

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 AND APPLICATION FOR DISTRIBUTION OF UP TO 5% OF ANNUITY SHARE BALANCE
(RETIRED PARTICIPANTS ONLY)**

This distribution method is available for Retired Participants who have not received or elected to receive their Annuity Share or portion thereof under any other distribution method available under the Plan and who have not reached age 70½. A *Retired Participant* for this purpose is a Participant who has completely withdrawn from any employment for wages, salary or profit in the Elevator Industry and has begun to receive a pension from the National Elevator Industry Pension Plan.

Each calendar year, a *Retired Participant* may elect to receive a lump sum distribution of up to 5% of his/her current Annuity Share balance provided the election is received by 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* who has an outstanding loan or loans must pay the loan(s), including accrued interest, in full or have the balance of the loan(s) and accrued interest deducted from his/her Individual Annuity Account in order to be eligible for this distribution method.

A *Retired Participant* may elect this form of distribution only once each calendar year and must submit an application each year to receive this benefit. A *Retired Participant* who has received any payment(s) under this form of distribution may subsequently elect to receive his/her Annuity Share balance under one of the other distribution methods available under the Fund; however, once the distribution method has changed, the Participant cannot revert back to the 5% distribution method.

A *Retired Participant* cannot continue making withdrawals under this distribution method after reaching age 70½. When a *Retired Participant* reaches age 70½, the Participant must change to one of the other available distribution methods.

Should you have any questions regarding this notice, please call the Fund Office.

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APPLICATION FOR DISTRIBUTION OF UP TO 5% OF ANNUITY SHARE BALANCE
(Retired Participants only)

Section 6.2 of the Rules and Regulations of the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund 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.

You may elect to receive a distribution of up to 5% of your current Annuity Share balance provided the Fund Office receives your request by **July 1st**.

Complete this application if you are applying for a lump sum distribution of up to 5% of your Annuity Share balance and **return the completed application with proof that you have begun to receive a pension** from the National Elevator Industry Pension Plan. **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 *Spousal Consent* form. In addition, **if you elect to have this distribution rolled over to an IRA or eligible employer plan**, you must also complete and return with your application the *Application For Direct Transfer Of Individual Annuity Account To An Individual Retirement Account (IRA) And/Or To A Qualified Defined Contribution Plan* form.

The completed application 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.

Name _____
Last First Middle Name

Address _____

Social Security No. _____

- Marital Status:**
- Single
 - Married
 - Divorced (submit Divorce Decree/QDRO)
 - Widowed (submit death certificate)

Distribution Election:

I wish to receive a distribution of _____% of my current Annuity Share balance.

_____ PAY TO ME

_____ ROLLOVER (refer to *Your Rollover Options and Special Tax Notice*)

IMPORTANT NOTICE REGARDING INCOME TAXES: All withdrawals are subject to federal, state and local income taxes and penalties.

Federal Tax Withholding. Your distribution will be subject to an automatic 20% federal income tax withholding on any amount that is not directly rolled over to an IRA or eligible employer plan. Please see the attached notice, *Your Rollover Options and Special Tax Notice*, for a more detailed explanation. You may elect, however, to have income tax withheld from the taxable portion of your distribution at a rate higher than the prescribed rate by completing and returning to the Fund Office the enclosed IRS Form W-4P.

State Income Tax Withholding. You are responsible for the payment of any applicable state income taxes arising from this distribution. You may incur penalties under state tax rules if your estimated tax payments are not sufficient. If you have any questions about how taxes apply to your distribution, you should consult a qualified tax professional.

Early Distribution Excise Tax. In addition, if you are not 59½ or older when you receive the distribution, you may also be subject to a 10% additional tax.

I understand that any distribution will be payable ONLY after any outstanding loans and accrued interest are deducted, and I so authorize said deduction.

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

Participant's Signature

Date

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 Annuity Share under the Fund is now approximately \$ _____. I understand that my spouse has applied for a lump sum distribution of _____% of the current Annuity Share balance. I understand that my spouse will not be able to receive this distribution unless I consent to the withdrawal.

I understand that if I do not consent to the withdrawal, nor later consent to another form of payment for my spouse's benefits under the Fund, that the amount my spouse would like to receive now as a lump sum distribution of up to 5% of his/her Annuity Share balance, along with my spouse's other benefits in my spouse's 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." I also understand that if I do not consent to the withdrawal, nor later consent (or have previously consented) to the designation of a beneficiary for all or part of my spouse's benefits under the Fund other than me, the amount that my spouse would like to receive now as a lump sum distribution of up to 5% of his/her Annuity Share balance, along with my spouse's other benefits under my spouse's 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 understand that my spouse's withdrawal will be subject to federal, state and local income taxes. I also understand that if my spouse is not 59 ½ or older when my spouse receives the withdrawal, there may also be a 10% additional tax.

As the legal spouse of the above-named participant, I have read and understand the information on this form and in the attached notice, *Information About the Qualified Joint & Survivor Annuity*. I HEREBY AGREE that the Fund may pay to my spouse the amount of the lump sum distribution of up to 5% of his/her Annuity Share balance. 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 ("QJSA") and my right to a 50% survivor annuity with respect to such benefits if my spouse dies before I do but after the beginning to receive benefits in the form of a QJSA. Furthermore, by signing this Consent, I am waiving my statutory right to receive the amount that my spouse receives as a lump sum distribution of up to 5% of his/her Annuity Share balance as a death benefit in the form of an annuity or another permitted form of payment that I may elect in the event my spouse dies before I do and prior to commencing to receive retirement benefits under the Plan. I realize that a death benefit that would otherwise be payable to me under the annuity portion of the Fund will be a lesser amount as a result of my spouse's receipt of the lump sum distribution of up to 5% of his/her Annuity Share balance. I understand that I do not have to sign this agreement. I am signing this agreement voluntarily.

Spouse's Signature

Date

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 she/he executed same, and being duly sworn by me, made oath that the statements in the foregoing Consent are true to the best of her/his knowledge and belief.

Notary Public

To The Spouse of the Participant Requesting a Distribution: 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.