

PLUMBERS' RETIREMENT SAVINGS FUND LOCAL 130, U.A.

UNION TRUSTEES

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PLUMBERS' RETIREMENT SAVINGS FUND, LOCAL 130, U.A. SUMMARY OF MATERIAL MODIFICATIONS

Dear Participant:

PLEASE READ THIS NOTICE VERY CAREFULLY. THIS NOTICE IS VERY IMPORTANT. YOU SHOULD INSERT THIS NOTICE INTO YOUR SUMMARY PLAN DESCRIPTION AND RETAIN THIS NOTICE PERMANENTLY FOR YOUR RECORDS.

This notice is a Summary of Material Modification, also called an "SMM." An SMM is an addition to your Fund's Summary Plan Description ("SPD"). An SMM explains an important change to your benefits. You should be aware of some important changes taking place with respect to the Plumbers' Retirement Savings Fund Local 130, U.A. (hereafter referred to as the "Plan").

The Trustees are pleased to announce the following benefit improvement effective January 1, 2024. This important improvement to your future retirement security is possible because of the continuing dedicated efforts of your Local 130 Union and Contractors.

1. NEW! 401(k) Feature Implemented

Introduction

Since 2014, the Plan has been designed to accept employer contributions set forth in the applicable collective bargaining agreement(s). Generally, participants could not make their own contributions to the Plan. Beginning in January 2024, participants will be able to save more for their retirement by contributing a portion of their pre-tax wages to the Plan.

Effective January 1, 2024, the Plan will be amended to add a 401(k) feature. This amendment does not change the contract provisions of the collective bargaining agreement ("CBA") requiring employer contributions but adds this new feature which will allow eligible participants to contribute a portion of their wages to the Plan on a pre-tax basis. The new 401(k) feature is intended to meet the requirements of a "safe harbor" plan design because the regular contributions made by your employer pursuant to the CBA will be at least 3% of your Plan compensation.

Eligibility

Eligibility to participate in the 401(k) feature of the Plan is determined by the collective bargaining agreement under which an employee is working. In January 2024, employees will be eligible to participate in the 401(k) feature and receive Employer contributions to the Plan on their behalf.

Full-time employees of Affiliated Entities such as the Plumbers' Local 130 Welfare Fund, the Plumbers' Local 130 Pension Fund, the Plumbers' Local 130 Apprenticeship Program and the Plumbers' Local Union 130 will also be eligible to participate in the 401(k) feature.

How Wage Deferrals Work

Eligible employees will be able to choose to contribute a specific dollar amount of their wages to the Plan on a pre-tax basis. Your 401(k) deferrals are not subject to federal or state income tax until distributed from the Plan. However, the 401(k) deferral contributions are subject to regular payroll taxes at the time of deferral, such as Social Security and federal employment taxes. Your employer will deduct your portion of these taxes from your remaining compensation, the same as has occurred in the past. Certain compensation will be excluded from 401(k) deferrals such as bonuses and expense reimbursements.

Hourly deductions will be made in \$.50 increments (for example, you could defer \$.50 cents per hour, \$1.00 per hour, \$2.50 per hour, etc.) for each payroll period. Salaried employees may make contributions on a payroll basis. An employee will have 401(k) deferral contributions made to the Plan only if he or she elects for that to happen. Otherwise, for those who do not complete an election form, there will be no deferral of wages.

Electing to Defer Wages

Eligible employees may elect to defer a portion of their wages: 1) whenever they begin working with an employer, or 2) each May after the latest wage and benefit allocation is announced, with the election to be effective on the first payroll beginning date in the following June. For example, if you elect to defer \$1.00 per hour in January 2024 but want to increase your election to \$2.00 per hour, that election will be effective June 1, 2024. The next election change after June 1, 2024, would be effective June 1, 2025.

An employee may discontinue deferring contributions at any time by giving notice to their employer, however, the employee would not be eligible to make future contributions to the Plan until they met one of the two criteria shown above.

All deferral elections must be made on the form provided for this purpose by the Fund Office or by the Union along with your referral slip. For initial deferrals beginning in January 2024, you will receive an election form and an explanatory mailing from the Fund Office in the near future if you are eligible to make 401(k) deferrals. If you have questions about the election form, you should contact the Fund Office.

Annual Limits on Deferral Amounts

Federal law limits the amounts an individual can defer to one or more 401(k) plans. In almost all cases, the limits will far exceed the amount an employee could contribute to this Plan. For example, in 2023, the per individual limit on the amount you may defer is \$22,500. This amount is expected to increase by a modest amount for 2024. Catch-up contributions for participants age 50 or older are not allowed under this Plan.

Employer and employee contributions, when combined, are also limited under federal law. The 2023 combined limit for employer and employee contributions for any individual is \$66,000. Rollover contributions that are transferred into this Plan are not counted against any of these limits. If you participate in more than one 401(k) plan during a year, these individual contribution limits apply to the combined contributions made to all plans. Thus, you will need to monitor your compliance with these limits. If you believe you have reached this limit due to involvement in another Plan, you should notify your employer immediately.

Any deferral contributions received by the Plan in excess of these limits will be returned to you if the Plan is aware of this issue. You will be responsible for the payment of taxes and penalties on returned amounts.

Investment of 401(k) Contributions

Your 401(k) deferral contributions will be included in your Plan account and invested in the same manner as all other amounts held in that account. You will be able to direct the investment of your 401(k) deferrals just like your other Plan funds through the website and mobile application of the Plan's recordkeeper, Empower.

Distribution of 401(k) Contributions

Amounts you contribute under the 401(k) feature (and any earnings on those contributions) are subject to substantially similar rules for distribution as other employer contributions to the Plan. However, 401(k) deferrals are not eligible for distribution for the special crime victims distribution event. Only employer contributions received prior to January 1, 2024, will be eligible for distribution for the special crime victims distribution event.

2. Change in Required Beginning Date to Receive Minimum Distributions

Effective January 1, 2023, the required minimum distribution beginning date under the Plan will be April 1 following the calendar year in which you attain age 73. However, if you elect to continue working in Covered Employment beyond such date, you may defer distribution of your Plan Account balance until your Retirement (unless you are an owner of more than 5% of a Contributing Employer, in which case you must commence your distributions by April 1 following the calendar year in which you attain age 73). This required minimum distribution age will automatically be increased again, effective January 1, 2033, to 75.

Previously, the Plan required distributions to commence as of April 1 following the calendar year in which you attained age 72 beginning on or after January 1, 2020 (70½ if you reached age 70½ before January 1, 2020).

3. Expansion of Board of Trustees

Effective June 1, 2022, the Board of Trustees expanded to six Contractor Trustees and six Union Trustees (plus an alternate on each side). New additions to the Board include John Hosty as a new Union Trustee replacing Ken Turnquist and Ryan Brown as a new Alternate Union Trustee. For the Management Trustees, Mike Falk of Falk PLI Engineering & Surveying, Inc., in Portage, Indiana, was added as a new Management Trustee.

The above is a brief summary of the benefit improvements recently approved by the Trustees. The provisions of the Plan are controlling on all matters pertaining to Plan benefits. Accordingly, please contact the Fund Office if you have questions regarding your rights and benefits under the Plan.

Sincerely,

Board of Trustees
Plumbers' Retirement Savings Fund, Local 130, U. A.