**Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund**

**Transfer from Individual Annuity Account to Participant-Directed Retirement Account**

Use the enclosed Transfer Form to transfer up to 10% of your Individual Annuity Account (“IAA”) to a “Participant-Directed Retirement Account” under the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund (the “Fund”). The Participant-Directed Retirement Account is an account established under the Fund at Vanguard that will permit you to direct the investment of your account assets by selecting among the same investment funds available under the 401(k) portion of the Fund.

**To Complete the Transfer Form:**

If you are single, you must complete the enclosed Certification of Marital Status form. If you are married, you must complete the enclosed Participant's Verification form, and your spouse must complete, and have his/her signature notarized, on the enclosed Spouse's Consent To Participant’s Individual Annuity Account Transfer form.

**Eligibility:**

You are eligible to transfer up to 10% of your IAA to a Participant-Directed Retirement Account only if you are:

* At least age 55 and have terminated employment under the terms of the Fund;
* At least age 65; or
* Eligible for disability retirement under the terms of the Fund;

and also

* Not already in pay status with an annuity form of payment or a “grandfathered” form of payment that is no longer available under the Fund (*i.e.*, 10 annual payments, or investment yield distributions). If you are in-pay status with a grandfathered form of payment and wish to cancel that option in order to elect a transfer to a Participant-Directed Retirement Account, please call Zenith at (201) 592-6800. (Being in pay status under the monthly distribution option does not affect eligibility.)

Note: Alternate payees and beneficiaries are not eligible.

**Election Timing:**

The transfer election window is open from November 15th - December 15th each year. If you wish to request a transfer, you must submit the Transfer Form (including supplemental forms) during this window. The transfer will take effect as soon as practicable after December 31, 2021.

**Number of Transfer Elections:**

You are limited to one transfer election of up to 10% of your IAA each year.

**Maximum Transfer Amount:**

The maximum amount you may transfer to a Participant-Directed Retirement Account is 10% of your IAA balance (less the balance of any outstanding participant loans) each year. No carryover of any “unused” amount to a subsequent year is permitted. For example, if you elect to transfer 5% of your IAA in Year 1, the remaining 5% otherwise available during Year 1 does not carry over to Year 2. In Year 2, the maximum transfer amount will still be 10%, not 15%. Amounts in your IAA attributable to contributions to the Fund made prior to July 1, 1992 are not eligible for transfer. The Fund Administrator may decline to implement an election if a qualified domestic relations order applies to your account and assets have not been allocated to a separate account for the benefit of the alternate payee under that order.

**Important Considerations:**

Transferring from your IAA to a Participant-Directed Retirement Account is optional. However, once you make the transfer election, it is irrevocable. **You cannot elect to move your funds from your Participant-Directed Retirement Account back into the Annuity Fund.**  You should consider this election very carefully. Here are some important points to understand:

* **Investments:** Investments in the IAA are monitored and determined by the Board of Trustees of the Fund, which receives advice from an independent fiduciary investment advisor. You will be responsible for the investment of the Participant-Directed Retirement Account. Similar to your 401(k) account, this means that the Trustees are not liable for any investment losses that are in your Participant-Directed Retirement Account as result of the investment choices that you make or fail to make. You are responsible for making all investment changes for these accounts, even after your employment terminates. When funds are transferred into the Participant-Directed Retirement Account, they will be invested in accordance with the investment elections you have on file for your 401(k) Account. If you don’t have a 401(k) investment election on file with Vanguard, your transferred funds will be deposited in the Vanguard Target Date Retirement Fund appropriate to your age, but you can always log into your account at Vanguard and invest your Participant-Directed Retirement Account balance among any of the investment funds available under the 401(k) portion of the Fund.
* **Accessing Your Vanguard Account:** If you have already accessed your 401(k) account at Vanguard, you can view your Participant-Directed Retirement Account and make investment changes using your account at Vanguard.com. If you haven’t already registered at Vanguard.com, you will be able to access your account and make investment choices by calling Vanguard’s Participant Service team at 800-523-1188. You should carefully review the investment options available to Fund participants at Vanguard by logging into [www.vanguard.com](http://www.vanguard.com).
* **Impact on Plan Fees:** Your IAA will continue to be responsible for fees under the Annuity portion of the Fund. The fixed *per capita* Annuity fee (currently $795) is not reduced by 10% if you elect to transfer 10% of your IAA to the Participant-Directed Retirement Account. You will also pay an annual administrative fee to Vanguard (as of January 1, 2021) of $55 per person (assessed quarterly).
* **No Loans or In-Service Withdrawals:**  You are allowed to take loans and in-service withdrawals from your IAA if you have a covered financial need. As with 401(k) accounts at Vanguard, loans and in-service withdrawals are NOT available from a Participant-Directed Retirement Account.
* **Distributions:** When comparing the IAA and the Participant-Directed Retirement Account, you should note that certain benefit distribution options and other features available under the IAA that are not available under the Participant-Directed Retirement Account. Only the distribution options available to 401(k) accounts at Vanguard will apply to the Participant-Directed Retirement Account. This means that you cannot elect to receive your funds at Vanguard in a Qualified Joint and Survivor Annuity or other lifetime annuity distribution option. Also, if you were to die, your spouse will not be able to take a distribution from your Participant-Directed Retirement Account in a survivor annuity form. You should carefully compare the distribution options and features of the IAA versus the 401(k) account as described in the Fund’s Summary Plan Description and the Summary of Material Modifications regarding the Participant-Directed Retirement Account. If you don’t have a copy of the Fund’s Summary Plan Description, you may access and download the latest version of from the Fund’s website <https://ecu1funds.zenith-american.com/FundDocuments/> or call Zenith at (201) 592-6800 to request a copy. Remember, if you elect to transfer from your IAA to a Participant-Directed Retirement Account, you will not be allowed to transfer it back to your IAA.

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| **Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund**  **Participant-Directed Retirement Account Transfer Form**  **General Information:**  Participant’s Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Participant’s Social Security #:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Participant’s Address:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Participant’s Phone #:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Current Employer (if applicable):\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **Transfer Amount:**  I elect to transfer \_\_\_\_\_\_\_% (whole percentages only and 10% maximum) of my IAA balance as of December 31, 2021 to a Participant-Directed Retirement Account held under the Fund. |

**Acknowledgement and Certification:**

I hereby acknowledge and certify that:

* I am at least age 55 and have terminated from employment under the terms of the Fund, OR I am at least age 65, OR I am eligible for a disability retirement benefit under the terms of the Fund.
* I understand that I can transfer no more than 10% of my IAA balance to a Participant-Directed Retirement Account annually, and I will not be permitted to transfer any amounts from my Participant-Directed Retirement Account back to my IAA.
* I understand that I am responsible for the investment of my Participant-Directed Retirement Account and that the Trustees are not liable for any investment losses that are in my Participant-Directed Retirement Account as result of the investment choices that I make or fail to make.
* I have compared the loan, withdrawal and distribution options and other features of the IAA and those of the Participant-Directed Retirement Account, including reviewing the attached Chart of Key IAA and Participant-Directed Retirement Account Differences, and I understand that certain options and features available under the IAA will NOT be available to me under the Participant-Directed Retirement Account.

**Signature of Participant:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Please return your original completed Transfer Form and Certification of Martial Status (if you are single) or Notarized/Witnessed Spousal Consent Form (if you are married) to the Local 1 Fund Office, 140 Sylvan Avenue, Suite 303, Englewood Cliffs, New Jersey 07632. Your completed forms must be received by the Fund Office by December 15, 2021 to be effective. Consider using an overnight mail service to make sure your forms are received on time.**

**Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund**

**CERTIFICATION OF MARITAL STATUS**

**PARTICIPANT-DIRECTED RETIREMENT ACCOUNT TRANSFER**

(SINGLE PARTICIPANT ONLY)

1. My name is

I live at

Number/Street City State Zip Code

1. I understand that under the rules of the Elevator Constructors Union Local No. 1 and 401(k) Fund (“Fund”), a spouse of a participant in the Fund has certain rights and that a participant may not, without his or her spouse's written consent, withdraw from or transfer funds out of his or her individual annuity account (“IAA”), or take a loan against the IAA. I understand that the Fund will rely upon the accuracy of this certification concerning my marital status. I agree that, if any of the information set forth in this certification is inaccurate, I shall reimburse the Fund for any loss the Fund may suffer by acting in reliance upon such inaccurate information.
2. I hereby swear that I am not now married to any living person and that I will not become married by December 31 of this year. I WILL NOTIFY THE FUND IMMEDIATELY IF I INTEND TO OR BECOME MARRIED THIS YEAR.
3. I hereby swear that [check one] ❑ there are no qualified or pending domestic relations orders that may relate to the Fund, OR ❑ I have submitted to the Fund one or more qualified or pending domestic relations order(s) that may relate to the Fund.

Signature of Participant Date

**Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund**

**SPOUSE'S CONSENT TO PARTICIPANT’S**

**PARTICIPANT-DIRECTED RETIREMENT ACCOUNT TRANSFER**

(MARRIED PARTICIPANT'S SPOUSE ONLY)

The spouse of a participant who requests a transfer from his or her Individual Annuity Account (“IAA”) to a Participant-Directed Retirement Account must complete and sign this Consent in order for that request to apply:

I, , hereby swear and certify that:

Name of Spouse

My name is:

Last First Middle Initial

My address is:

Number/Street City State Zip Code

I am married to: . We were married on at

Name of Participant Date

.

Place

I understand that my spouse is a participant in the Fund. I have been informed that my spouse's IAA under the Fund is now approximately $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (subject to change based upon the allocation of investment gains or losses and expenses at the end of the year). I understand that my spouse has applied to transfer up to 10% of his or her IAA balance to a Participant-Directed Retirement Account under the Fund. I understand that this transfer is not permitted under the terms of the Fund unless I consent to it on this form.

I understand that, unless I consent to another form of distribution, any benefits in my spouse's IAA under the Fund are required to be paid in the form of a Qualified Joint and Survivor Annuity or “QJSA” when my spouse retires or has another distribution event. Under a QJSA, the Fund would use my spouse’s IAA to purchase an annuity contract which would pay a monthly annuity for my spouse's life and then, if my spouse dies before I do, would make monthly payments to me equal to 50% of the payment amount my spouse was receiving or the rest of my life. My spouse could elect a different form of distribution, such as a lump sum or monthly payments, only with my consent. Similarly, if my spouse dies before distributions have begun, unless I have consented to the designation of another beneficiary or another form of distribution, my spouse’s IAA, which could include the amount that my spouse would like to transfer now, could be applied to purchase an annuity contract to me providing monthly annuity payments for the rest of my life, or else distributed to me in some other form permitted under the Fund which I might elect.

As the legal spouse of the above-named participant, I have read and understand the information on this form and the attached Chart of Key IAA and Participant-Directed Retirement Account Differences. I HEREBY AGREE that the Fund may transfer from my spouse’s IAA to his or her Participant-Directed Retirement Account the percentage my spouse requested above. I realize that by signing this Consent, I am waiving my statutory right under the Fund to have my spouse receive benefits under the Fund as a QJSA and my right to a 50% survivor annuity with respect to such benefits if my spouse dies before I do but after beginning to receive benefits in the form of a QJSA. Furthermore, by signing this Consent, I am waiving my statutory right to receive the amount that will be transferred as a death benefit in the form of an annuity or another permitted form of payment that I may elect in the event my spouse dies before I do and prior to commencing to receive retirement benefits under the Fund. I realize that a death benefit that would

otherwise be payable to me from the IAA under the Fund could be a lesser amount as a result of the transfer. I understand that I do not have to sign this Consent I am signing this Consent voluntarily.

Date Signature of Spouse

**IF WITNESSED BY A NOTARY:**

|  |  |
| --- | --- |
| State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) |
|  | ) ss: |
| County of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) |
|  |  |

On the day of , 2021, before me personally appeared , personally known to me on the basis of satisfactory evidence, to be the person who executed the foregoing Consent as the spouse of who acknowledged to me that he/she executed same, and being duly sworn by me, made oath that the statements in the foregoing Consent are true to the best of his/her knowledge and belief.

NOTARY PUBLIC

**ELEVATOR CONSTRUCTORS UNION LOCAL NO. 1 ANNUITY AND 401(k) FUND**

**CHART OF KEY IAA AND PARTICIPANT-DIRECTED RETIREMENT ACCOUNT DIFFERENCES**

Some of the key differences between the distribution options and other features of the Individual Annuity Account (“IAA”) and Participant-Directed Retirement Account under the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund (“Fund”) are summarized below. This chart is intended as a summary only. For additional details, carefully review the Fund’s Summary Plan Description.

| **Feature** | **IAA** | **Participant-Directed Retirement Account** |
| --- | --- | --- |
| **Investment** | Trustee-directed | Participant-directed |
| **Distribution Options** | Qualified Joint and Survivor Annuity (default option for married participants). Other distribution options are available only with spouse’s consent:  - Other annuity options  - Lump sum  - Monthly installments  - Up to 5% per year  - Required minimum distribution (or greater amount elected by participant) paid each year | - Lump sum  - Monthly installments  - 10 annual payments  - Portion in a lump sum, with remainder in annual or monthly installments  - Minimum required distribution (or greater amount elected by participant) paid each year  - Partial lump sums (up to 4 per year) |
| **Loans** | Loans permitted for specified reasons | **No** loans permitted |
| **Hardship Distributions** | Hardship distributions permitted for specified reasons | **No** hardship distributions permitted for any reason |
| **Death Benefits** | For married participants, death benefits may be paid to surviving spouse in form of Qualified Pre-Retirement Spousal Annuity (QPSA). Other distribution options available with spouse’s consent to waive the QPSA unless waived | - Lump sum  - Monthly installments  - 10 annual payments  - Portion in a lump sum, with remainder in annual or monthly installments  - Minimum required distribution (or greater amount elected by beneficiary) paid each year  - Partial lump sums (up to 4 per year) |