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 ANNUITY ACCOUNT LOAN - INVOLUNTARY UNEMPLOYMENT

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 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.

Complete the enclosed application if you are applying for a loan on account of involuntary unemployment. **If you are single**, you must complete, and have your signature notarized on, the enclosed *Certification of Marital Status* form. **If you are married**, you must complete the enclosed *Participant's Verification* form, and your spouse must complete, and have his/her signature notarized on, the enclosed *Spouse's Consent To Participant's Loan Application* form. The completed forms and supporting documentation should be returned to the following address: Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund, 140 Sylvan Avenue, Suite 303, Englewood Cliffs, New Jersey 07632. Note: Receipts, or other proof of loss or expense, issued or billed to an individual other than the Participant or the Participant's spouse will not be accepted as proof of the occurrence of an expense.

To be eligible for a loan, you must satisfy one of the following conditions:

1. You have had your current Individual Annuity Account for 3 years or more; or

2. You (a) previously had an Individual Annuity Account for 3 years or more, completely withdrew from employment in the Elevator Industry and withdrew your Plan Benefit subsequent to your withdrawal, and (b) have been reemployed in the Elevator Industry for at least 15 months and currently have at least $5,000 in your Individual Annuity Account; or

3. You have made a rollover from another qualified retirement plan to the Plan and your period of active participation in the qualified retirement plan from which the rollover was made plus the period you have had an Individual Annuity Account is at least 3 years.

You may apply for an involuntary unemployment loan no earlier than the 22nd day of your unemployment and no later than 30 days after you return to employment with a contributing employer. Involuntary unemployment includes termination of your employment within 3 months after you lose eligibility for benefits under the National Elevator Industry Health Benefit Plan as a result of your employer failing to make required contributions to the Health Benefit Plan.

In no event may your outstanding loan balance(s) exceed the lesser of: (1) 50% of the present value of your Individual Annuity Account; or (2) $50,000 (reduced by the excess, if any, of the highest outstanding balance of any loans you have had from the Plan during the 12-month period ending on the day before the loan is made, over the current outstanding balance of loans from the Plan on the day on which the loan is made).

Loan repayments must be made by wage deduction, as set forth under the applicable provision of the Plan.

NOTE: A PARTICIPANT WHO ALREADY HAS AN OUTSTANDING LOAN AND WHO IS NOT CURRENT ON LOAN PAYMENTS IS NOT ELIGIBLE TO RECEIVE ANOTHER LOAN UNLESS SPECIAL AUTHORIZATION IS GRANTED BY THE TRUSTEES. A PARTICIPANT WHO HAS A PENDING QUALIFIED DOMESTIC RELATIONS ORDER (QDRO) CANNOT RECEIVE A LOAN UNTIL THE ORDER IS FINALIZED AND DETERMINED TO BE A QUALIFIED DOMESTIC RELATIONS ORDER. A PARTICIPANT WHO BEGINS TO RECEIVE DISTRIBUTION OF HIS/HER PLAN BENEFIT UNDER THE PLAN IS NOT ELIGIBLE TO OBTAIN A LOAN.

PART I
Participant Information

1. Name:_____
Last First Middle Initial

2. Social Security No.: _____Telephone No.:_____

3. Address:_____
Number Street City State Zip Code

4. First day of involuntary unemployment: _____
Month Day Year

5. Name of employer:_____

6. Period of unemployment covered by loan: (Note: loans on account of unemployment are available only beginning with the 22nd consecutive day of such unemployment):

From: _____ To: _____
Month Day Year Month Day Year

7. Amount of loan (Note: Maximum is $700.00 per week): $ _____

8. Were you awarded State Unemployment Insurance benefits for the period shown in Item 6 above?

☐ Yes If yes, see Item 9 below. ☐ No If no, explain:

_____

_____.

9. If you have received or are receiving weekly benefits under a State Unemployment Insurance Benefit program, you must submit proof of same, with this form as follows:

(a) Send Photostat of Unemployment check; or
(b) Send Unemployment booklet or Photostat of "Calendar Sheet"; or
(c) Have this form certified below by your Unemployment Office

Unemployment Office Certification: The above named person was awarded State Unemployment Insurance Benefits for the week

Ending: _____
Month Day Year

Certified: _____
(Stamp or Seal of State Unemployment Insurance Benefit Agency)

By: _____Date: _____

Revised 2016

PART II
Amount Requested

I hereby apply for a loan in the amount of $ _____, under the Rules and Regulations of the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund. I understand that the loan (together with any other outstanding loans) may not exceed the lesser of (1) 50% of the present value of my Individual Annuity Account or (2) $50,000 (reduced by the excess, if any, of the highest outstanding balance of loans from the Plan to me during the 12-month period ending on the day before the loan is made, over the current outstanding balance of loans from the Plan to me on the day on which the loan is made).

I understand that in order to receive the loan, I must execute a promissory note to the Trustees of the Plan and that the repayment of the loan is subject to the terms of such promissory note. I understand that, as collateral security for the repayment of the loan, the Trustees will have a lien upon my Annuity Share for the amount of any outstanding loan(s) and accrued interest, and in the event of default, the Trustees will have the right to enforce their lien upon my Annuity Share for the amount of such outstanding loan(s) and accrued interest, plus any court costs and reasonable attorney's fees in any action to collect the debt, prior to any distribution from my Individual Annuity Account. Further, I understand that If I fail to timely repay the loan and any accrued interest on a quarterly basis by the applicable due date and grace period, I will be considered to be in default, and at the time of default, the entire outstanding loan balance and all accrued interest will become immediately due and payable without any demand or notice and subject to income tax (and penalty taxes, if applicable).

I understand that the loan and accrued interest are to be repaid entirely within a maximum of five (5) years from the date of making the loan, in quarterly installments of not less than 5% of the initial sum of the loan plus interest. I understand that my failure to repay the loan in accordance with the terms of the promissory note may result in my being unable to receive any further loans from the Plan until such time as proper repayment has been made. I agree to abide by the terms and conditions of the loan as set forth above and within the Plan document and promissory note.

IMPORTANT NOTICE REGARDING INCOME TAXES: **Loan amounts may be subject to federal, state and local income taxes and penalties as follows:**

If you fail to timely repay the loan and any accrued interest as billed on a quarterly basis by the applicable due date and your loan is defaulted, the entire outstanding loan balance and accrued interest will be "deemed" distributed for tax purposes and will be reported to the IRS on Form 1099-R and subject to income taxes. In addition, if your Annuity Share is reduced ("offset") to repay any outstanding loan balance, the loan offset amount will be treated as an actual distribution to you at the time of the offset and will be taxed unless you rollover the amount of the loan offset within 60 days of the distribution. An additional 10% penalty tax will apply if you have not attained age 59½ at the time of the default.

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

Participant's Signature: _____ Date: _____

Send this form with all supporting documentation and form(s) to: **Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund, 140 Sylvan Avenue, Suite 303, Englewood Cliffs, NJ 07632**.

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CERTIFICATION OF MARITAL STATUS
APPLICATION FOR ANNUITY ACCOUNT LOAN - INVOLUNTARY UNEMPLOYMENT
(SINGLE PARTICIPANT ONLY)

State of _____)
ss:
County of _____)

_____, being duly sworn, deposes and says:
(Name of Participant)

1. My name is _____
Last First Middle Initial

My address is_____
Number/Street City State Zip Code

2. I understand that under federal law and the rules of the Fund, a spouse of a Participant in the Fund has certain rights and that a Participant may not, without his or her spouse's written consent, withdraw funds from the participant's account from the Annuity Fund or make a loan against the Participant's account. I understand that the Fund will rely upon the accuracy of this certification concerning my marital status. I agree that, if any of the information set forth in this certification is inaccurate, I shall reimburse the Fund for any loss the Fund may suffer by acting in reliance upon such inaccurate information.

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

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

_____
Signature of Participant

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 Certification of Marital Status as a Participant in the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund, who acknowledged that he/she executed same, and being duly sworn by me, made oath that the statements in the foregoing Certification of Marital Status are true to the best of his/her knowledge and belief.

_____
Notary Public

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PARTICIPANT'S VERIFICATION
APPLICATION FOR ANNUITY ACCOUNT LOAN - INVOLUNTARY UNEMPLOYMENT
(MARRIED PARTICIPANT ONLY)

I, _____, am a Participant in the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund. I understand that under federal law and the rules of the Fund, the spouse of a Participant in the Fund has certain rights and that I may not make a loan against my Individual Annuity Account without my spouse's written consent.

I hereby certify that the signature which appears below in the Consent is the signature of _____, who is my true and lawful spouse. I agree to reimburse the Fund for any loss the Fund may suffer in the event that this verification is inaccurate in any respect.

I understand that under federal law and the rules of the Fund, the loan cannot be paid to me before the end of the 30-day period which began when this Consent was provided to my spouse and me unless both my spouse and I consent to the withdrawal being paid earlier and the withdrawal is not paid until at least 7 days after this Consent was provided. I hereby consent to the making of the loan before the end of the 30-day period.

I understand that the withdrawal will be subject to federal, state and local income taxes, and if I am not 59 ½ or older when I receive the withdrawal, there may also be a 10% penalty tax.

_____ _____
Signature of Participant Date

SPOUSE'S CONSENT TO PARTICIPANT'S LOAN APPLICATION
APPLICATION FOR ANNUITY ACCOUNT LOAN - INVOLUNTARY UNEMPLOYMENT
(MARRIED PARTICIPANT'S SPOUSE ONLY)

State of _____)
) ss:
County of_____)

_____, being duly sworn, deposes and says:
Name of Spouse

My name is: _____
Last First Middle Initial

My address is:_____
Number Street City State Zip Code

I am married to: _____. We were married on_____
Name of Participant Date

at _____.
Place

Revised 2016

I understand that my spouse is a Participant in the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund. I have been informed that my spouse's Individual Annuity Account under the Fund is now approximately $_____. I understand that my spouse has applied for a loan from his/her Individual Annuity Account in the amount of $_____ in order to pay expenses in connection with his/her involuntary unemployment.

I understand that my spouse will not be able to receive the loan he/she is applying for unless I consent to it. I understand that if this loan is granted, the loan will be a lien against my spouse's Individual Annuity Account until the loan, including all accrued interest, is paid in full.

I understand that if I do not consent to the loan, nor later consent to another form of payment for my spouse's Individual Annuity Account benefits under the Fund, the amount my spouse would like to receive now as a loan, along with my spouse's other benefits in his/her Individual Annuity Account under the Fund would be paid as a monthly annuity for my spouse's life and, if my spouse dies before I do, with payments equal to 50% of the payments my spouse was receiving being paid to me for the rest of my life. This is called a Qualified Joint and Survivor Annuity or "QJSA." The amount of these QJSA payments will depend upon the amount in my spouse's Individual Annuity Account in the Fund, less the amount of any outstanding loans (including accrued interest) against my spouse's Individual Annuity Account immediately prior to the start of distribution of my spouse's Individual Annuity Account benefits. I understand that this means that if my spouse takes a loan against the Individual Annuity Account and does not repay in full to the Fund the amount of the loan and accrued interest immediately prior to the time my spouse begins to receive his/her Individual Annuity Account benefits, the amount of the monthly QJSA payment which would otherwise be payable to my spouse and/or me will be reduced or even entirely eliminated.

I also understand that if I do not consent to the loan, nor later consent (or have previously consented) to the designation of a beneficiary for all or part of my spouse's Individual Annuity Account benefits under the Fund other than me, the amount that my spouse would like to receive now as a loan, along with my spouse's other benefits in his/her Individual Annuity Account under the Fund, would be paid to me as a death benefit in the event my spouse dies before commencing payment and a death benefit is payable under the terms of the Plan, with payments being in the form of a monthly annuity for the rest of my life or in some other form permitted under the Fund which I might elect. I also understand that, because the loan is a lien against my spouse's Individual Annuity Account, any such lien will also reduce or eliminate the amount payable to me or, if I consent to the designation of a beneficiary for all or part of my spouse's benefits under the Fund other than me, such beneficiary, in the event that my spouse dies before beginning to receive benefits from the Fund. I understand that the amount of the reduction may be substantial, depending upon the amount of the loan, the accrued interest upon the loan, and the extent to which the loan has not been repaid prior to my spouse's death.

I understand that loan amounts may be subject to federal, state and local income taxes and penalties. I also understand that if my spouse is not 59½ or older when my spouse receives a loan-related distribution, there may also be an additional 10% penalty tax.

I understand that under federal law and the rules of the Fund, I have at least 30 days from the date I receive this Consent to decide whether to consent to my spouse's loan. I understand that I may waive my right to the 30-day period by checking the appropriate box below, and if I do so, the withdrawal may not be made earlier than 7 days after I receive this Consent form.

☐ I HEREBY WAIVE my right to take the full 30 days to make my decision, and I HEREBY CONSENT to the loan before the end of the 30 days. I understand that I may revoke my waiver and consent at any time during the 7-day period which began when I received this form.

☐ I do not wish to waive the 30-day waiting period and am returning this form after 30 days.

As the legal spouse of the above-named participant, I have read and understand the information on this form. I HEREBY AGREE that the Fund may make the loan to my spouse in the amount indicated above. I realize that by signing this Consent, I am waiving my statutory right under the Internal Revenue Code of 1986, as amended, to have my spouse receive benefits under the Fund as a Qualified Joint and Survivor Annuity and my right to a 50% survivor annuity with respect to such benefits to the extent my spouse does not repay in full the amount of any outstanding loan and accrued interest prior to the commencement of distribution of my spouse's Individual Annuity Account benefits under the Fund in the form of a QJSA. Furthermore, by signing this Consent, I am waiving my statutory right to receive the amount of any outstanding loan (including accrued interest) as a death benefit in the form of an annuity or another permitted form that I may elect in the event my spouse dies before I do and prior to commencing to receive his annuity account benefits under the Fund to the extent of the amount of outstanding loan and accrued interest at the time of my spouse's death. I understand that I do not have to sign this agreement. I am signing this agreement voluntarily.

_____ _____

Signature of Spouse Date

State of _____)
) ss:
County of_____)

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

_____

Notary Public