

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

ONE-TIME ELECTION TO CHANGE FORM OF BENEFIT TO MONTHLY DISTRIBUTIONS AND DESIGNATION OF BENEFICIARY(IES)

This form (“Election Form”) must be completed and returned to the Fund Office **by no later than November 1, 2018** (along with other required forms and documents specified below) if you wish to change your form of benefit from the 10% Annual Installments Plus Investment Yield or the Investment Yield Only form of benefit to the Monthly Distributions form of benefit for amounts remaining in your Individual Annuity Account under the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund (“Plan”). If you are married, your spouse must consent to your election to change your form of benefit. Please note that certain parts of this Election Form are required to be signed and notarized. Your election will be effective January 1, 2019.

Description of Monthly Distributions Form of Benefit. Please read the attached Description of Monthly Distributions Form of Benefit carefully before completing this Election Form.

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.

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

I, _____, a participant in the Elevator Constructors Union No. 1 Annuity and 401(k) Fund ("Plan"), certify that I am currently receiving benefits from my Individual Annuity Account ("IAA") under the Plan in the following form: (Check One)

- 10% Annual Installments Plus Investment Yield
- Investment Yield Only

I understand that I may make a one-time election to change my above form of benefit to the Monthly Distributions form of benefit, to be effective as of January 1, 2019 and that, if I make this election, I will not be able to again receive my IAA benefits in the 10% Annual Installments Plus Investment Yield or the Investment Yield Only form of benefit after December 31, 2018.

I have reviewed the Description of the Monthly Distributions Form of Benefit that is attached to this Election Form. I understand that the Monthly Distributions option is available only if I have retired under the terms of the Plan or have reached age 65.

By making this election, I hereby waive my right to receive my benefits in the form of a Qualified Joint and Survivor Annuity ("QJSA"). I understand that, if I am married, my spouse must voluntarily consent to my election and to the beneficiaries that I designate on this Election Form, and that my spouse's consent must be witnessed by a notary public.

I hereby elect to change my form of benefit for distributions from my IAA under the Plan to the Monthly Distributions form of benefit, effective January 1, 2019. I elect a monthly distribution amount of \$_____ per month (prior to any applicable tax withholdings).

* Monthly amount must be at least \$500 but not more than \$5,000.

PART III. PARTICIPANT'S DESIGNATION OF BENEFICIARIES

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 IV 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 and III 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 IV. 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 the Monthly Distributions 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 change of your benefit form to the Monthly Distributions 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 the Monthly Distributions form of benefit.

Accordingly, I hereby elect to **waive** the QJSA form of benefit, to receive benefits from my Individual Annuity Account under the Plan in the Monthly Distributions form of benefit, effective January 1, 2019.

I hereby attest that each of the statements made or selected above is true and correct.

PARTICIPANT'S SIGNATURE _____ **DATE** _____

PART V: 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 my spouse desires to change his or her form of benefit for distributions from his or her IAA under the Plan from the 10% Annual Installments Plus Investment Yield or the Investment Yield Only form of benefit that he or she is currently receiving to the Monthly Distributions form of benefit, effective January 1, 2019, and has elected the monthly amount specified on page 2 of this form.
6. I understand that, under the terms of the Plan, my spouse is not permitted to change his or her form of benefit to the Monthly Distributions form of benefit without my consent.
7. I further 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.
8. I also understand that if I do not consent to my spouse's waiver of the QJSA and to the change of my spouse's benefit form to the Monthly Distributions form of benefit, my spouse will not be permitted to make this change.
9. I have reviewed the beneficiary designations made by my spouse in Part III of this Election Form. I understand that these designations apply to all Plan benefits, including from the IAA and the 401(k) portion of the Plan.

10. I have reviewed the Description of the Monthly Distributions Form of Benefit that is attached to this Election Form.

11. I HEREBY VOLUNTARILY CONSENT to my spouse's waiver of the Qualified Joint and Survivor Annuity ("QJSA") and to the change of the form of benefit to the Monthly Distributions form of benefit, effective January 1, 2019, and to the Beneficiaries designated by my spouse in Part III of this Election Form.

12. 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 VI. 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 change your benefit from the 10% Annual Installments Plus Investment Yield or Investment Yield Only form of benefit to the Monthly Distributions form of benefit if you are eligible to receive benefits in such form.

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 Monthly Distributions form of benefit. 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 under the Plan in the Monthly Distributions form of benefit, effective January 1, 2019, and designate the beneficiaries specified in Part III 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.

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 VII: OTHER FORMS AND DOCUMENTS

Please check the applicable box(es) for the completed form(s) and other documents that you are submitting with this Election Form. Please see the instructions in the chart below for information regarding the forms and other documents that are required to be submitted with this Election Form. 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"/>	Direct Deposit Form. Complete this form if you are electing to change your benefit form to 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"/>	Form W-4P. You should 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"/>	Judgement of Divorce. 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 if this information has not already been provided the Fund Office.

Return your completed Election Form together and 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

This completed Election Form, along with required documents and forms, must be received by the Fund Office **by no later than November 1, 2018.**

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 Monthly Distributions Form of Benefit
Your Rollover and Special Tax Notice
Information about the Qualified Joint and Survivor Annuity
Direct Deposit Form

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DESCRIPTION OF MONTHLY DISTRIBUTIONS FORM OF BENEFIT

This describes the Monthly Distributions form of benefit under the Annuity portion of the Elevator Constructors Union Local No. 1 Annuity & 401(k) Fund (“Plan”). This benefit form is effective January 1, 2019.

Eligible Participants with annuity starting dates on or after January 1, 2019 may elect to receive their Individual Annuity Account (“IAA”) under the Plan in the Monthly Distributions form of benefit. In addition, Participants in pay status receiving either the 10% Annual Installments Plus Investment Yield or the Investment Yield Only form of benefit may make a one-time election to change their form of benefit to the Monthly Distributions option by completing and submitting the One-Time Election to Change Form of Benefit to Monthly Distributions and Designation of Beneficiary(ies) form (along with any required attachments) to the Fund Office no later than November 1, 2018. If married, a Participant’s spouse must voluntarily consent in writing to the election on the appropriate form provided by the Fund Office and such consent must be notarized.

The Monthly Distributions option is available to retired Participants or Participants who have attained age 65. To be considered “retired,” a Participant 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 receiving this form of 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 such monthly distributions are received). The monthly distribution amount 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 IAA 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 70½ or older, you will receive at least the amount required under the required minimum distribution 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 IAA, an amount sufficient to cover the estimated Administrative Fees applicable to your IAA for the prior Plan Year, as well as amounts to cover any estimated negative Investment Yield applicable to your IAA 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 IAA having a balance of less than \$3,000, you will receive a final payment of the entire remaining balance of your IAA (after adjustment for Administrative Fee and Investment Yield, if applicable).

If you die after monthly benefits have commenced and your surviving spouse is your designated beneficiary, your surviving spouse will have the option of continuing to take any remaining portion of your IAA 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 IAA 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. 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.

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

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 59¹/₂ 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 59¹/₂ (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 59¹/₂ (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.

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

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 _____