

Elevator Constructors Annuity 401(k)

▪ **NEW! Emergency Coronavirus-Related (Phase 3 Period) Distributions**

September 24, 2020

Dear Brothers and Sisters,

In April, the Elevator Constructors Annuity and 401(k) Retirement Plan began offering **Emergency Coronavirus-Related Distributions** to eligible Participants. Members adversely impacted by the COVID-19 Pandemic could apply for and receive an Emergency Coronavirus-Related Distribution of as much as \$25,000 provided they submitted their applications to MassMutual by June 30, 2020. In June, the Trustees of the Annuity 401(k) Plan agreed to extend this program through September 30, 2020. **Last week, the Trustees of the Annuity 401(k) Plan agreed to extend the program through December 15, 2020.**

Attached is the Application Form for an **Emergency Coronavirus-Related (Phase 3 Period) Distribution** (must be submitted to MassMutual by December 15, 2020). This Application Form is available at the link below.

[ECA 401k Plan Emergency Coronavirus-Related Phase 3 Distribution Application]

Highlights of Emergency Coronavirus-Related (Phase 3 Period) Distributions:

General Eligibility

An Emergency Coronavirus-Related (Phase 3 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 - A reduction in pay (or self-employment income) due to COVID-19 or having a job offer rescinded or start date for a job delayed due to COVID-19;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 - having a job offer rescinded or start date for a job delayed due to COVID-19, or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.

Timing of Emergency Coronavirus-Related (Phase 3 Period) Distributions

A Member who submits an application to MassMutual **after September 30, 2020 and by December 15, 2020**, and who is otherwise eligible, will receive an Emergency Coronavirus-Related (Phase 3 Period) Distribution regardless of whether the Member previously received an Emergency Coronavirus-Related Distribution.

Source Accounts for Emergency Coronavirus-Related (Phase 3 Period) Distributions.

The Annuity 401(k) Plan has special account source rules for Emergency Coronavirus-Related (Phase 3 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 (Phase 3 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