

Elevator Constructors Annuity 401(k)

- **Emergency Coronavirus-Related Distributions**
- **NEW! Emergency Coronavirus-Related (Phase 2 Period) Distributions**

June 30, 2020

Dear Brothers and Sisters,

In April 2020, the Elevator Constructors Annuity and 401(k) Retirement Plan introduced **Emergency Coronavirus-Related Distributions**. Members adversely impacted by the COVID-19 Pandemic can apply for and receive an Emergency Coronavirus-Related Distribution of as much as \$25,000 provided they submit their applications to MassMutual by **June 30, 2020**. Last week, the Trustees of the Annuity 401(k) Plan agreed to extend this program by introducing **Emergency Coronavirus-Related (Phase 2 Period) Distributions**. Specifically, Members adversely impacted by the COVID-19 Pandemic can apply for and receive an Emergency Coronavirus-Related (Phase 2 Period) Distribution of as much as \$25,000 if they submit an application to MassMutual **between June 30, 2020 and September 30, 2020**.

Attached are two applications, one application for an **Emergency Coronavirus-Related Distribution** (must be submitted to MassMutual by June 30, 2020) and another application for an **Emergency Coronavirus-Related (Phase 2 Period) Distribution** (must be submitted to MassMutual by September 30, 2020). These applications are available at the links below.

[ECA 401k Plan Emergency Coronavirus-Related Distribution Application](#) (Do not use after June 30, 2020).

[ECA 401k Plan Emergency Coronavirus-Related Phase 2 Distribution Application](#)

Highlights of the Emergency Coronavirus-Related Distribution or Emergency Coronavirus-Related (Phase 2 Period) Distribution:

General Eligibility

An Emergency Coronavirus-Related Distribution or Emergency Coronavirus-Related (Phase 2 Period) Distribution is available to any Member:

- Who is diagnosed with COVID-19 by a test approved by the CDC.
- Whose spouse or dependent is diagnosed with COVID-19 by such a test; or
- Who experiences adverse financial consequences due to COVID-19 resulting from –
 - Being quarantined; being furloughed, laid off, or having work hours reduced
 - Being unable to work due to lack of childcare, or
 - A closing or reducing of hours of a business the Member owns or operates.
 - A reduction in pay (or self-employment income) due to COVID-19 or having a job offer rescinded or start date for a job delayed due to COVID-19;
 - The Member's spouse or member of his or her household (i.e., someone who shares the Member's principal residence):
 - being quarantined, furloughed or laid off, or having work hours reduced due to COVID-19,
 - being unable to work due to a lack of childcare due to COVID-19,
 - having a reduction in pay (or self-employment income) due to COVID-19, or
 - having a job offer rescinded or start date for a job delayed due to COVID-19, or
 - Closing or reducing hours of a business owned or operated by the Member's spouse or a member of his or her household due to COVID-19.

The Annuity 401(k) Plan will rely on Members' certifications that they satisfy these conditions.

The Timing of When You Submit Your Application Will Determine Whether You're Eligible for an Emergency Coronavirus-Related Distribution or an Emergency Coronavirus-Related (Phase 2 Period) Distribution

- A Member who submits an application to MassMutual by June 30, 2020, and who is otherwise eligible, will receive an Emergency Coronavirus-Related Distribution *unless* the Member has already received an Emergency Coronavirus-Related Distribution, in which case, the Member's application will be treated as an application for an Emergency Coronavirus-Related (Phase 2 Period) Distribution.
- A Member who submits an application to MassMutual *after* June 30, 2020, and who is otherwise eligible, will receive an Emergency Coronavirus-Related (Phase 2 Period) Distribution regardless of whether the Member previously received an Emergency Coronavirus-Related Distribution.

Source Accounts for Emergency Coronavirus-Related Distributions or Emergency Coronavirus-Related (Phase 2 Period) Distributions.

The Annuity 401(k) Plan has special account source rules for Emergency Coronavirus-Related Distributions and Emergency Coronavirus-Related (Phase 2 Period) Distributions:

- **First**, your Rollover Account (if you have established a Rollover Account).
- **Then**, if you haven't established a Rollover Account or your Rollover Account is less than \$25,000, your 401(k) Account,
- **Then**, if you haven't established a 401(k) Account and/or Rollover Account, or if the total balance of your 401(k) Account and/or Rollover Account is less than \$25,000, your Old Annuity Account (if you have an Old Annuity Account).
- **Finally**, if you don't have an Old Annuity Account or if the total balance of your 401(k) Account (if any), Rollover Account (if any) and Old Annuity Account is less than \$25,000, your New Annuity Account.

Emergency Coronavirus-Related Distributions and Emergency Coronavirus-Related (Phase 2 Period) Distributions receive special federal income tax treatment:

- They are not subject to the 10% tax penalty typically applicable to early distributions.
- They are not eligible rollover distributions, meaning they are not subject to mandatory 20% income tax withholding. MassMutual will withhold 10% of these distributions as federal income tax withholding unless Participants elect otherwise.
- They will be included as gross income for federal tax purposes over a 3-year period unless you elect otherwise.
- They may be re-contributed, in whole or in part, in one or more payments, to the Annuity 401(k) Plan or another eligible retirement plan that accepts rollovers under which you participate, within three (3) years of receipt.

Fraternally,

Frank Christensen, General President

James Bender, Assistant General President

Larry McGann, General Secretary – Treasurer