

SUMMARY OF MATERIAL MODIFICATIONS

(Increased 401(k) Deferrals for those age 50 or older, lump sum distributions of \$10,000 permitted if you are no longer in Covered Employment and the Required Minimum Distribution Age increased to age 72)

TO THE

U.A. LOCAL 350 RETIREMENT PLAN

Increased 401(k) Deferrals for those Age 50 or Older: up to \$9.00 or \$10.00 an Hour. The Board of Trustees is pleased to inform you that the Trustees amended the U.A. Local 350 Retirement Plan (“Plan”) to permit those Participants who are age 50 or older to elect to defer up to \$9.00 or \$10.00 an hour to the 401(k) Plan (as the IRS permits “catch up contributions” for those age 50 or older). The catch-up contribution in 2021 is \$6,500 plus the basic \$19,500 deferral amount for those under age 50 (making the total elective deferral as much as \$26,000 for those age 50 or older). As a reminder, the IRS periodically adjusts how much can be deferred to the 401(k) Plan each year (with the amount staying the same in some years and increasing in other years).

Lump Sum Distributions for Accounts of \$10,000 or Less (if no longer working). The Board of Trustees of the Plan also determined that it is reasonable to permit lump sum distributions to Participants who are no longer working in Covered Employment (and beneficiaries) with Individual Account balances of \$10,000 or less (increased from the current level of \$7,500). Such distributions are subject to the Plan’s spousal consent requirements and are subject to federal income tax.

Required Minimum Distribution Age Increased to Age 72. Finally, the Board of Trustees amended the Plan consistent with recent Congressional changes to the Internal Revenue Code changing the IRS Required Minimum Distribution Date to age 72 (from age 70-1/2, except for any individual who attained age 70-1/2 prior to January 1, 2020). Thus, if you turn age 70-1/2 on or after January 1, 2020, and you are no longer working in Covered Employment, your Required Minimum Distribution Date is age 72. If you are still working, your Required Minimum Distribution Date is the “later” of age 72 or the date you terminate your Covered Employment (unless you are a 5% owner).

Please contact the Trust Fund Office at 775-826-7200 if you have any questions.

Sincerely,

Board of Trustees
U.A. Local 350 Retirement Trust