate “buckets” which make up your Regular Account. The Fund refers to these separate buckets as “sub-accounts.”

Why is this Important? As required by law and Internal Revenue Service rules, any contributions which were made under a prior money purchase pension designation must be preserved separately in our Annuity Plan, along with net investment results and administrative expenses. And, as you would expect, our Annuity Plan also accounts for all profit sharing contributions, along with net investment results and administrative expenses. The main reason for this is that there are more stringent distribution rules which attach to money purchase contributions as compared to those which attach to profit sharing contributions. So, based on the history of the Annuity Plan since its inception in 1979, along with the prior merger and asset and liability transfer, the Fund is maintaining the following “sub-accounts” *to the extent one or more may apply to your Regular Account:*

- Rhode Island Money Purchase sub-account: Defined on page 39.
- Northeast Money Purchase sub-account: Defined on page 38.
- Connecticut Money Purchase sub-account: Defined on page 36.
- Profit Sharing sub-account: Defined on page 38.

Two examples of how sub-accounts are maintained by the Plan follow below.

Sub-account Examples

- Assume:**
1. You live in Connecticut and have been a Participant in this Plan since 1994.
 2. Your Regular Account was valued at \$20,000 as of 3/31/1998, and from 4/1/1998 through 12/31/2021, this portion of your account has had net investment results of \$35,000, inclusive of any administrative expenses.
 3. Your Regular Account's total value is \$300,000 as of 12/31/2021.

This means that as of 12/31/2021, your Connecticut Money Purchase sub-account was \$55,000, and your Profit Sharing sub-account was \$245,000.

- Assume:**
1. You live in Rhode Island, were a Participant in the RICAF, you became a Participant in this Plan in 2018 due to the merger, and you have continued to work consistently in Covered Employment in Rhode Island thereafter.
 2. Your RICAF Account was valued at \$250,000 as of 12/31/2017, and from 1/1/2018 through 12/31/2021, this portion of your account has had net investment results of \$30,000, inclusive of any administrative expenses.
 3. Your Regular Account's total value is \$315,000 as of 12/31/2021.

This means that as of 12/31/2021, your Rhode Island Money Purchase sub-account is \$280,000, and your Profit Sharing sub-account is \$35,000.

Any Money Purchase sub-account which the Annuity Plan maintains on your behalf is subject to the same rules regarding the timing and form of distribution upon your death, retirement, disability, or Break in Service that were in effect as of the date the Money Purchase sub-account ended.

As an example, assume you are a current Participant with a Rhode Island Money Purchase sub-account who is otherwise eligible for a distribution from the Plan. As to that Rhode Island Money Purchase sub-account portion of your Account, you are subject to the distribution rules that existed under the prior RICAF as of December 31, 2017, which includes spousal consent to receive a benefit form other than a 50% Joint and Survivor Annuity in the event that you are married.

DISTRIBUTION OF BENEFITS UPON RETIREMENT, DISABILITY TERMINATION OF EMPLOYMENT, OR DEATH

You will be eligible to apply for a distribution of the total value of your Account after you:

1. Reach at least age 55 and retire from Covered Employment, or
2. Become permanently and totally disabled as evidenced by a Social Security Disability Award, or
3. Incur a “Break in Service” for a specific period of time (more details below), or
4. Retire from Covered Employment and are receiving retirement benefits from the North Atlantic States Carpenters Pension Fund.

Assuming you are otherwise eligible, the forms of distribution that are available are explained in the following paragraphs, and it is important to note that there are important distinctions between the distribution rules for Profit Sharing sub-accounts and Money Purchase sub-accounts. Except as noted immediately below, an Application for Benefits must be filed before any benefits can be paid out from the Annuity Plan. Once benefits have begun, the general rule is that you may not change the form of the payment, even if your circumstances change.

Regardless of whether you apply for benefits, the Fund will begin making payments to you by the April 1st immediately following the calendar year in which you attain age 72 (or age 70 ½ for those born before July 1, 1949). Under complex rules of the Internal Revenue Service or “IRS,” this is your “Required Beginning Date” to receive benefit payments from the Fund. The amount of the benefits paid must be at least equal to what the IRS defines as your “Required Minimum Distribution” (RMD), which changes each year based on your Account value and life expectancy tables. If you fail to file a completed Application for Benefits on a timely basis, the Fund will establish your Required Beginning Date as the date your payments are to begin and commence making the payments. For those Participants who are already receiving their RMD from the Fund, they will continue to do so unless the IRS waives the RMD requirement for a specific year.

Also, keep in mind that there may be federal income tax penalties if you take a distribution before you reach age 59 ½. If you apply for your benefits later than the first date on which you are eligible, your Trustee-directed account will remain invested in the asset classes chosen by the Trustees, and if you have a Participant-directed account you will be able to direct that account in accordance with the rules of the Participant-directed Investment Program discussed earlier starting on page 4.

➔ **Important Note:** While the Annuity Plan is structured around a Normal Retirement Age and the expectation that benefits will commence to you at that age, you nevertheless have the right to defer receipt of your Annuity Fund benefits until you must take your RMD.

Break in Service

One of the ways to qualify for an Annuity Fund distribution is to incur a Break in Service, as defined on page 36. Generally, you have a Break in Service if, at the time your Application for Benefits is processed by the Fund, contributions have not been made or owed on you to the Annuity Fund (either directly or reciprocated from another fund) for:

1. 12 consecutive months - for a distribution of the total value of your Account, or
2. 6 consecutive months - for a distribution of 50% of the value of your Account, or
3. 3 consecutive months, *but solely with respect to a Participant who has a Rhode Island Money Purchase sub-account* - for a distribution of 50% of value of that specific sub-account,

provided that in each instance you have not served during such period in any capacity for a non-union company that employs carpenters or subcontracts carpentry work.

Distributions if you work after receiving a Distribution

If you take a distribution and later return to Covered Employment, additional contributions will be made to your Account. As explained above, you must begin to receive your RMD as of the April 1st following the calendar year in which you reach age 72 (or age 70 ½ for those born before July 1, 1949). Your rights to a subsequent distribution earlier than that are:

1. If your first distribution began before you reached age 55, then you may apply for a subsequent distribution, in accordance with Plan distribution options, when you incur a Break in Service or when you reach age 55; and
2. If your first distribution began when or after you reached age 55, then you may apply for a subsequent distribution whenever you stop working in Covered Employment.

Benefits of \$5,000 or Less

If the balance in your Account is \$5,000 or less, then you will be paid your benefit in the form of a lump sum and you may not elect any other distribution form. Also, for such Accounts, the consent of your Spouse, if any, is not required.

Distribution Options for a Profit Sharing sub-account

Lump Sum

The total value of your Account which is a Profit Sharing sub-account will normally be paid to you in a lump sum. You may direct the Annuity Fund to pay part or all of any lump sum payment directly to an Individual Retirement Account or Annuity (IRA), or to another qualified plan, in a direct rollover.

Alternative Forms of Payment

You may also receive the value of your Account which is a Profit Sharing sub-account in one of the following forms of payment if you make an appropriate election with one of the Fund Offices:

Equal Monthly Installments

The value of your Account which is a Profit Sharing sub-account may be paid in equal monthly installments of at least \$100 (the minimum is higher if your IRS Required Minimum Distribution amount is more) until such value is exhausted, with any earnings or losses credited to the unpaid balance on each Valuation Date. You may not receive more than 12 payments in a calendar year.

Usually, a Fund Office mails checks in this payment form a few days before the month in which they are due, and payments via direct deposit are made on the first business day of the month.

Once your monthly installment amount is established, you may not stop, decrease or increase that amount, subject to three exceptions. The first is that you may make a written election once each calendar year to increase the amount of the equal monthly payments to be paid in the future. The second is that a former Participant of the NCAF who was receiving installment payments from this Plan effective as of January 1, 2020, and is still receiving such installment payments, may make a written election not more than twice in a calendar year to increase or decrease the amount of the equal monthly payments to be paid in the future. The third is that during the term of your installment payments, you may make an application to the Fund to discontinue the installments and receive the remaining balance of your Account in a single lump sum.

If you die before the entire balance of your Account has been paid to you under this installment option, then remaining monthly payments will be paid to your Beneficiary in installments or, if your Beneficiary consents, in a single lump sum.

Combination of Partial Lump Sum and Equal Monthly Installments

You may elect to have the value of your Account which is a Profit Sharing sub-account paid in a combination of an initial partial lump sum with the balance paid in equal monthly installments of at least \$100 (the minimum will be higher if your IRS Required Minimum Distribution amount is more) until such value is exhausted, with any earnings or losses credited to the unpaid balance on each Valuation Date. The other rules and three exceptions governing Equal Monthly Installments discussed directly above also apply to this combination option.

Ten Years Certain and Life Annuity

If you are not married and value of your Account which is a Profit Sharing sub-account is more than \$5,000, you may elect to have such value paid to you in the form of a Ten Years Certain and Life Annuity. A Ten Years Certain and Life Annuity provides monthly payments for your life, but if you die before receiving 120 monthly payments, the remainder of the 120 monthly payments will be paid to your Beneficiary. The Annuity Fund would purchase an annuity contract to pay benefits under this option, and additional details are on page 24.

Rollover

You may direct the Annuity Fund to pay part or all of any lump sum payment directly to an Individual Retirement Account or Annuity (IRA), or to another qualified plan, in a direct rollover. If you elect installment payments to be paid for fewer than 10 years, you may direct that part or all of those installments be paid to an IRA or other qualified plan, in a direct rollover.

Special rules for distributions from Money Purchase sub-accounts

There are a few special rules which apply to any Money Purchase sub-account maintained under the Plan for a Participant. If you have such a sub-account, you have the right to elect to have the portion of your Account attributable to that sub-account paid to you in the other Annuity Plan benefit forms discussed above. **However, if you are married when you apply to receive such sub-account and the value of your Account exceeds \$5,000, then the portion of your Account that is attributable to any such sub-account will automatically be paid in the form of a 50%**

Joint and Survivor Annuity, unless you elect an alternate form of payment and your Spouse consents to that election, in writing. As outlined in more detail on page 8, the Annuity Fund has maintained the benefit forms available for the various Money Purchase sub-accounts, which can be summarized as follows:

- For the Rhode Island Money Purchase sub-account: 50% Joint and Survivor Annuity, 75% Joint and Survivor Annuity, Periodic Lump Sum payments, or one Lump Sum payment;
- For the Northeast Money Purchase sub-account: 50% Joint and Survivor Annuity, 75% Joint and Survivor Annuity, single Life Annuity, a Lump Sum or equal Monthly Installments over the Participant's life expectancy; and
- Connecticut Money Purchase sub-account: 50% Joint and Survivor Annuity, 75% Joint and Survivor Annuity, 100% Joint and Survivor Annuity, Ten Years Certain and Life Annuity, a Lump Sum or equal Monthly Installments of at least \$100 (and possibly higher based on age).

In basic terms, a Joint and Survivor Annuity would use that portion of your Account which is a Money Purchase sub-account to provide you with a monthly benefit for your life and after you die, a monthly benefit equal to a specific percentage (50%, 75% or 100%, as applicable) of your monthly benefit – depending upon your election, and consented to by your spouse – would continue to such Spouse for the remainder of his or her lifetime. Under the Joint and Survivor Annuity, no further amounts are payable after you and your Spouse have died. Please be aware that the death benefit under the Joint and Survivor Annuity is payable only to the Spouse to whom you were lawfully married when such Joint and Survivor Annuity payments initially commenced from the Annuity Plan. The Annuity Plan looks to applicable state law governing marriage in determining if you are lawfully married.

If you are married and have a Money Purchase sub-account, a Fund Office will provide you with an explanation of the Joint and Survivor Annuity – including the dollars and cents effect of an election of the 50%, 75% or 100% form of Joint and Survivor Annuity benefit, as applicable in your circumstances – before payment of benefits commence. The explanation will also provide a description of the alternative methods of distribution available under the Plan.

After receiving the explanation you will have 180 days to complete and return the election form indicating your choice as to how you wish to receive your Money Purchase sub-account. To be clear, if you are married, have a Money Purchase sub-account and elect one of the alternative methods of distribution as to that sub-account, your Spouse must consent, in writing, to that election and to any Beneficiary chosen, and your Spouse's signature must be notarized or witnessed by a Plan representative. If a Joint and Survivor Annuity benefit is selected, the Annuity Fund would purchase an annuity contract to pay this benefit form and additional details are on page 24.

Death Benefits

The forms of distribution that are available at your death, either before or after you retire, are explained in the following paragraphs. Be aware that in certain situations a QDRO could impact how

your death benefits are payable from the Fund, as a QDRO can legally designate a former spouse as your “Spouse” for purposes of the Plan and the rules below.

Pre-Retirement Death Benefits

If you die before receiving any payment from your Account, the balance in your Account will be paid as a death benefit. The forms of distribution for pre-retirement death benefits depend on your marital status and the type of sub-accounts you have in the Plan (whether Profit Sharing, Money Purchase, or both), as follows.

Unmarried Participants

If you are not married and you die before receiving any payments under the plan, the general rule is that the total value of your Account will be paid to your Beneficiary in a lump sum. This applies with equal force to a Profit Sharing sub-account and any Money Purchase sub-account(s).

Married Participants

If you are married and you die before receiving any payments under the plan, your Account will be paid as described below. Remember, the Annuity Plan relies on applicable state law to determine whether a Participant is married.

Lump Sum

With respect to a Profit Sharing sub-account, that entire portion of your Account is payable in a lump sum to the Spouse to whom you were married at the time of your death. If you wish to have this lump sum death benefit payable to someone other than your Spouse at the time of your death, your Spouse must consent, in writing, to any other Beneficiary you name in accordance with Plan rules.

With respect to a Money Purchase sub-account, if that portion of your Account is *\$5,000 or less*, the Spouse to whom you were married at the time of your death will receive the value of such portion in a lump sum. If you wish to have this lump sum death benefit payable to someone other than your Spouse, you must be at least age 35 and your Spouse must consent, in writing, to any other Beneficiary you name.

In some cases, your surviving Spouse or Beneficiary may direct the Annuity Fund to make a direct rollover of part or all of her or his lump sum death benefits to an IRA or other qualified plan. See the Special Tax Notice printed at the back of this booklet for additional rules and details.

Pre-Retirement Joint and Survivor Annuity

With respect to a Money Purchase sub-account, if that portion of your Account is *more than \$5,000*, the Spouse to whom you were married at the time of your death will receive a Joint and Survivor Pre-Retirement Survivor Annuity unless an election is made by your Spouse as noted below. Under a Joint and Survivor Pre-Retirement Survivor Annuity, this portion of your Money Purchase sub-account will be used to purchase an annuity contract from an insurance company which will

provide your Spouse with a monthly benefit for her or his life with no further involvement from the Fund (See “Purchase of Annuity Contracts” on page 24). This Joint and Survivor Pre-Retirement Survivor Annuity will be the automatic form of payment for your Money Purchase sub-account unless you elect before your death to have such value paid in a lump sum and your Spouse consents to that election, in writing. Or, after your death, your Spouse may elect to receive a lump sum payment in lieu of this pre-retirement death benefit due to her or him.

If you waive the Joint and Survivor Pre-Retirement Survivor Annuity with respect to your Money Purchase sub-account, you should be aware that the consent of your Spouse applies only with respect to the elections currently being made. In other words, if you want to name another beneficiary of a lump sum benefit at a later date, you must complete another form and obtain your Spouse’s written consent again.

Post-Retirement Death Benefits

If you die while receiving payments under a Joint and Survivor Annuity, your surviving Spouse will continue to receive 50%, 75% or 100% of the monthly benefit for her or his life – depending upon the form of annuity you elected. Note that if you are not survived by the Spouse to whom you were married when the Joint and Survivor Annuity initially began, no further monthly payments will be made.

If you die while receiving installment payments from your Account, your Beneficiary will continue to receive the installments until the Account is exhausted. If your Beneficiary so chooses, the amount remaining in the Account may be paid in a lump sum.

If you die while receiving payments under a Ten Years Certain and Life Annuity, but had not yet received 120 monthly payments, the monthly payments will continue to your Beneficiary until a total of 120 payments have been made. If you die after receiving 120 monthly payments, no further payments will be made.

NAMING A BENEFICIARY

If you are married under applicable state law, your Spouse is automatically considered your Beneficiary. You may name another person as a Beneficiary if your Spouse consents, in writing, by completing a Waiver of Pre-Retirement Surviving Spouse Annuity Benefit form, which a Fund Office can provide to you. Because of this automatic designation, it is critical to initially notify the Fund of your marital status, and also notify the Fund of any changes to that status.

If you are not married, you may name any person or persons as Beneficiary to receive payments due upon your death, as provided for in the Plan.

If you, with your Spouse’s consent, if applicable, name a minor child as your Beneficiary, the Fund will distribute payments to an account in the name of an adult, for the benefit of the minor, and subject to the jurisdiction of an applicable state court or to the applicable state’s Uniform Transfers to Minors Act.

Please be aware that the Fund will always honor the most recent, and properly completed, beneficiary designation form on file with a Fund Office prior to your death (even if made under the RICAF or the NCAF), except where that designation is overridden by the legal requirement to pay Fund death benefits to the Spouse to whom you were married at the time of your death in situations where the Fund has been made aware of such Spouse.

Changing Your Beneficiary Designation

You can change your Beneficiary designation at any time provided that if you are married, you must obtain the written consent of your Spouse.

It is very important that you keep your beneficiary forms updated with any changes, and such forms may be obtained from a Fund Office. In order for a beneficiary designation form to be effective, it must be properly completed in its entirety and filed with a Fund Office prior to your death. If a designation of beneficiary form is not on file with a Fund Office at the time of your death, or if such designation is defective for any reason, then if you were married at the time of your death your Spouse will be eligible to receive any death benefits provided by the Plan (this assumes that you have properly notified a Fund Office of your marriage as noted directly below). If you do not have a Spouse, then your estate will be eligible to receive any death benefits provided by the Plan.

Keep in mind that you must *always* keep one of the Fund Offices informed of your current marital status. If you delay in informing a Fund Office that you have married or divorced, as the case may be, the Fund's records will only reflect the last status update that you provided. Also, in some situations, a state court with jurisdiction over estates will issue an order which allows the Fund to pay death benefits to individual(s) named in the order. The Fund may honor such an order.

Lastly, if a death benefit – payable in the event of your death or the death of a surviving Spouse or other Beneficiary – is payable to an estate and an Application for Benefits has not been filed within three (3) months after death, the Trustees may decide to pay the death benefit to any one or more of the deceased person's surviving relatives. For a deceased Participant that would be: child or children, mother or father, brother(s) or sister(s), and for a deceased Beneficiary that would be: widow, widower, child or children, mother or father, brother(s) or sister(s).

HARDSHIP WITHDRAWALS

You may be eligible to withdraw up to 50% of your Profit Sharing sub-account balance to cover expenses incurred by you due to a financial hardship. Your Profit Sharing sub-account balance is described in more detail on pages 8 and 9, and in the definitions section. Depending upon the circumstances, hardship withdrawals may be paid to you directly or via a joint check.

You must represent to the Annuity Fund in writing that you have insufficient cash or liquid assets that are reasonably available to you to satisfy the applicable financial hardship. The minimum withdrawal amount is **\$1,000** and you may not receive more than **\$70,000** in hardship withdrawals on a combined basis over your lifetime, including amounts withheld for taxes. Some hardship withdrawals are limited to once in a lifetime. If you are married, your Spouse must consent, in writing, to any hardship withdrawal.

Requests for hardship withdrawals must be approved by the Trustees or their delegate(s), and they are subject to uniform rules adopted by the Trustees. Your complete Application for a hardship withdrawal must be received by the deadline (usually one week prior to the date where approvals are considered) in order to be processed during that month. You must provide proper backup and verification to support your claimed hardship(s). If the Trustees were to accept incomplete or inaccurate information in order to grant your request, the Plan could risk losing its tax-qualified status. If you submit an incomplete Application or a Fund Office requests additional verification from you, the Fund will “pend” consideration of your Application until it is complete. The policies may require:

- Payment of the hardship amount in a joint check - for example, to you and your landlord or lender, or to you and the educational institution, or to you and your medical provider or to you and the IRS.
- Specific documentation - as examples, eviction notice from your landlord, foreclosure notice from your lender, invoices from colleges, and a signed contract to purchase a home.

If you submit a hardship withdrawal application that is materially incorrect in any way, you will be immediately ineligible to take any future hardship withdrawals in your lifetime. In addition, you will not be eligible for a hardship withdrawal if you or any of your family has any ownership interest in an employer that has or ever had any unresolved delinquency contributions, interest, or costs owed to the Fund or related benefits funds, even if that delinquency was deemed uncollectible.

Subject to the rules above, you may apply for a hardship withdrawal for any one or more of the following purposes, and examples of acceptable proof are provided:

- (A) **MEDICAL EXPENSES** – payment of medical expenses incurred by the Participant, Spouse or dependent not covered by another party such as an insurance plan, employee health plan or governmental plan, as well as amounts necessary to enable such an individual to obtain medical care, which may include up to eighteen (18) months of COBRA premiums or up to twelve (12) months of self-pay premiums for coverage under the North Atlantic States Carpenters Health Benefits Fund. **The evidence which must be submit-**

ted includes itemized statements for medical services or one or more Explanation of Benefit forms showing unpaid amounts, amounts required to be paid for medical care and COBRA or self-pay documentation.

If your hardship request is for the payment of outstanding medical bills, you must complete an Authorization Form to Disclose Protected Health Information and submit it with your application.

- (B) **TUITION AND ROOM & BOARD EXPENSES** up to the next twelve months – for the Participant, Spouse or dependent for attendance at an accredited educational institution beyond high school. **The evidence which must be submitted is a bill or receipt from the school which indicates the amount required for tuition and/or room & board.** Note that repaying student loans are NOT allowed as a hardship under this category, and the Fund requires that the educational institution must be accredited by U.S. Department of Education’s Office of Postsecondary Education.
- (C) **EXPENSES OF PURCHASING A HOME** (other than mortgage payments) which will be the Participant’s primary residence. **The evidence which must be submitted is a copy of the mortgage commitment and a sales contract signed by both the buyer and seller.**
- (D) **AVOIDANCE** of a mortgage foreclosure on a primary residence of the Participant or avoidance of eviction of the Participant from a rental property which is his or her primary residence. **The evidence which must be submitted consists of a recent: (1) mortgage statement from the Participant’s lender which documents the mortgage is in arrears and the amount owed, or (2) notarized letter from the Participant’s Landlord or Property Manager which outlines that the Participant is late in his or her rent, the number of month(s) he or she is late, and a breakdown of the total amount owed.**

A hardship withdrawal to prevent eviction is limited to **once in a lifetime**.

Hardship withdrawals to prevent foreclosure are limited to **twice in a lifetime**.

- (E) **FUNERAL EXPENSES** – incurred by the Participant due to the death of his or her Spouse, child, brother, sister, parent, or Spouse’s parent. **The evidence which must be submitted is a bill or receipt addressed to the Participant indicating the amount required for the funeral expenses, along with a copy of the deceased person’s death certificate.**
- (F) **INCOME TAXES** – permitted **once in a lifetime** to cover overdue state or federal income taxes and related interest and penalties owed by a Participant. **The evidence which must be submitted is a past-due bill from the Internal Revenue Service or the applicable tax authority of the relevant State or Commonwealth (for example, the Connecticut Department of Revenue Services or Massachusetts Department of Revenue).** Note that amounts required to pay personal property taxes (e.g., real estate and/or motor vehicle) are NOT allowed as a hardship under this category.

- (G) **MILITARY SERVICE OUTSIDE OF NORTH AMERICA** – withdrawals to cover outstanding debts and anticipated reasonable living expenses for immediate family remaining at home. **The evidence which must be submitted are copies of applicable outstanding bills and bills for common living expenses, along with the Participant’s military orders.**

Please be aware that the Fund and its Trustees understand that in difficult economic times, you and your family may have very real and immediate financial needs, such as paying bills and expenses (electricity, oil, gas, food, etc.), buying needed items for your home (appliances, a furnace, a water heater, furniture, etc.) or paying off high interest credit cards, and auto loans. Unfortunately, unless your particular request can fall into at least one of the specific hardship conditions outlined above, the Fund cannot process it. The reason for this is that IRS rules only permit a tax-qualified retirement plan like our Annuity Plan to make hardship withdrawals in very limited circumstances. In short, the IRS will not permit the Annuity Plan to serve as a “bank account” or emergency fund, since its primary purpose is to provide you with retirement benefits.

Any lump sum amount paid to you as a hardship withdrawal will be subject to 10% federal income tax withholding unless you elect to have a different percentage or amount withheld. Subject to any election you may make on a properly completed state income tax withholding form which is provided to a Fund Office, the Annuity Fund will be required to withhold any mandatory state or local taxes.

Individuals who have all or a portion of a Participant’s Profit Sharing sub-account assigned to them, via a specific state court order known as a qualified domestic relations order or “QDRO,” are not eligible to take hardship withdrawals from the Fund Account which is established for them.

HARDSHIP LOANS

Hardship loans may be taken from your Money Purchase sub-account, your Profit Sharing sub-account, or both, and they are subject to the following rules and regulations.

Any hardship loan must be at least **\$1,000**, and you may apply to borrow up to a maximum of the **lesser of** (1) or (2):

- (1) \$50,000, reduced by the highest outstanding balance of Plan loans made from the Plan to you during the last 12 months, or
- (2) fifty (50) percent of the value of your Account as of the most recent Valuation Date.

Hardship loans are issued up to a maximum of five (5) years duration, provided that if a hardship loan is for the purchase of a home which is used as your principal residence (category (C), below), then the repayment period for such a loan may be a maximum of thirty (30) years. Anyone who applies for a hardship loan must provide the Fund with a properly executed original of the Fund’s standard promissory note and truth-in-lending statement.

The rate of interest on a hardship loan is equal to: (a) the prime interest rate as of the last business day of the calendar quarter preceding the calendar quarter in which your hardship loan is made, *plus* (b) one percent (1%). If you are married at the time your hardship loan is processed, then your Spouse must consent to such loan, in writing.

Hardship loans may be granted to pay for the following purposes, and examples of acceptable proof are provided:

- (A) **MEDICAL EXPENSES** – payment of medical expenses incurred by the Participant, Spouse or dependent not covered by another party such as an insurance plan, employee health plan or governmental plan, as well as amounts necessary to enable such an individual to obtain medical care. **The evidence which must be submitted includes itemized statements for medical services or one or more Explanation of Benefit forms showing unpaid amounts, or amounts required to be paid for medical care.**

If your hardship loan request is for the payment of outstanding medical bills, you must complete an Authorization Form to Disclose Protected Health Information and submit it with your application.

- (B) **TUITION AND ROOM & BOARD EXPENSES** up to the next twelve months – for the Participant, Spouse or dependent for attendance at an accredited educational institution beyond high school. **The evidence which must be submitted is a bill or receipt from the school which indicates the amount required for tuition and/or room & board.** Note that repaying student loans are NOT allowed as a hardship loan under this category, and the Fund requires that the educational institution must be accredited by U.S. Department of Education’s Office of Postsecondary Education.
- (C) **EXPENSES OF PURCHASING A HOME** (other than mortgage payments) which will be the Participant’s primary residence. **The evidence which must be submitted is a copy of the mortgage commitment and a sales contract signed by both the buyer and seller.**
- (D) **AVOIDANCE** of a mortgage foreclosure on a primary residence of the Participant or avoidance of eviction of the Participant from a rental property which is his or her primary residence. **The evidence which must be submitted consists of a recent: (1) mortgage statement from the Participant’s lender which documents the mortgage is in arrears and the amount owed, or (2) notarized letter from the Participant’s Landlord or Property Manager which outlines that the Participant is late in his or her rent, the number of month(s) he or she is late, and a breakdown of the total amount owed.**
- (E) **FUNERAL EXPENSES** – incurred by the Participant due to the death of his or her Spouse, child or other dependent, parent, or Spouse’s parent. **The evidence which must be submitted is a bill or receipt addressed to the Participant indicating the amount required for the funeral expenses, along with a copy of the deceased person’s death certificate.**

The Trustees, or their delegate(s), are the sole and absolute judges of whether acceptable proof for a hardship loan has been provided to the Fund. You may not have more than one (1) hardship loan outstanding from the Plan at a time.

There are fees associated with hardship loans, including a loan initiation fee (which is \$125 as of the date this booklet was printed), an annual loan maintenance fee (which is \$50 as of the date this booklet was printed) and, in the event of default, a loan default fee (which is \$125 as of the date this booklet was printed). These fees are subject to change in the future, and they will be charged against your Account.

Also, if you have an outstanding hardship loan at a time when you are otherwise eligible for a distribution from the Plan (for example, due to retirement, Break in Service or an in-service distribution) and you elect to receive such a distribution from the Plan, **please be aware that the outstanding balance of your hardship loan will be taken into account in processing your distribution and the outstanding hardship loan balance will be reported as taxable income to you.** The Fund would apply the distribution to the outstanding hardship loan first and then the remaining balance would be paid to you as a distribution.

You are responsible for submitting timely hardship loan repayments to the Fund. If you miss a payment, and do not make it up by the last day of the calendar quarter following the quarter in which the payment was due, then the *entire* outstanding hardship loan balance will be reported to the Internal Revenue Service as a distribution which will be subject to income tax in the year of default. Other events of default include: (1) you are involved in any bankruptcy, insolvency or debtor relief proceeding, or (2) your death. You would also be subject to pay an additional 10% tax on early distributions if you are under age 59 ½. If you default on a hardship loan for *any reason*, then you will not be eligible to receive a future hardship loan from the Plan ever again.

Requests for hardship loans must be approved by the Trustees or their delegate(s), and they are subject to uniform rules adopted by the Trustees. Your complete application for a hardship loan must be received by the deadline indicated on the application form. You must provide proper backup and verification to support your claimed hardship(s). Please note that you may submit your properly completed hardship loan application and backup documents to either the Connecticut or New York Fund Offices utilizing the contact information on page 23. Once an application packet is received and reviewed, you will be provided with the required truth-in-lending statement and promissory note. Once you return the properly completed truth-in-lending statement and promissory note to a Fund Office, your hardship loan will be processed during the Fund's next scheduled monthly check run. Please keep in mind that hardship loans may take between 30 to 60 days to process assuming all of your documentation is in order. If you have any additional questions regarding hardship loans, please contact one of the Fund Offices.

IN-SERVICE DISTRIBUTION OPTION

If you are a Participant who has attained at least age 59 ½, you have a Profit Sharing sub-account, you are not receiving retirement benefits from the Plan and you have completed a period of participation in the Plan of at least twenty (20) consecutive years (which will consider your participation in this Plan, the Empire State Carpenters Annuity Plan, the Northeast Carpenters Annuity Plan, and/or the Rhode Island Carpenters Annuity Plan), then you may apply to receive an in-service,

lump sum distribution of all or a portion of your Profit Sharing sub-account. You may not receive more than one (1) distribution of this type during any specific calendar year, and the lump sum payment form is the only form permitted.

There is also a special grandfather rule for those current Fund Participants who: (a) were previously participants in the NCAF, (b) had at least sixty (60) consecutive months of participation in the NCAF (including any participation in the prior Empire State Carpenters Annuity Plan) as of January 1, 2018, and (c) had a profit sharing account under that NCAF as of January 1, 2018 (known as a “2018 NCAF Profit Sharing Account”), then that Participant may elect, with his or her Spouse’s consent (if applicable), to receive a lump sum of all or a portion of such 2018 Profit Sharing NCAF Account as an in-service distribution. Fund Participants who qualify under this grandfather rule may not receive more than one (1) distribution of this type during any specific calendar year, and the lump sum payment form is the only form permitted.

Note that if you have a hardship loan outstanding under the terms of the Plan and you are eligible for, and elect to receive, an in-service distribution from the Plan, then you will not be permitted to maintain that hardship loan as stated in the Plan.

APPLICATION FOR BENEFITS; THE FUND OFFICES

Payments from the Annuity Plan begin as soon as practicable after an Application for Benefits has been filed and approved by the Trustees or their delegate(s). Your complete Application must be received by the deadline (usually one week prior to the date when approvals are considered) in order to be considered in that month, but keep in mind that the application process for hardship withdrawals and hardship loans is usually longer because additional documentation regarding your hardship is required. If you submit an incomplete Application or we need additional verification from you, we will “pend” consideration of your Application until it is complete. Annuity and installment payments are made as of the first day of the month after approval.

The first step in obtaining benefits is to request, in writing or by phone, an Application for Benefits from a Fund Office. The Fund currently has two separate administrative offices, and the relevant contact information for each office is as follows:

In Connecticut: North Atlantic States Carpenters Annuity Fund
10 Broadway
Hamden, CT 06518-2699

Tel: (203) 281-5511 / 800-922-6026 (toll free)
Fax: (203) 230-2457

In New York: North Atlantic States Carpenters Annuity Fund
270 Motor Parkway
Hauppauge, NY 11778-5150

Tel: (631) 952-9700, Option 5
Fax: (631) 952-9813

You may also obtain an Application for Benefits by downloading it from the website address given on the cover letter at the front of this booklet. You should complete all applicable sections of the Application and forward it to the Fund Office in your area at least one month (30 days) before the expected month that you wish any payment(s) to start. You may be asked to send proof of your date of birth or any other fact related to your Application, such as other evidentiary documents (e.g., a copy of your Social Security Disability Award if you are applying as a Disabled Participant, applicable proof of a hardship for a hardship withdrawal or hardship loan, etc.).

With respect to death benefits, the Beneficiary must submit the Application for Death Benefits provided by a Fund Office, together with acceptable proof of the Participant’s death, such as a death certificate.

PURCHASE OF ANNUITY CONTRACTS

A distribution of benefits from the Fund in a form that is payable over your lifetime, or payable over two lifetimes, will require the purchase of an annuity contract from an insurance company.

If you elect to have any portion of your Fund benefits paid in the form of a Joint and Survivor Annuity or a Ten Years Certain and Life Annuity, then the applicable value of your Account to be paid in that form will be applied to purchase a nontransferable annuity contract which will be distributed to you (and possibly your surviving Spouse as discussed on pages 12 and 13 if the Joint and Survivor Annuity form is elected) and you will receive monthly payments directly from the insurance company with no further involvement from the Fund.

WITHHOLDING AND OTHER TAX MATTERS

You may want to consult with your tax advisor or other financial professional regarding the tax treatment of distributions you may receive under the Annuity Fund, as well as potential tax penalties for early or late distributions. The Trustees and the Fund Offices cannot give tax advice. Keep in mind that it is smart to be prepared for your tax obligations and you may incur tax penalties if you do not have enough withheld from your distribution.

Income Tax Withholding

Generally, amounts distributed from the Annuity Fund are taxed as ordinary income, unless they represent a return of already-taxed voluntary contributions. You are responsible for your own financial planning and/or tax planning decisions and neither the Fund nor any of its employees, agents or Trustees are responsible, in whole or in part, for any tax withholding.

Under certain circumstances, you may defer payment of taxes by “rolling over” all or part of a lump sum payment or certain installment payments to an IRA or other qualified plan.

An IRS Form 1099 will be issued for all distributions, even those that are rolled over.

All payments and death benefits payable under the Annuity Plan in excess of minimum levels set by the IRS are subject to federal income tax withholding. In some cases – for example, lump sum payments to you or your spouse and certain installments to you or your spouse – withholding is mandatory at a level of 20% unless all or part of the distribution is directly rolled over to an IRA or other qualified plan. In other cases – for example, IRS required minimum distributions (RMDs) and hardship withdrawals – you may elect income tax withholding.

Here are some general rules about income tax withholding that may apply to you:

1. 20% must be withheld from most lump sum distributions. You have no choice.
2. 10% will be withheld from hardship withdrawals unless you make a different election.
3. 10% will be withheld from any Required Minimum Distribution unless you make a different election.
4. 20% must be withheld from installment payments if they will be made for fewer than 10 years.
5. 10% will be withheld from installment payments if they will be made for 10 or more years unless you make a different election.
6. Nothing (0%) will be withheld from a hardship loan, as a hardship loan is not treated as a distribution unless certain other events occur (for example, such hardship loan is not paid back on a timely basis, another default event happens or you elect to receive another distribution to which you are entitled).

If federal withholding is optional, you, your Spouse or Beneficiary may elect not to have taxes withheld from monthly benefits by filing an applicable IRS Form (W4-P or W-4R). While income tax withholding rules vary from state to state, Connecticut generally requires mandatory withholding from retirement benefit payments to Connecticut residents at a 6.99% rate (withholding elections are made on Connecticut Form CT W4-P). You are encouraged to file any appropriate

withholding election form(s) with one of the Fund Offices. Your election will become effective as soon as possible after a Fund Office receives your form and, assuming you are permitted to do so by law, you may revoke the election at any time by simply filing a new form with a Fund Office.

Printed at the end of this booklet is a Special Tax Notice published by the IRS that covers the details of the federal tax rules that may apply to your Annuity Fund distribution (state tax rules are NOT covered). You may want to share this with your tax advisor.

Penalties for Early Distribution

A distribution – including a hardship withdrawal – before you reach age 59 ½ may result in an extra tax equal to 10% of the amount of the distribution. This penalty is not imposed in certain circumstances, such as if:

- The early distribution is made on account of your death, or
- You work steadily through age 55, and retire with the North Atlantic States Carpenters Pension Fund, and then receive a distribution, or
- You are totally and permanently disabled with a Social Security Disability Award, or
- The payment is to an alternate payee as required by a QDRO.

Payments made under the Joint and Survivor Annuity will not incur the penalty. Other exemptions may apply to early retirement.

Again, you may want to consult with your tax advisor or other financial professional, and review the Special Tax Notice printed at the end of this booklet, before electing to receive any distribution from the Annuity Plan. As stated earlier, the Annuity Fund cannot give tax advice and any reference in this booklet or the Special Tax Notice is not intended to be construed as such. You should consult with an attorney, tax advisor, or other financial professional for tax advice.

Distributions of Voluntary Contributions and Earnings

When you are entitled to a distribution from your Account, you will be asked to make a separate election regarding your Voluntary Account.

If you do not make a specific Voluntary Account election, your general election will control payments from your Regular and Voluntary Accounts. Voluntary contributions will not be taxed when distributed – since they were made with after-tax dollars – but earnings on those voluntary contributions will be taxable. An Application for voluntary contributions can be obtained by calling a Fund Office or by downloading one from the website address located on the cover letter at the front of this booklet.

The law requires the Fund to allocate a proportionate share of each benefit payment into taxable and nontaxable amounts, if applicable. This will be reported to you and the IRS as of the end of each calendar year on the appropriate government form.

APPEAL PROCESS

If your application for a benefit is denied by the Trustees you will be informed, in writing and in a timely manner as required by law, of the reasons why you are not eligible and what, if anything, you can do to become eligible. The written decision will also provide you with other information as required by law, including the Plan's appeal procedure which is outlined below.

If you believe you have met the requirements of the Plan to be eligible for a benefit, or you question the determination of the amount of the benefits you are awarded, you may appeal to the Trustees for a review of your claim. You also may review pertinent documents at a Fund Office and obtain copies if you pay a reasonable charge.

The appeal must be in writing and should state clearly all facts, arguments and reasons you know or should know why your benefit should not be denied. The appeal must be received by the Trustees within: (a) 90 days after the date you receive the notice denying your benefit, or (b) 180 days after the date you receive the notice which determines that you are not a Disabled Participant. If the appeal is not filed within the required 90-day or 180-day period, as applicable, you will lose the right to a review of your claim. If your appeal does not raise facts that you know or should know, you cannot raise those facts later.

A decision will be made by the Trustees – or may be delegated to a subcommittee of the Trustees – at:

- Their next meeting after receipt of the appeal, or
- The second meeting after receipt if the appeal is received within 30 days before the next meeting.

If there are special circumstances that require an extension of time for processing, the decision will be rendered as soon as possible, but not later than the third Trustees' meeting after the appeal is received.

The decision on appeal will be in writing and include the specific reason(s) for the determination, reference(s) to the specific Plan provision(s) on which the determination is based, a statement that you are entitled to receive reasonable access to and copies of all documents relevant to your application and claim for benefits, upon request and free of charge, and a statement of your right to bring a civil action under federal law, specifically ERISA §502(a) (29 U.S.C. §1132(a)).

Special Rules Regarding Appeals Involving Disabled Participants

If an appeal is partially or wholly denied which involves the determination of a disability (for our Plan, this would be whether you are a Disabled Participant), the denial will comply with applicable U.S. Department of Labor regulations, including §2560.503-1(o). Also, to the extent applicable, the decision would include the following:

- an explanation of the basis for disagreeing with the disability determination made by the Social Security Administration; and

- any specific internal rules, guidelines, protocols, standards or other similar criteria of the Fund relied upon in making the decision, or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Fund do not exist.

In addition, if your appeal of the Trustees' decision is denied, you may make a written request within 90 days after you receive the denial to have a hearing before one arbitrator. The rules of the American Arbitration Association and reasonable procedures established by the Trustees will apply. You must begin this voluntary arbitration procedure within the 90-day period. The arbitrator's decision will not be binding on the Trustees or on you in any later lawsuit involving your claim or any other claim.

In all appeal situations, the Fund will comply with all applicable U.S. Department of Labor rules and regulations.

This procedure must be followed by anyone who believes he was not given proper consideration for benefits provided by the Plan.

QUALIFIED DOMESTIC RELATIONS ORDERS (“QDROs”)/ASSIGNMENT OF BENEFITS

In general, any assignment of benefits is prohibited by a Federal law, known as the Employee Retirement Income Security Act of 1974 (ERISA), which regulates employee pension and annuity plans such as our Plan. However, this prohibition does not apply if your Account becomes subject to:

- A qualified domestic relations order (QDRO), which assigns all or a portion of your Account to an “alternate payee,”
- A tax levy issued by the IRS, or
- Any other order allowed by ERISA or the Internal Revenue Code.

The Fund has procedures governing QDROs, including a sample form of QDRO acceptable to the Fund. You, your Spouse or your former spouse may obtain a copy of those procedures, without charge, by calling a Fund Office or by downloading the procedures and form from the website listed on the cover page printed in this booklet.

The Fund charges a flat fee to cover some of the expenses associated with determining whether a domestic relations order, which is normally issued in connection with a divorce, is qualified. When a domestic relations order is submitted to the Annuity Fund, a flat fee of \$150 (if the Fund’s standard QDRO form is utilized) or \$250 (if the Fund’s standard QDRO Form is *not* utilized) will be charged directly to your Account in the Fund unless the order expressly requires a different allocation.

ADDITIONAL IMPORTANT INFORMATION REGARDING QDROs

Please be aware that QDROs are not automatically provided to the Fund for processing by attorneys or state courts. You, an alternate payee, a legal representative, or some other individual must provide the court order to one of the Fund Offices so that the Plan can process it and take appropriate action.

Assuming a Fund Office receives an order that involves your Account and meets all applicable legal rules to be a QDRO, you, any alternate payee(s) and the applicable legal representatives will be notified of its impact on your Fund Account, and the Fund will take appropriate action to honor the QDRO. Also, under the Plan *an alternate payee is not eligible to receive a distribution of his or her assigned interest in the Fund until the date on which the applicable Plan Participant would attain his or her “earliest retirement age,” as defined by the Internal Revenue Code.* Participants and alternate payees routinely believe that an alternate payee can automatically receive a distribution of his or her assigned interest in the Fund at any time, and this is simply not the case. Plan rules also provide that alternate payees are not eligible to take hardship withdrawals or hardship loans with respect to his or her assigned interest in the Fund.

AUTOMATIC PAYMENT TO THE HEALTH BENEFITS FUND FOR RETIREE COVERAGE

The Fund may permit you to direct that a part of your monthly payments from the Annuity Fund be used to pay your share of the cost of your retiree coverage under the North Atlantic States Car-

penters Health Benefits Fund. Call one of the Fund Offices for forms and details of this voluntary, revocable option.

OVERPAYMENTS/MISTAKENLY MADE PAYMENTS; RECOVERY BY THE FUND

If the Plan pays too much to you, your Spouse, your Beneficiary, an alternate payee or any other entity (such as your estate), or pays someone who is not entitled to a benefit for any reason, you, that person or that entity (the “payee”) must reimburse the Plan the amount which was overpaid or mistakenly paid. You or any other payee receiving any overpayment or any mistaken payment must notify a Fund Office *immediately* upon receipt.

The Trustees have the right to recover any such overpayment or mistaken payment, plus interest, at a rate determined by them. Recovery may be made by reducing other benefit payments made to or on behalf of the payee who received the overpayment or mistaken payment, or by such other methods as the Trustees, in their full authority and discretion, determine to be appropriate. You or any other payee shall also reimburse the Plan for attorneys’ fees and all other expenses which may be incurred by the Plan in collecting the overpayment(s) or mistaken payment(s).

PLAN RULES THAT APPLY TO YOU

Generally, the Plan rules in effect when you last worked in Covered Employment are the rules that will apply to you. There can be limited exceptions, such as if a change to a Plan rule is mandated by applicable federal law.

AMENDMENT/TERMINATION OF THE ANNUITY PLAN

Although the Board of Trustees intends to continue the Annuity Plan indefinitely, the future of the Plan will be determined by the terms of the Collective Bargaining Agreements and by conditions relating to the income and expenses of the Fund.

The Trustees have the right under the terms of the Annuity Plan and its related Agreement and Declaration of Trust to amend or terminate the Annuity Plan at any time. In the event of termination of the Annuity Plan or complete discontinuance of contributions, the Trustees may continue the Fund until all amounts are distributed in accordance with the Annuity Plan, or terminate the Fund and distribute a pro-rata share of the net assets to all Participants and Beneficiaries having an account on the date of termination. Each Participant or Beneficiary will have nonforfeitable rights to his or her Account to the extent funded, after providing for all of the expenses of the Plan, including termination expenses.

ERISA

Your Rights

As a Participant in the Plan, you have certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), as follows:

- You are entitled to request, in writing, and to examine at the Fund Offices, all Annuity Plan documents* between 10:00 a.m. and 4:00 p.m. Monday through Friday, except holidays. You may request copies of Annuity Plan documents at a photocopying cost to you of \$0.25 per page.
- You must receive a summary of the Annuity Plan's annual financial report.
- If your claim for a benefit is denied, you must receive a written explanation of the reason why your claim was denied and copies of documents relating to the decision.
- If you request it on time, the Board of Trustees must review and reconsider your claim.

* Plan documents include the North Atlantic States Carpenters Annuity Plan (as currently amended through March 2022), the North Atlantic States Carpenters Annuity Fund Agreement and Declaration of Trust, all applicable collective bargaining agreements and all documents filed by the Trust Fund with the U.S. Department of Labor.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Fund Participants, ERISA imposes duties upon the people who are responsible for the operation of the Annuity Plan. The people who operate your Annuity Plan, called "fiduciaries" of the Fund, 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, may fire you or otherwise discriminate against you in any way to prevent you from obtaining an Annuity Plan benefit or exercising your rights under ERISA.

Enforcing Your Rights

If your claim for an Annuity Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a 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 which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Annuity Fund's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the Fund's money, 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. The court will decide who

should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact one of the Fund Offices. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from a Fund Office, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

LEGAL INFORMATION

North Atlantic States Carpenters Annuity Fund	
Name and address	North Atlantic States Carpenters Annuity Fund <i>Connecticut Fund Office:</i> 10 Broadway Hamden, CT 06518-2699 <i>New York Fund Office:</i> 270 Motor Parkway Hauppauge, NY 11778-5150
Effective Date	April 1, 1979
Plan number assigned by the Board of Trustees	001
Employer Identification Number (EIN) assigned by the Internal Revenue Service (IRS)	06-1308364
Type of plan	Profit Sharing Plan
Type of Administration	Joint Board of Trustees
Plan Administrator	Board of Trustees
Executive Director and Agent for Service of Legal Process	Richard S. Monarca North Atlantic States Carpenters Annuity Fund 10 Broadway Hamden, CT 06518-2699
Source of contributions to the Annuity Fund	1. Individual contributing employers at rates established by Collective Bargaining Agreements or participation agreements 2. Participant voluntary contributions

Write to a Fund Office if you want to:

- Find out if a particular employer or employee organization is a Contributing Employer.
- Get the address of the contributing employer.
- Get a copy of Collective Bargaining Agreements that may apply to you at a cost to you of \$0.25 per page.

Fiduciaries

The people who are responsible for the operation of the Annuity Fund are called “fiduciaries” of the Plan. They are the Board of Trustees of the Annuity Fund. Because Trustees often retire, and/or resign their positions and replacement Trustees are appointed, you are encouraged to contact a Fund Office should you wish to obtain a list of the current Trustees of the Fund. As of March 2022, the individuals in the list on the following page make up the Fund’s Board of Trustees:

Board of Trustees

Under the terms of the Trust Agreement, the Board of Trustees has equal representation from union and management. Any member of the Board is an agent for service of legal process, and may be reached at the address shown below.

UNION TRUSTEES

Christopher Austin
North Atlantic States Regional
Council of Carpenters
1159 Maryvale Drive
Cheektowaga, NY 14225

William Banfield
North Atlantic States Regional
Council of Carpenters
52 Stone Castle Road
Rock Tavern, NY 12575

Joseph Byrne
North Atlantic States Regional
Council of Carpenters
750 Dorchester Avenue
Boston, MA 02125

Michael Holmes
North Atlantic States Regional
Council of Carpenters
14 Jefferson Park Road
Warwick, RI 02888

James Mason
North Atlantic States Regional
Council of Carpenters
6920 Princeton Court
Syracuse, NY 13212

Marc Okun
North Atlantic States Regional
Council of Carpenters
500 Main Street
Yalesville, CT 06492

Jeff Wolcheski
North Atlantic States Regional
Council of Carpenters
500 Main Street
Yalesville, CT 06492

MANAGEMENT TRUSTEES

John W. Butts
AGC/CCIA
912 Silas Deane Highway
Wethersfield, CT 06109

James L. Carr, III
H. Carr & Sons, Inc.
100 Royal Little Drive
Providence, RI 02904

John DeLollis
Association of Wall, Ceiling & Carpentry
30 Jericho Executive Plaza, Suite 700C
Jericho, NY 11753

Joseph Epifano
Epifano Builders, Inc.
180 Wampus Lane
Milford, CT 06460

Todd Helfrich
Eastern Contractors Association
6 Airline Drive
Albany, NY 12205

Alan Seidman
Construction Contractors Assoc.
of Hudson Valley
330 Meadow Avenue
Newburgh, NY 12550

ALTERNATE NY MANAGEMENT TRUSTEES (2)

Earl R. Hall
Construction Employers
Association of CNY
6563 Ridings Road
Syracuse, NY 13206

Second Alternate to be appointed

Claims and Appeals

If you are denied, in whole or part, any benefits under the Plan, please refer to the sections in this booklet entitled Application for Benefits and Appeal Process.

Plan Termination

The Trustees may change the terms of the Annuity Plan whenever they feel it's in the best interests of the Annuity Fund's Participants and Beneficiaries to do so. The Annuity Fund's Trust Agreement provides that all amendments must be in writing and adopted by a specified vote of the Trustees. Changes may be made at any time and without advance notice to anyone.

Changes might mean that certain groups are excluded from coverage, certain members may have to make contributions, benefits might be reduced or the Annuity Fund itself is terminated. No one is entitled to benefits beyond their vested benefits under the Annuity Fund.

The U.S. Department of Labor has set up the Pension Benefit Guaranty Corporation (PBGC) to insure the members and beneficiaries of certain types of retirement plans against losing their benefits if a plan terminates. The PBGC, however, does not insure profit sharing plans, such as this Plan.

Disclaimer

This booklet is a summary of the benefits offered by North Atlantic States Carpenters Annuity Fund. Every attempt has been made to ensure its accuracy. If the summaries of particular Plan features, administrative practices or benefit application procedures contained in this booklet are in conflict with the formal Plan documents, the formal Plan documents and approved administrative practices will prevail.

The full Board of Trustees has the full authority and discretion to interpret the Plan and this summary booklet. You should not rely on any individual or unofficial opinion about your coverage. You should not rely on any individual or unofficial opinion about your eligibility for participation in the Plan or any benefits that may be due you.

The Plan and any benefits are subject to amendment, reduction and/or termination without notice at the full discretion of the Board of Trustees.

PLAN TERMS - DEFINITIONS

The following are general definitions of terms used in this booklet to explain the Plan. Throughout this booklet, whenever the singular form of any word is used, it includes the plural, and if a masculine term is used it includes the feminine, and vice versa.

ACCOUNT. “**Account**” means the Regular Account, and if applicable, any Voluntary Account, established in the name of a Participant. When the term Account is used in this booklet, it will normally apply separately to a Participant’s Regular and Voluntary Account.

BENEFICIARY. “**Beneficiary**” means any individual, estate or other recipient entitled to receive death benefits under the terms of the Plan due to the death of a Participant.

BREAK IN SERVICE. A “**Break in Service**” occurs when a Participant, for a period of 6 or 12 consecutive calendar months (and 3 consecutive calendar months for those with a Rhode Island Money Purchase sub-account) and at the time of application for a distribution, as may be applicable:

1. Has not performed work requiring contributions to the Annuity Fund, and
2. Has not worked in a jurisdiction that reciprocated contributions to the Annuity Fund, and
3. Signs a Certification of No Work, and
4. Has not worked and is not working in any capacity, either self-employed or for any employer, that employs carpenters or subcontracts carpentry work anywhere in North America, and has not been and is not an officer, director, shareholder, full or part owner, partner, member, or principal of an employer that employs carpenters or subcontracts carpentry work anywhere in North America.

NOTE: If the Trustees or their delegate(s) have reasonable evidence or suspicion that you are working as described in item 4, a Fund Office may request that you provide proof of your employment during the previous 3, 6 or 12 months, as applicable. If you do not respond to that request promptly, your application for a distribution will be denied.

COLLECTIVE BARGAINING AGREEMENT. “**Collective Bargaining Agreement**” means a collective bargaining agreement or other written agreement approved by the Trustees which requires contributions to the Plan.

CONNECTICUT MONEY PURCHASE SUB-ACCOUNT. “**Connecticut Money Purchase sub-account**” means, for a current Plan Participant who was covered by this Plan prior to April 1, 1998, that Participant’s account balance in this Plan as of March 31, 1998, plus net investment results of this specific sub-account from April 1, 1998 forward, and less any allocable Plan expenses and/or administrative charges.

CONTRIBUTING EMPLOYER OR EMPLOYER. “**Contributing Employer**” or “**Employer**” means any entity which employs members of a Participating Local Union or other employees and contributes to the Fund on behalf of such members or other employees.

COVERED EMPLOYMENT. “**Covered Employment**” means work performed in a category of work covered by a Collective Bargaining Agreement for which a Contributing Employer is required to make contributions to the Fund.

DISABLED PARTICIPANT. “**Disabled Participant**” means a Participant who becomes permanently and totally unable to work for any Contributing Employer. When applying for a distribution as a Disabled Participant, you must submit a copy of a Social Security Disability Award and you must certify to the Trustees that you cannot, and will not, work in the carpentry trade.

EMPLOYEE. “**Employee**” means carpenters or other employees whose employers are required to make contributions to the Plan on their behalf. The term also includes:

1. Connecticut, New York or Rhode Island officers, agents, or employees of the North Atlantic States Regional Council of Carpenters, and
2. Connecticut, New York or Rhode Island employees of a Participating Local Union, and
3. Employees of the Fund, the North Atlantic States Carpenters Pension Fund, the North Atlantic States Carpenters Health Benefits Fund or of other organizations established under the Labor Management Relations Act which are exempt from taxation under the Internal Revenue Code, and
4. Certain superintendents who are carpenters employed by a Contributing Employer but who may not be working exclusively in a category of work covered by a Collective Bargaining Agreement.

However, the Trustees of the Fund must approve participation by anyone listed in items 1 through 4.

FUND. The “**Fund**” means the North Atlantic States Carpenters Annuity Fund.

JOINT AND SURVIVOR ANNUITY. “**Joint and Survivor Annuity**” means an annuity contract that provides a monthly benefit to a married Participant for the Participant’s life based on his or her Money Purchase sub-account with a percentage of such monthly benefit (50%, 75% or 100% as selected by the Participant, with the consent of his or her Spouse, if applicable) to continue to the Participant’s Spouse to whom the Participant was married when the Joint and Survivor Annuity commenced upon the Participant’s death.

NCAF. “**NCAF**” means the Northeast Carpenters Annuity Fund, which is a tax-qualified multiemployer defined contribution plan which engaged in an asset and liability transfer with this Plan effective as of January 1, 2020. Pursuant to that asset and liability transfer, participants who resided in New York, as well as any beneficiaries of a deceased participants who had resided in New York, had their then existing NCAF account balances as of December 31, 2019 transferred to this Plan.

NORTHEAST MONEY PURCHASE SUB-ACCOUNT. “**Northeast Money Purchase sub-account**” means, for a current Plan Participant who was previously covered by the NCAF, that Participant’s account balance in the NCAF, *if any*, that was: (1) a New Jersey Money Purchase sub-account (which generally consisted of the value of this specific sub-account through January 31, 2009), plus net investment results of this specific sub-account from February 1, 2009 forward, and less any allocable Plan expenses and/or administrative charges, and/or (2) an Empire Restricted sub-account (which generally consisted of the value of this specific sub-account as of December 31, 2015), plus net investment results of this specific sub-account from January 1, 2016 forward, and less any allocable Plan expenses and/or administrative charges.

PARTICIPANT; NEW YORK PARTICIPANT. “**Participant**” means an employee for whom contributions to the Plan are required to be made by a Contributing Employer, and who meets the requirements outlined in this booklet to participate in the Plan. The term also includes any former Participant who is otherwise entitled to receive payments from the Plan. Also, in specific sections of this booklet, the term “**New York Participant**” is utilized. As the context requires, that term may mean a current Plan Participant who works in Covered Employment in New York and who solely has a Trustee-directed Account in this Plan, or it may mean a current Plan Participant who was formerly a Participant in the NCAF at the time of the Fund’s asset and liability transfer with the NCAF (as of January 1, 2020) who continues to maintain a grandfathered Participant-directed Account in this Plan and who may, or may not, have a Trustee-directed Account.

PARTICIPATING LOCAL UNION. “**Participating Local Union**” means one or more local union of the United Brotherhood of Carpenters and Joiners of America with jurisdiction over some or all of: (1) Connecticut, (2) New York, or (3) Rhode Island, along with their successors and assigns, the North Atlantic States Regional Council of Carpenters, any Regional Council of Millwrights, and any other local union of the United Brotherhood of Carpenters and Joiners of America located in Connecticut, New York or Rhode Island (or an organization representing such local union(s)) which has negotiated a Collective Bargaining Agreement providing for Employer Contributions to the Trust Fund and which is accepted by the Trustees as a participating employer to the Trust Fund.

PLAN YEAR. “**Plan Year**” means the time period January 1st through December 31st of each year.

PROFIT SHARING SUB-ACCOUNT. “**Profit Sharing sub-account**” means, for any Plan Participant, that portion of his or her total account balance which is not a Connecticut Money Purchase sub-account, a Rhode Island Money Purchase sub-account and/or a Northeast Money Purchase sub-account, plus net investment results of this specific sub-account and less any allocable Plan expenses and/or administrative charges. Be aware that any Employer contributions made on behalf of a Participant to this Plan for work performed in Covered Employment on or after January 1, 2018 would be placed in such Participant’s Profit Sharing sub-account.

QDRO. “**QDRO**” means a Qualified Domestic Relations Order, which is a court judgment, decree or order which recognizes the rights of a Spouse, former spouse or child of a Participant to receive all or a part of such Participant’s Annuity Fund Account, and which is determined by the Fund to meet all applicable legal requirements. Most often, a QDRO is issued as part of divorce proceedings, but a QDRO can also be issued as part of child support proceedings.

REGULAR ACCOUNT. “**Regular Account**” means an account established in the name of each Participant to which employer contributions are allocated. Employer contributions to a Participant’s Regular Account which were made to this Plan on and after January 1, 2020 are part of his or her Profit Sharing sub-account, and a Participant’s Regular Account may also consist of a Money Purchase sub-account. See pages 8 and 9 for further details.

RHODE ISLAND MONEY PURCHASE SUB-ACCOUNT. “**Rhode Island Money Purchase sub-account**” means, for a current Plan Participant who was previously covered by the RICAF, that Participant’s account balance in the RICAF as of December 31, 2017, plus net investment results of this specific sub-account from January 1, 2018 forward, and less any allocable Plan expenses and/or administrative charges.

RICAF. “**RICAF**” means the Rhode Island Carpenters Annuity Fund, which was a tax-qualified multiemployer defined contribution plan which completely merged into this Plan effective as of January 1, 2018.

SPOUSE. “**Spouse**” means any individual lawfully married to a Participant under applicable state law (i.e., the jurisdictions of Connecticut, New York or Rhode Island) governing marriage or any individual in a relationship with a Participant that is recognized as a marriage under such applicable state law governing marriage. Once a person has qualified as a Spouse by virtue of a marriage recognized under applicable state marriage law, that individual shall cease to be a Spouse on day that any state or federal court judgment, decree or order that terminates, dissolves or annuls the marriage of, or legally separates, that Spouse and the Participant. As of the date this booklet was printed, only Rhode Island recognizes so called “common law” marriages, and detailed proof must be filed with the Fund by a Participant who resides in Rhode Island in order to document such a common law marriage.

TEN YEARS CERTAIN AND LIFE ANNUITY. “**Ten Years Certain and Life Annuity**” means an annuity contract that provides monthly payments for the Participant’s life but if he dies before 120 monthly payments are made, the remainder of the 120 monthly payments will be paid to the Participant’s Beneficiary.

TRUST FUND. “**Trust Fund**” means the Fund created under the terms of the Trust Agreement for the purpose of investing the assets of the North Atlantic States Carpenters Annuity Fund.

VALUATION DATE. “**Valuation Date**” means: (a) with respect to any Trustee-directed Account, the last day of each Plan Year (December 31st), as of which the estimated value of all Trustee-directed Accounts, is determined (see page 7 for further details on the valuation process); and (b) with respect to any Participant-directed Account, such term means each day that the major United States financial markets are open, provided that, to the extent a distribution is made under this Plan from a Participant-directed Account, the Valuation Date shall mean the date such distribution was made.

VOLUNTARY ACCOUNT. “**Voluntary Account**” means an account established in the name of each Participant who has elected to make voluntary contributions to the Plan, to which these voluntary contributions are credited.

IMPORTANT

This Summary Plan Description is written in non-technical language to provide a brief general description of the most important provisions of the Annuity Plan. Nothing in this Summary Plan Description is meant to interpret or extend or change in any way the provisions of the complete text of the Annuity Plan as adopted and amended by the Board of Trustees.

LIMITATION ON AUTHORITY

NO INDIVIDUAL TRUSTEE, THE EXECUTIVE DIRECTOR, EMPLOYER, ASSOCIATION OR LOCAL UNION, NOR ANY REPRESENTATIVE OF ANY EMPLOYER, A FUND OFFICE, AN ASSOCIATION, THE NORTH ATLANTIC STATES REGIONAL COUNCIL OF CARPENTERS OR ANY LOCAL UNION, IS AUTHORIZED TO INTERPRET THIS PLAN – NOR CAN SUCH PERSON ACT AS AN AGENT OF THE BOARD OF TRUSTEES.

TRUSTEES' AUTHORITY AND DISCRETION

ONLY THE FULL BOARD OF TRUSTEES IS AUTHORIZED TO INTERPRET THE PLAN OF BENEFITS DESCRIBED IN THIS SUMMARY PLAN DESCRIPTION. THE BOARD OF TRUSTEES HAS FULL DISCRETIONARY AUTHORITY TO INTERPRET AND CONSTRUE THE TERMS OF THIS SUMMARY PLAN DESCRIPTION, THE PLAN AND THE TRUST AGREEMENT, INCLUDING BUT NOT LIMITED TO PROVISIONS DESCRIBING ELIGIBILITY FOR BENEFITS.

TRUSTEES RIGHT TO AMEND, MODIFY OR DISCONTINUE BENEFITS

THE BOARD OF TRUSTEES, IN THEIR SOLE AND EXCLUSIVE DISCRETION, HAVE THE AUTHORITY TO AMEND AND/OR TERMINATE AT ANY TIME THE PLAN, TRUST AGREEMENT, AND THE BENEFITS AND RULES DESCRIBED IN THIS SUMMARY PLAN DESCRIPTION, CONSISTENT WITH APPLICABLE LAW.

Please be aware that the rules and regulations applicable to claims for benefits prior to 2022 may be different from those described in this booklet. Any specific questions should be referred to one of the Fund Offices.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

You may want to consult with your tax advisor or other financial professional. The Trustees and the Fund Offices cannot give tax advice on particular situations. Keep in mind that it is smart to be prepared for your tax obligations and you may incur tax penalties if you do not have enough withheld from your distribution.

NORTH ATLANTIC STATES CARPENTERS ANNUITY FUND SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS MARCH 2022

You are receiving this notice because all or a portion of a payment you are receiving from the NORTH ATLANTIC STATES CARPENTERS ANNUITY PLAN (the “Plan”) is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are **not** from a designated Roth account (a type of account with special tax rules in some employer plans, but not this Plan, the North Atlantic States Carpenters Pension Plan or the North Atlantic States Carpenters Guaranteed Annuity Plan). If you ever receive a payment from a designated Roth account in another plan, you will be provided a different notice for that payment, and the plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from the Plan are described in the “General Information About Rollovers” section. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59 ½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59 ½), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59 ½ (or if an exception to the 10% additional income tax applies).

What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, IRAs are not subject to spousal consent rules, and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 ½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70 ½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments or payments not made on a timely basis)
- Cost of life insurance paid by the Plan

A Fund Office can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59 ½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you retire from the carpentry trade in Connecticut, Rhode Island or New York if you will be at least age 55 in the year you retire
- Payments that start after you retire from the carpentry trade in Connecticut, Rhode Island or New York if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made if you retire due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year)
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days, and
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59 ½, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after retirement (this is sometimes referred to as a “separation from service”) that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a Spouse or former Spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have retired.

Additional exceptions apply for payments from an IRA, including

- Payments for qualified higher education expenses
- Payments up to \$10,000 used in a qualified first-time home purchase, and
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in payment are not taxed. If you receive a partial payment of your total benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contribution.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain

circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when the loan is in default due to missed or untimely payments or a separate distribution event. The loan offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you have a severance from the carpentry trade in Connecticut, Rhode Island or New York pursuant to Plan rules. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments on a timely basis that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59 ½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional

income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

You cannot roll over a payment from the Plan to a designated Roth account in another employer's plan, and our Plan does not contain designated Roth accounts.

If you are not a Plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving Spouse. If you receive a payment from the Plan as the surviving Spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59 ½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70 ½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

If you treat the IRA as an inherited IRA (which means an IRA you inherit as a beneficiary of a deceased participant), payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70 ½ (if the participant was born before July 1, 1949) or age 72 (if the participant was born after June 30, 1949).

If you are a surviving beneficiary other than a Spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving Spouse, the only rollover option you have is to do a direct rollover to an IRA which you establish for the purpose of receiving the rollover (and this IRA will be treated as an inherited IRA). Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order (QDRO). If you are the Spouse or former Spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

FOR MORE INFORMATION

You may wish to consult with a professional tax advisor before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

NOTES

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North Atlantic States Carpenters Annuity Fund Summary Plan Description

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203.281.5511
800.922.6026 (toll-free)

Website: www.ctcarpentersfunds.org

New York Fund Office
270 Motor Parkway
Hauppauge, NY 11778-5150

631.952.9700, use Option 5

Website: <https://www.carpentersfund.org/new-york-participant>