

Elevator Constructors Union Local No. 1 Annuity & 401(k) Fund
140 Sylvan Avenue, Suite 303, Englewood Cliffs, NJ 07632
(201) 592-6800 (855) 521-6111

**APPLICATION FOR RETIREMENT DISTRIBUTION
FROM INDIVIDUAL ANNUITY ACCOUNT AND
DESIGNATION OF BENEFICIARY**

Section 6.2 of the Rules and Regulations of the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund (the "Plan") provides that the falsity of any statement material to an application for benefits or the furnishing of fraudulent information or proof shall be sufficient reason for the denial, suspension or discontinuance of all benefits under the Plan, and in any such case, the Trustees shall have the right to recover any payments made in reliance thereon.

Prior to completion of this Application, please review the Distribution Options for Individual Annuity Account section of the attached Description of Distribution Options for Annuity and 401(k) Accounts, as well as the Individual Annuity Account Distributions Instructions ("Instructions") that are available on the Fund's website at www.berserconj.com and may also be obtained by contacting the Fund Office.

Your Rollover Options and Special Tax Notice. All or a portion of the payments you will receive from the Plan may be eligible to be rolled over to an IRA or an employer plan. The notice entitled, Your Rollover Options and Special Tax Notice, which is attached, is intended to help you decide whether to do such a rollover. The Notice only applies if all or a portion of your payments are eligible to be rolled over to an IRA or an employer plan.

After completion, please send this Application with all supporting documentation and form(s) to: Elevator Constructors Union Local No. 1 Annuity & 401(k) Fund, 140 Sylvan Avenue, Suite 303, Englewood Cliffs, NJ 07632. If you have questions regarding the Application, please contact the Fund Office at 201-592-6800.

PART I. PARTICIPANT INFORMATION

**PARTICIPANT'S
NAME** _____

Last

First

Middle Initial

ADDRESS _____

Number & Street

City

State

Zip Code

TELEPHONE NO. _____

EMAIL _____

SS NO. ____/____/____ **DATE OF BIRTH** _____

MARITAL STATUS:

SINGLE (Skip Parts IV and V below.)

MARRIED (Skip Part VI below)

DIVORCED (You must provide copy of divorce decree & QDRO if this information has not already been provided to the Fund Office)

NAME OF SPOUSE (if Married) _____

DATE OF BIRTH OF SPOUSE (If Married) _____

PART II. PARTICIPANT ELECTION OF FORM OF BENEFIT

I hereby apply for a distribution from my Individual Annuity Account in the form checked below. **I understand that any distributions will be payable ONLY after any outstanding loans are deducted, and I so authorize said deduction.**

- ONE LUMP SUM PAYMENT:
_____ PAY TO ME
_____ ROLLOVER (refer to *Your Rollover Options and Special Tax Notice*)
- MONTHLY DISTRIBUTIONS: I elect a monthly distribution amount of \$ _____ PER MONTH (prior to any applicable tax withholdings)
* For your initial election, you must elect a monthly amount that is at least \$500 but not more than \$5,000 per month.
- REQUIRED MINIMUM DISTRIBUTION (payable when Participant reaches age 70^{1/2})
*Participant may request a higher amount than the required minimum distribution.
(Please see website for W-4P tax form to stipulate the amount of federal income tax to be withheld)
- 5% OPTION (Retirees Only). When you reach 70^{1/2}, you must select one of the other Payment options. I elect to receive a distribution of _____ % of my current Individual Annuity Account balance. _____ PAY TO ME
_____ ROLLOVER (refer to *Your Rollover Options and Special Tax Notice*)

(Skip Part IV if you are electing the 5% Option)
- LIFETIME MONTHLY ANNUITY WITH OR WITHOUT GUARANTEE CERTAIN . (You may choose a monthly annuity with or without a guaranteed number of payments.)
- QUALIFIED JOINT AND SURVIVOR ANNUITY (Married Participants Only) (Skip Part V)
- 75 % QUALIFIED OPTIONAL JOINT AND SURVIVOR ANNUITY (Married Participants Only) (Skip Part V)

PART III. REASON FOR DISTRIBUTION

I am applying for benefits to be distributed from my Individual Annuity Account under the Elevator Constructors Union Local No. 1 Annuity and 401 (k) Fund for the reason(s) checked below:

- Complete Withdrawal From Any Work In the Elevator Industry
- Retirement (*i.e.* receiving pension benefits from the National Elevator Industry Pension Plan or a Social Security Retirement or Disability Benefit) and Complete Withdrawal From Any Work In the Elevator Industry (Attach a copy of the National Elevator Industry Pension Award or Social Security Award).
- Attained Normal Retirement Age (AGE 65)– (Attach a copy of the proof of birth date, such as birth certificate or driver's license).
- Total and Permanent Disability - (Attach a copy of the Social Security Disability Award).
- Beneficiary of Deceased Participant - (Attach a copy of the Participant's Death Certificate).

PART IV. PARTICIPANT'S DESIGNATION OF BENEFICIARIES

(Skip this Part if you are electing the 5% Option)

The following elections apply to all Plan benefits, including the IAA and the 401(k) portions of the Plan. I hereby revoke any prior beneficiary designations made by me with respect to benefits under the Plan that may otherwise apply after benefits commence to be paid. Unless I elect otherwise below, if I am married, my beneficiary if I die will be my spouse.

I hereby designate the person or persons below as my beneficiary or beneficiaries for any Plan benefits that are payable after my death. If I am married, I understand that if I designate a beneficiary other than or in

addition to my spouse, such designation will not be effective unless my spouse consents in writing to such beneficiary or beneficiaries in Part V below and my spouse’s consent is witnessed by a notary public.

If I die before I receive all benefits that are payable from the Plan, I elect that any benefits remaining to be paid from the Plan after my death shall be paid to my Primary Beneficiary or Beneficiaries named below who are living at the time of my death, **in the following percentages (must add up to 100%)**.

| Primary Beneficiary | Address | Relationship to Participant (i.e. child, parent, friend, etc.) | Percentage (must total 100%) |
|----------------------------|----------------|---|-------------------------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

If one or more of the above Primary Beneficiaries dies before me, the deceased Primary Beneficiary’s share designated above will be allocated to the surviving Primary Beneficiary. If more than one Primary Beneficiary survives, the deceased Primary Beneficiary’s share designated below will be allocated among such surviving Primary Beneficiaries in relative proportion to the percentages designated for each surviving Primary Beneficiary.

If none of my Primary Beneficiaries designated above are living at the time of death, I elect that any benefits remaining to be paid from the Plan after my death shall be paid to my Contingent Beneficiary or Beneficiaries named below who are living at the time of my death, **in the following percentages (must add up to 100%)**:

| Contingent Beneficiary | Address | Relationship to Participant (i.e. child, parent, friend, etc.) | Percentage (must total 100%) |
|-------------------------------|----------------|---|-------------------------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

If one or more of the above Contingent Beneficiaries dies before me, the deceased Contingent Beneficiary’s share designated below will be allocated to the surviving Contingent Beneficiary. If more than one Contingent Beneficiary survives, the deceased Contingent Beneficiary’s share designated above will be allocated among such surviving Contingent Beneficiaries in relative proportion to the percentages designated for each surviving Contingent Beneficiary.

I understand that if none of my Primary or Contingent Beneficiaries whom I have named above is living at the time of my death, the benefits that would have been payable by the Plan to my Primary or Contingent Beneficiaries, if any, shall be paid to the person or persons whom I have designated under the terms of the National Elevator Pension Plan (“Pension Plan”) to receive any benefits payable by the Pension Plan who are living at the time of my death, but that if I have not designated any person or persons to receive any benefits payable the Pension Plan after my death, or if none of them are living at the time of my death, any remaining benefits that are payable from the Plan after my death shall be paid in the following order of priority: (1) to my spouse; (2) to my children; to my parents; or (4) to my estate.

I reserve the right the right to revoke and make a new beneficiary designation at any time by giving written notice on the form prescribed by the Trustees. I understand, however, that, if I am married, any new designation of a beneficiary other than my spouse, or in addition to my spouse, will not be effective unless my spouse consents in writing on a form prescribed by the Trustees to the new designation.

I further understand that in the event a divorce decree is issued by a court having jurisdiction of the marriage between my spouse and me, this beneficiary designation as to my spouse shall be revoked automatically as of the effective date of the divorce decree, and the amount payable to the Primary Beneficiaries (other than my spouse) and Contingent Beneficiaries (if applicable) shall be adjusted so that the Primary Beneficiaries (other than my spouse) or Contingent Beneficiaries (if applicable) receive the entire value of any remaining Plan benefits that are payable after my death. In the event of a divorce, my spouse shall have no right to any part of my Plan benefits, except to the extent provided in a Qualified Domestic Relations Order, as defined by Section 206(d)(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The issuance of a divorce decree shall not revoke any designations of Primary Beneficiaries other than my spouse or any Contingent Beneficiaries.

I further understand that the value of benefits payable from the Plan after my death will be reduced prior to distribution by the amount of any outstanding loans and accrued interest and will be after satisfaction of any payments under a qualified domestic relations order.

I hereby attest that each of the above statements in Parts I, II, III and IV above, are true and correct, and that the elections made above reflect my true intentions.

Signature of Participant

Date

Signature of Witness
(other than a Beneficiary designated above)

Date

PART V. QJSA WAIVER FROM THE IAA (If You Are Married)

If you are married, the normal method of distribution from the Individual Annuity Account is a Qualified Joint and Survivor Annuity (“QJSA”). A QJSA provides a monthly payment, payable for as long as you live. After your death, monthly payments continue to your spouse if you die before your spouse. The payment to your spouse will be 50% of your monthly payments and will be paid for the rest of your spouse’s life. The amount of the monthly payments will depend on the amount in your IAA, your age and your spouse’s age. If a QJSA is payable, the Fund will provide the QJSA by purchasing an annuity contract from an insurance company with your IAA balance. However, you may elect to waive the QJSA and choose to receive benefits from your IAA under the Plan under another form of benefit, provided that you are eligible to receive benefits in such form and your spouse consents in writing before a notary to your election to waive the QJSA and to the form of benefit. Your spouse’s consent must be voluntary and it is up to your spouse to decide if he or she wishes to consent to your waiver of the QJSA benefit.

As a participant in the Elevator Constructors Union Local No. 1 Annuity & 401(k) Fund (the “Plan”), I hereby acknowledge that:

- (a) I have received an explanation of my right to payment of my benefits in the form of a QJSA;
- (b) I may waive QJSA coverage provided that my spouse consents in writing to my waiver;
- (c) Any failure to correctly indicate any marital status (above) may invalidate this election; and

- (d) I may revoke this election before the date benefits begin to be paid to me under my selected form of benefit.

Accordingly, I hereby elect to **waive** the QJSA form of benefit and to receive benefits from my Individual Annuity Account under the Plan in the form of benefit elected in Part II.

I hereby attest that each of the statements made or selected above is true and correct, and that the elections made above reflect my true intentions.

PARTICIPANT'S SIGNATURE _____ **DATE** _____

PART VI. SPOUSAL CONSENT TO PARTICIPANT'S ELECTIONS AND WAIVER OF SPOUSAL ANNUITY BENEFITS (If You Are Married)

1. My name is _____.
2. I reside at _____
(address)
3. I am married to _____. We were married on _____

4. I understand that my spouse is a participant in the Elevator Constructors Union Local No. 1 Annuity & 401(k) Fund ("Plan"). I have been informed that the amount of my spouse's Individual Annuity Account ("IAA") in the Plan is approximately \$_____.

5. I understand that the retirement benefits in my spouse's IAA under the Plan are required to be paid in the form of a Qualified Joint and Survivor Annuity ("QJSA") unless my spouse waives the right to receive benefits in this form and I consent to such waiver. I understand that under the QJSA form of benefit, my spouse would be entitled to a monthly annuity for the rest of my spouse's life and I would be entitled to a monthly annuity after my spouse's death equal to 50% of the monthly benefit payable to my spouse for the rest of my life if my spouse dies before me..

6. I have reviewed the form of benefit elected by my spouse in Part II of this Application.

7. I have reviewed any beneficiary designations made by my spouse in Part IV of this Application. I understand that these designations apply to all Plan benefits, including from the IAA and the 401(k) portion of the Plan.

8. I HEREBY VOLUNTARILY CONSENT to my spouse's waiver of the Qualified Joint and Survivor Annuity ("QJSA") and to the Participant's distribution election in Part II above and to the Beneficiaries designated by my spouse in Part IV of this Application (if completed).

9. I understand that by providing my consent hereunder, I will not be entitled to a survivor annuity under a QJSA and may receive nothing from the Plan after my spouse dies.

(signature of spouse of participant in Plan) (date)

STATE OF _____)
) SS #
COUNTY OF _____)

On this _____ day of _____, 20 ____, before me, a notary public, came _____
_____ (name of participant’s spouse), personally known to me to be, or proved to me on the
basis of satisfactory evidence to be, known to me to be the spouse of _____ (name of
participant), who did voluntarily sign this Spousal Consent To Participant’s Elections and Waiver of Spousal Annuity
Benefits, in my presence.

Notary Public

PART VII. SINGLE PARTICIPANT VERIFICATION
(Complete if you are not married)

My name is: _____
Last First Middle Initial

My address is: _____
Number Street City State Zip Code

I understand that the Elevator Constructors Union Local No. 1 Annuity & 401(k) Fund (“Fund”) will rely upon the accuracy of this Single Participant Verification (“Verification”) concerning my marital status. I agree that, if any of the information set forth in this Verification concerning my marital status is inaccurate, I will reimburse the Fund for any loss the Fund may suffer by acting in reliance upon such inaccurate information.

I hereby swear that I am not now married to any living person.

I hereby swear that [check one] there are no qualified or pending domestic relations orders that relate to my benefits under the Fund, OR I have submitted to the Fund one or more qualified or pending domestic relations order(s) that relate to my benefits under the Fund.

Explanation Regarding Lifetime Monthly Annuity. The normal method of distribution for your Individual Annuity Account (“IAA”) is a Lifetime Monthly Annuity. Under this method, the amount in your IAA will be used to purchase an annuity from an insurance company. You may choose a monthly annuity with or without a guaranteed number of payments. If you choose payments guaranteed for a specified period, you will receive monthly payments for life, but if you die within the guaranteed period, payments will be made to your beneficiary for the remainder of the specified period. However, if you die after the end of the guaranteed period, no payments will be made to your beneficiary. The amount of the monthly payment will depend on the amount in your IAA and your age. However, you may elect to waive the Lifetime Monthly Annuity and select another form of benefit.

Single Participant Waiver of Lifetime Monthly Annuity: If you are an unmarried participant, complete the waiver by checking the box below:

I understand that although I have a right to receive the benefits from my Individual Annuity Account under the Plan in the form of a Lifetime Monthly Annuity, I may waive the right to receive my benefits in the form of a Lifetime Monthly Annuity and elect to receive benefits from my Individual Annuity Account under the Plan in the form of distribution elected in Part II above. I hereby certify that: (Check Box)

- I hereby waive my right to receive benefits from my Individual Annuity Account under the Plan in the form of a Lifetime Monthly Annuity, elect to receive benefits from my Individual Annuity Account in the form of distribution that I selected in Part II above, and designate the beneficiaries specified in Part IV above for any remaining benefits in my IAA, if any, that are payable after my death in the event that I die prior to receiving all of my benefits in my IAA.

I hereby attest that each of the statements made or selected in all parts I, II, III, IV and VII above is true and correct, and that the elections made above reflect my true intentions.

Signature of Participant

STATE OF _____)
) SS #
COUNTY OF _____)

On the _____ day of _____, 20____, before me personally appeared _____, personally known to me to be, or proved to me on the basis of satisfactory evidence to be, the person who executed the foregoing Single Participant Verification, who acknowledged that he/she executed same, and being duly sworn by me, made oath that the statements in the foregoing Single Participant Verification are true to the best of his/her knowledge and belief.

Notary Public

PART VIII: OTHER FORMS AND DOCUMENTS

Please check the applicable box(es) for the completed form(s) and other documents that you are submitting with this Application. Please see the chart below and the Instructions for information regarding the forms and other documents that are required to be submitted with this Application. The Direct Deposit Form is attached. The other forms listed below may be found on the Fund’s website at www.benserconj.com or may be obtained by contacting the Fund Office at 1-855-521-6111.

| | |
|--------------------------|--|
| <input type="checkbox"/> | <u>Direct Deposit Form.</u> Complete this form if you are electing the Monthly Distributions form of benefit and wish to have your payments deposited directly into your bank account, rather than paid directly to you. (A Direct Deposit Form is attached) |
| <input type="checkbox"/> | <u>Form W-4P.</u> Complete this form if you are electing the Required Minimum Distribution option. You should also complete this form if you are electing the Monthly Distributions option and payments under such option are not considered to be eligible rollover distributions by the Fund because they are projected to be paid over a period of 120 months or more. If you have questions regarding whether your monthly distributions will, in whole or in part, be eligible rollover distributions, please contact the Fund Office. |
| <input type="checkbox"/> | <u>Application for Direct Transfer of Individual Annuity Account to an Individual Retirement Account (IRA) and/or to a Qualified Defined Contribution Plan.</u> Complete this form if you want to rollover all or part of an eligible rollover distribution directly to an IRA or qualified defined contribution plan. |

| | |
|--------------------------|--|
| <input type="checkbox"/> | <u>Direct transfer of rollover/Letter of Acceptance from the financial institution or qualified defined contribution plan to which the assets are being transferred.</u> This is required if you wish to have an eligible rollover distribution(s) directly rolled over to an IRA or qualified defined contribution plan. |
| <input type="checkbox"/> | <u>Judgement of Divorce.</u> If you are divorced, you must submit a complete copy of the Judgment of Divorce and any QDRO (Qualified Domestic Relations Order) that pertains to your benefits under the Fund. |
| <input type="checkbox"/> | <u>Proof of Retirement.</u> A copy of the letter from the National Elevator Industry Pension Plan regarding your pension, or a copy of your pension check stub (or documentation showing that you are receiving Social Security Retirement or Disability Benefits). |
| <input type="checkbox"/> | <u>Proof of Your Date of Birth.</u> (All Applicants) Submit either a copy of your birth certificate or a copy of your driver's license showing your date of birth. |
| <input type="checkbox"/> | <u>Proof of Disability (if applicable).</u> A copy of the Social Security Award of Disability. |
| <input type="checkbox"/> | <u>Death certificate of Spouse.</u> (If you are a widower/widow) |
| <input type="checkbox"/> | <u>Spouse's Identification.</u> (If you are a Spouse applying for a distribution of a participant's Individual Annuity Account) Two forms of identification (A copy of your driver's license and one of the following: copies of your passport, credit card or social security card. |
| <input type="checkbox"/> | <u>Death Certificate of Participant.</u> (If Spouse/Beneficiary applying for a distribution of a participant's Individual Annuity Account) |

Return your completed Application together with other required documents and forms to:

Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund
140 Sylvan Avenue, Suite 303
Englewood Cliffs, NJ 07632

If you have any questions or require assistance in completing this form, contact the Fund Office at 201-592-6800 or toll free at 855-521-6111.

Attachments: Description of Distribution Options for Annuity and 401(k) Accounts
Information about the Qualified Joint and Survivor Annuity
Your Rollover and Special Tax Notice
Notice of Right to Postpone Distribution
Direct Deposit Form

**Elevator Constructors Union Local No. 1 Annuity & 401(k) Fund 140 Sylvan Avenue, Suite
303, Englewood Cliffs, NJ 07632
(201) 592-6800 (855) 521-6111**

**DESCRIPTION OF DISTRIBUTION OPTIONS
FOR INDIVIDUAL ANNUITY AND 401(k) ACCOUNTS**

Following is an explanation of the optional forms of benefit payments available to Participants who are eligible to receive a distribution of their Local No. 1 Individual Annuity and 401(k) Accounts. The distribution options set forth below are the distribution options under the Fund that are effective as of January 1, 2019. Different benefit options may apply to Participants with Annuity Starting Dates prior to January 1, 2019.

If you have an Individual Annuity Account and a 401(k) Account, you can elect to receive your Individual Annuity Account at one time and your 401(k) Account at a different time. Please refer to the Summary Plan Description for the conditions that must be met in order to receive a distribution of your Account(s).

Distribution Options for Individual Annuity Accounts

Please note: A Participant who has any outstanding loan(s) must pay the loan(s), including any accrued interest, in full or have the balance of the loan(s) deducted from his/her Individual Annuity Account before distribution is made from the plan.

Normal Forms of Benefit

- If you are **single**, the normal method of distribution of your Individual Annuity Account is a Lifetime Monthly Annuity (see payment method 3 below). You may elect to waive the Lifetime Monthly Annuity and choose any one of the other payment methods described below under the “Optional Forms Benefit” section for which you are eligible. This election can be made only during the 180 days before you receive or begin to receive your Individual Annuity Account and you may revoke such election prior to the date your benefits begin.
- If you are **married**, the normal method of distribution is a Qualified Joint and Survivor Annuity. A Qualified Joint and Survivor Annuity (“QJSA”) provides an actuarially reduced monthly payment, payable only for as long as you live. After your death, monthly payments continue to your spouse if you die before your spouse. The payment to your spouse will be 50% of your monthly payments and will be paid for the rest of your spouse’s life. The amount of the monthly payment will depend on the amount in your Individual Annuity Account and your age and your spouse’s age. If a QJSA is payable, the Fund will provide the QJSA by purchasing an annuity contract from an insurance company with your Individual Annuity Account balance. (The insurance company making the annuity payments will automatically withhold federal income taxes from the monthly payments by assuming that you are married, with three withholding exemptions, but you may request a larger or smaller withholding amount or zero withholding by submitting

a Form W-4P.) However, you may elect to waive the QJSA and choose any one of the other payment methods described below for which are eligible, provided you do so in writing and your spouse consents in writing before a notary to your election. Your spouse's consent must be voluntary and it is up to your spouse to decide if he or she wishes to consent to a waiver of the QJSA benefit. This election can be made **ONLY** during the 180 days before you receive or begin to receive your Individual Annuity Account and you may revoke such election prior to the date your benefits begin.

Optional Forms of Benefit

1. **Lump Sum:** Under this option, you will receive your Individual Annuity Account in an 80%/20% split. In general, you will receive an initial distribution of 80% of your Individual Annuity Account (as determined in accordance with the terms of the Plan), and the remaining balance in your Individual Annuity Account will be paid in a final distribution after applicable Investment Yield and Administrative Fees have been allocated to your Account. You can elect to receive the payment directly or make a direct rollover of the payment to a traditional IRA or an eligible plan, or to receive part of the payment directly and make a direct rollover of the remainder. An eligible plan includes a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan, money purchase plan, a Code Section 403(a) benefit plan, annuity plan, a Code Section 403(b) tax-sheltered annuity, and an eligible Code Section 457(b) plan maintained by a governmental employer. If you receive all or part of the payment directly, the Fund Office must withhold 20% of the part of the payment you receive for federal income taxes. If you make a direct rollover of all or part of the payment, no taxes will be withheld on the part you directly roll over. Even if you elect to receive all or part of the payment directly, within 60 days of receiving the payment, you can still roll over the entire payment to a traditional IRA or an eligible plan, but you will have to find other money to replace the 20% income tax withholding.
2. **Monthly Distributions:** This form of distribution is available to retired participants or participants who have attained age 65. To be considered "retired", you must have completely withdrawn from any employment for wages, salary or profit in the Elevator Industry and must be receiving a Normal, Automatic, Early or Disability pension benefit from the National Elevator Industry Pension Plan or a Social Security Retirement or Disability Benefit. As with all forms of distribution, any outstanding loans must be paid prior to your receiving a monthly distribution. You can elect how much you want to receive each month under this option, but the monthly distribution amount cannot be less than \$500 per month or be more than \$5,000 per month (or more than \$10,000 per month for Plan Years after the first Plan Year for which you receive such monthly distributions). The monthly distribution amount that you elect must also be projected to result in at least 12 monthly payments.

You may elect to stop such monthly distributions or change the amount of your monthly payments once per year by submitting a request to change or stop monthly

distributions on a form designated by the Plan Administrator by November 1st of the Plan Year, and such election will be effective January 1 of the following Plan Year. If you are married, notarized spousal consent is required to change the amount of the monthly distribution or for any subsequent distribution election.

If you elect to stop monthly distributions, you may (with spousal consent, if married) elect to receive the amounts remaining in your Individual Annuity Account in another benefit form then available under the terms of the Plan effective as of January 1st of the following Plan Year, or you may defer receipt of your remaining benefits to the extent permissible under the Plan. If you decide to stop and later recommence monthly distributions under the Monthly Distributions form of benefit under the Plan, your application for benefits must be filed no later than November 1st of the year before the year in which the monthly distributions are to recommence.

If you are age 70 1/2 or older, you will receive at least the amount required under the required minimum distributions rules set forth in the Plan within the plan year. A yearly calculation will determine if you are meeting your RMD requirements. If necessary, a year-end payment will be issued to you.

If necessary to ensure that the proper Administrative Fee and Investment Yield is deducted from your Individual Annuity Account, an amount sufficient to cover the estimated Administrative Fees applicable to the your Individual Annuity Account for the prior Plan Year, as well as amounts to cover any estimated negative Investment Yield applicable to your Individual Annuity Account for the prior Plan Year, will be withheld from monthly payments that would otherwise be payable. If the payment of a monthly distribution amount would result in your Individual Annuity Account having a balance of less than \$3,000, you will receive a final payment of the entire remaining balance of your Individual Annuity Account (after adjustment for Administrative Fee and Investment Yield, if applicable).

If you die after monthly benefits have commenced and your surviving spouse is the designated beneficiary, your surviving spouse will have the option of continuing to take any remaining portion of your Individual Annuity Account in the Monthly Distributions form of benefit, subject to the required minimum distribution provisions of the Plan. You may designate someone other than your spouse as your beneficiary only if your spouse voluntarily consents to such designation on a form designated by the Plan and your spouse's consent is notarized. If you are unmarried when you die, any amounts remaining in your Individual Annuity Account will be payable to your designated beneficiary (or divided among your designated beneficiaries) in a lump sum distribution.

Monthly Distributions that are eligible rollover distributions are subject to mandatory 20% federal tax withholding unless the monthly distributions are directly rolled over to an IRA or another employer plan in a direct transfer (in which case no federal tax withholding will apply). If the monthly distributions are not eligible rollover distributions because the projected period of monthly payments

equals or exceeds 120 months, federal tax withholding will apply as if such payments were wages paid by an employer, unless the Participant elects otherwise on a Form W-4P.

3. **Lifetime Monthly Annuity With or Without Guarantee Certain:** Under this method, the amount in your Individual Annuity Account will be used to purchase an annuity from an insurance company. You may choose a monthly annuity with or without a guaranteed number of payments. If you choose payments guaranteed for a specified period, you will receive monthly payments for life, but if you die within the guaranteed period, payments will be made to your beneficiary for the remainder of the specified period. However, if you die after the end of the guaranteed period, no payments will be made to your beneficiary.

The amount of the monthly payment will depend on the amount in your Individual Annuity Account and your age. The insurance company making the annuity payments will automatically withhold federal income taxes from the monthly payments by assuming that you are married, with three withholding exemptions. You may request a larger or smaller withholding amount or zero withholding.

4. **5% Distribution for Retired Participants who have not reached age 70-1/2:** If you have not received or elected to receive your Individual Annuity Account under any other distribution method, and you have not reached age 70-1/2 and you are retired and receiving a pension from the National Elevator Industry Pension Plan, each year you may elect to receive a distribution of up to 5% of your current Individual Annuity Account balance provided the election is received in the Fund Office by July 1st. The Fund Office will issue checks in August of each year to all Participants who elect this distribution method. A Retired Participant may elect this form of distribution only once each calendar year and must make an application each year to receive this distribution. A Participant who has received any payment(s) under this form of distribution may subsequently elect one of the other distribution methods; however, once the distribution method has been changed, the Participant cannot revert back to the 5% distribution method. When you reach 70-1/2, you must select one of the other optional payment forms. The amount of this payment is subject to a mandatory 20% federal income tax withholding.

5. **Required Minimum Distribution Annual Installments:** Under this arrangement, you will receive annual installment payments over the life expectancy of you and your spouse or other beneficiary. Each year's payment will be equal to the value of your Individual Annuity Account as of the end of the prior year divided by the remaining life expectancy of you and your spouse or other beneficiary, determined under Internal Revenue Service tables. If you have retired or completely withdrawn from employment in the elevator industry, the first payment will be for the year in which you reach age 70-1/2. If you continue to work after age 70-1/2 for an employer who is obligated to make annuity contributions on your behalf, the first payment will be for the year in which you retire or completely withdraw from employment in the elevator industry. While you are receiving the annual payments, your Individual Annuity Account remains in the Fund and continues to be adjusted

for investment yield, as well as administrative expenses. At any time after you begin to receive payments, you can elect to stop the payments and receive your remaining benefit in a lump sum directly. You may elect the number of withholding allowances, if any, that you would like applied to the payments, as well as any additional amount you want withheld, for income tax withholding.

6. **75% Qualified Optional Joint and Survivor Annuity:** Under this option, you will receive a monthly annuity for your life, and after your death, monthly payments will continue to your spouse. This option is available to married participants in lieu of the 50% Qualified Joint and Survivor Annuity. A 75% Qualified Joint and Survivor Annuity provides an actuarially reduced monthly payment, payable only for as long as you live. After your death, the monthly payments to your spouse will be 75% of your monthly payments and will be paid for the rest of your spouse's life. The amount of the monthly payment will depend on the amount in your Annuity Account, your age, and your spouse's age.

The insurance company making the annuity payments will automatically withhold federal income taxes from the monthly payments by assuming that you are married, with three withholding exemptions. You may request a larger or smaller withholding amount or zero withholding.

Distribution Options for 401(k) Account

Normal Forms of Benefit

- Whether you are single or married, the normal method of distribution for your 401(k) Account (or "401(k) Account") is a Lump Sum. You may reject the Lump Sum and choose any one of the other payment methods described below.

Optional Forms of Benefit

1. **Ten Annual Installments:** Under this method, each year for 10 years, you will receive an installment payment. Each installment payment will be equal to the value of your 401(k) Account divided by the number of annual installments which remain to be paid (including the current payment being computed). The first year's payment will be 1/10th of your 401(k) Account. The second year's payment will be 1/9th of your 401(k) Account. The third year's payment will be 1/8th of your 401(k) Account and so on. In the tenth year, you will receive your remaining 401(k) Account. At any time after you begin to receive the payments, you can elect to stop the payments and receive your remaining benefit in a lump sum. You may roll over the lump sum to a traditional IRA or an eligible retirement plan (in which case no taxes will be withheld from the lump sum payment), or receive the lump sum directly (subject to mandatory 20% federal income tax withholding), or roll over part of the lump sum and directly receive the remainder. If you receive all or part of the lump sum directly, within 60 days of receiving the lump sum, you can still roll over the entire lump sum to a traditional IRA or an eligible plan, but you will have to find other money to replace the 20% income tax withholding.

2. **Lump Sum and Ten Annual Installments:** Under this method, you will receive part of your 401(k) Account in an initial lump sum and the remainder of your 401(k) Account will be paid under the Ten Annual Installments method described above. You select the amount you want to receive as the initial lump sum payment. You may roll over the lump sum to a traditional IRA or an eligible retirement plan (in which case no taxes will be withheld from the lump sum payment), or receive the lump sum directly (subject to mandatory 20% federal income tax withholding), or roll over part of the lump sum and receive the remainder. If you receive all or part of the lump sum directly, within 60 days of receiving the lump sum you can still roll over the entire lump sum to a traditional IRA or an eligible plan, but you will have to find other money to replace the 20% income tax withholding. At any time after you begin to receive the installments, you can elect to stop the payments and receive your remaining benefit in a lump sum as described above.
3. **Rollover and Ten Annual Installments:** Part of your 401(k) account is rolled over to a Vanguard IRA or another IRA or qualified plan and the remainder of your 401(k) account is paid under the Ten Annual Installments as described above.
4. **Lump Sum and Rollover:** You receive part of your 401(k) account in a lump sum and the remainder of your 401(k) account is rolled over to a Vanguard IRA or another IRA or qualified plan you choose.
5. **Monthly Installment Payments:** Under this arrangement, you will receive your 401(k) account in Monthly payments over the number of months you select, up to the number of months permitted under IRS rules. You continue to manage the investment of the accounts in your account during the payout period.
6. **Required Minimum Distribution Annual Installment:** Under this method, you will receive annual installment payments over the life expectancy of you and your spouse or other beneficiary. Each year's payment will be equal to the value of your 401(k) Account as of the end of the prior year divided by the remaining life expectancy of you and your spouse or other beneficiary, determined under Internal Revenue Service tables. If you have retired or completely withdrawn from employment in the elevator industry, the first payment will be for the year in which you reach 70 $\frac{1}{2}$. If you continue to work after age 70 $\frac{1}{2}$ for an employer who is obligated to make annuity contributions on your behalf, the first payment will be for the year in which you retire or completely withdraw from employment in the elevator industry. At any time after you begin to receive the installments, you can elect to stop the payments and receive your remaining benefit in a lump sum as described above.

THIS NOTICE HAS BEEN WRITTEN IN A PLAIN, STRAIGHTFORWARD MANNER IN ORDER TO MAKE THE INFORMATION AS CLEAR AS POSSIBLE. HOWEVER THIS NOTICE IS NOT A SUBSTITUTE FOR THE OFFICIAL PLAN DOCUMENT, WHICH GOVERNS THE OPERATION OF THE FUND. IF YOU HAVE ANY QUESTIONS REGARDING THE BENEFIT DISTRIBUTION OPTIONS THAT ARE AVAILABLE UNDER THE FUND, PLEASE CALL OR WRITE TO THE FUND OFFICE.

The forms for the aforementioned distributions must be on file at the Fund Office for at least 30 days before processing.

A Participant who has a pending Qualified Domestic Relations Order (QDRO) cannot receive any distribution option until the order is finalized and determined to be qualified.

To The Spouse of the Participant Requesting a Withdrawal: Please read carefully.

Information About the Qualified Joint & Survivor Annuity

1. What is a Qualified Joint and Survivor Annuity (QJSA)?

Federal law requires the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund to pay retirement benefits in a special payment form unless your spouse chooses a different payment form and you agree to that choice. This special payment form is often called a “qualified joint and survivor annuity” or “QJSA” payment form. The QJSA payment form gives your spouse a monthly retirement payment for the rest of his or her life. This is often called an “annuity.” Under the QJSA payment form, after your spouse dies, each month the plan will pay you 50 percent of the retirement benefit that was paid to your spouse. The benefit paid to you after your spouse dies is often called a “survivor annuity” or a “survivor benefit.” You will receive this survivor benefit for the rest of your life.

Example

Pat Doe and Pat's spouse, Robin, receive payments from the plan under the QJSA payment form. Beginning after Pat retires, Pat receives \$600 each month from the plan. Pat then dies. The plan will pay Robin \$300 a month for the rest of Robin's life.

2. How Can Your Spouse Change the Way Benefits Are Paid?

Your spouse and you will receive benefits from the plan in the special QJSA payment form required by federal law unless your spouse chooses a different payment form and you agree to the choice. If you agree to change the way the plan's retirement benefits are paid, you give up your right to the special QJSA payments.

3. Do You Have to Give Up Your Right to the QJSA Benefit?

Your choice must be voluntary. It is your personal decision whether you want to give up your right to the special QJSA payment form.

4. What Other Benefit Forms Can My Spouse Choose?

If you agree, your spouse can choose to have the retirement benefits paid in a different form. Other payment forms may give your spouse larger retirement benefits while he or she is alive, but might not pay you any benefits after your spouse dies. Your spouse may, with your consent, choose one of the following optional forms of benefits:

- *Qualified Optional Survivor Annuity:* This form gives your spouse a monthly annuity payment for the rest of his or her life. After your spouse dies, each month the plan will pay you 75 percent of the retirement benefit that was paid to your spouse. You will receive this survivor benefit for the rest of your life; or
- any of the forms available to an unmarried Participant as described in Section 3.3(A) of the Plan. These payment forms include, among others, a lump sum, and a monthly life annuity with or without a guarantee certain.

5. Can Your Spouse Make Future Changes if You Sign this Agreement?

If you sign this Consent form, you agree that benefits under the Fund will be paid in the form stated in this Consent form. Your spouse cannot change the payment form unless you agree to the change by

signing a new Consent form. However, your spouse can change to the special QJSA payment form without getting your consent.

6. Can You Change Your Mind After You Sign this Agreement?

You cannot change this Consent after you sign it. Your decision is final.

7. What Happens to this Agreement if You Become Separated or Divorced?

Legal separation or divorce may end your right to survivor benefits from the plan even if you do not sign this Consent. However, if you become legally separated or divorced, you might be able to get a special court order (which is called a qualified domestic relations order or "QDRO") that would give you rights to receive retirement benefits even if you sign this Consent. If you are thinking about separating or getting a divorce, you should get legal advice on your rights to benefits from the plan.

8. What Should You Know Before Signing this Agreement?

This is a very important decision. You should think very carefully about whether you want to sign this Consent. Before signing, be sure that you understand what retirement benefits you may get and what benefits you will no longer be able to receive. Your spouse should have received information on the types of retirement benefits available from the plan. If you have not seen this information, you should get it and read it before you sign this agreement. For additional information, you can contact the Fund Office.

Elevator Constructors Union Local No. 1 Annuity & 401(k) Fund
140 Sylvan Avenue, Suite 303, Englewood Cliffs, NJ 07632
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YOUR ROLLOVER OPTIONS AND SPECIAL TAX NOTICE

You are receiving this notice because all or a portion of a payment you are receiving from the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

General Information About Rollovers

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59^{1/2} and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59^{1/2} (or if an exception applies).

Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59^{1/2} (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70¹/₂ (or after death)
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59¹/₂, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59¹/₂, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).

- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

Special Rules And Options

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events

prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements*.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If you roll over your payment to a Roth IRA

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

If you are not a plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59¹/₂ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70¹/₂.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70¹/₂.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042—S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income-tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover. Unless you elect otherwise, a mandatory cashout of more than \$1,000 will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

For More Information

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800—TAX—FORM.

Elevator Constructors Union Local No. 1 Annuity & 401(k) Fund
140 Sylvan Avenue, Suite 303, Englewood Cliffs, NJ 07632
(201) 592-6800 (855) 521-6111

NOTICE OF RIGHT TO POSTPONE DISTRIBUTION

Although you have applied for a distribution of your benefits under the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund (the "Plan"), the law requires that we advise you of your right to postpone the distribution until a later date and what will happen to your benefits if you decide to postpone the distribution to a later date.

Right to Postpone

Under the Plan's rules, you may postpone receiving your benefits unless required under the terms of the Plan to begin payment on the April 1st following the calendar year in which you reach age 70½. If, after you reach age 70½, you continue to work for an employer who is obligated to make annuity contributions on your behalf, payments do not have to start until the April 1st following the calendar year in which you retire or completely withdraw from employment in the elevator industry. Of course, in either case, you may elect to start receiving your benefit at any time before the applicable date, provided you meet the eligibility requirements as described in the Summary Plan Description for the Plan.

What Happens to Your Plan Benefit If You Postpone Your Distribution to a Later Time?

Your Annuity Account

If you postpone the distribution to a later time, your annuity account will continue to be invested by the Board of Trustees in a variety of investments intended to both protect and grow your benefits. As described in the Summary Plan Description, your annuity account will continue to be adjusted for investment yield on the assets held in the annuity portion of the Plan and for administrative expenses. As a result, if you postpone the distribution to a later time, the amount of your benefit could be more or less than if you take a distribution now. You will still be able to take withdrawals from your annuity account and to obtain loans from your annuity account provided you are otherwise eligible.

Your 401(k) Account

If you postpone the distribution to a later time, you can continue to direct the investment of your 401(k) account in any of the investment options available under the Plan for the 401(k) portion of the Plan. See the Summary Plan Description for more information. More information is also available at the Vanguard website www.vanguard.com. Your 401(k) account will be adjusted on a daily basis for the gains, losses and administrative expenses of the investment options that you select. See the Summary Plan Description. As a result, if you postpone the distribution to a later time, the amount of your benefit could be more or less than if you take a distribution now.

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

DIRECT DEPOSIT FORM

Participant name _____

Address _____

Social Security # _____

Bank Name & Address _____

Routing Number (for direct deposit) _____

Account Number _____ Checking account Savings account

(Please check either checking account or savings account)

***Please call your bank to ascertain if the routing number on your check is the correct routing number for a direct deposit (ACH). If so, please attach a voided check. If the routing number for direct deposit is different, please attach a letter from your bank representative, on bank stationery, listing the correct routing number.

Participant signature _____

Date _____