

**AMENDMENT TO THE  
U.F.C.W. LOCAL 342 SAVINGS AND 401(k) PLAN**

**SUMMARY OF MATERIAL MODIFICATIONS**

- I. NEW DISTRIBUTION OPTION UNDER THE CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT**
- II. TREATMENT OF REQUIRED MINIMUM DISTRIBUTIONS UNDER THE CARES ACT**
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This notice is being provided as a Summary of Material Modification to the U.F.C.W. Local 342 Savings & 401(k) Plan. Provided below is a summary of the changes that were made to the Plan and an explanation regarding a new distribution option available to Participants due to the Coronavirus Aid, Relief and Economic Security (CARES) Act.

**I. NEW DISTRIBUTION OPTION UNDER THE CARES ACT**

Americans who are experiencing financial hardship amid the COVID-19 pandemic may be eligible for emergency relief granted by the CARES Act. “Eligible participants” may have access to their retirement plan account savings through the UFCW Local 342 Savings and 401(k) Fund (the “Fund”). Pursuant to Article 12 of the Plan, the Fund adopted new rules to allow eligible participants to take advantage of emergency relief permitted under the CARES Act, as described in this Notice.

Normally, anyone who withdraws money from the Fund before age 59 ½ is assessed a 10% penalty on that amount when filing taxes. The CARES Act allows you, regardless of your age, the ability to take a “coronavirus-related distribution” up to \$100,000 from your 401(k) Account in 2020 without incurring the withdrawal penalty. You will still owe ordinary income tax on the amount withdrawn but this can be paid over three years. The tax can be avoided if you choose to pay back the amount withdrawn within three years. It would be wise to consult a financial professional to help you make decisions that make the most sense for your circumstances. Rules governing distributions from the UFCW Local 342 Savings and 401(k) Fund are subject to the terms of the Plan and the Internal Revenue Code.

Below are some often asked questions and general answers relating to the emergency relief provisions adopted under the CARES Act.

*Q. How can I become eligible for a “coronavirus-related distribution?”*

A. In order to be eligible for a coronavirus-related distribution you must be an “eligible participant.” You are only an eligible participant if you are an individual:

- Diagnosed with SARS-CoV-2 or COVID-19 by a test approved by the Centers for Disease Control and Prevention; OR
- Whose spouse or dependent is so diagnosed by such a test; OR
- Who experiences adverse financial consequences as a result of
  - Being quarantined; OR
  - Being laid off or furloughed or having work hours reduced due to the virus; OR
  - Being unable to work due to lack of childcare due to the virus; OR

- Closing or reducing hours of a business owned or operated by the individual due to the virus; OR
- Other factors as determined by the Secretary of the Treasury

*Q. Do I qualify as an eligible participant if my spouse is quarantined, laid off, furloughed, or having work hours reduced due to the virus?*

A. No. You qualify as an eligible participant if the examples above affect your employment status directly. The only example in which you can access a coronavirus-related distribution due to what occurs with your spouse is if he or she is diagnosed with SARS-CoV-2 or COVID-19 by a test approved by the Centers for Disease Control and Prevention. Additional categories of eligible coronavirus-related distributions may be available in the future as determined by the United States Secretary of the Treasury.

*Q. What if I am a participant that terminated a while back, say 2 years ago, and left a balance in the Plan? If I am determined to be a coronavirus-eligible participant can I receive a coronavirus-related distribution?*

A. Yes, if you are still eligible for a distribution generally, and qualify for a “coronavirus-related distribution,” you are eligible to apply.

*Q. How do I apply for a coronavirus-related distribution?*

A. To request a coronavirus-related distribution, log into your John Hancock account with your user ID and password at <https://myplan.johnhancock.com> or call John Hancock at 1-833-388-6466 to request the distribution form. John Hancock may rely on the self-certification by a participant to approve the distribution. You will be provided an application for a coronavirus-related distribution from John Hancock. You will be required to certify eligibility for a coronavirus-related distribution on the application.

*Q. Does the CARES Act \$100,000 distribution maximum limit apply in aggregate across all my retirement plans, individual retirement accounts, etc.?*

A. The tax and other financial advantages of taking a CARES Act \$100,000 maximum distribution is a combined limit applied to all individual account plans that you participate in and any Individual Retirement Accounts (“IRA’s”), should you have any. It is the participant’s responsibility to manage this and ensure that the total withdrawn from all retirement accounts does not exceed \$100,000. If you are unsure in any given case if this applies to your specific circumstance, you should consult a financial professional

*Q. How will tax withholding apply to coronavirus-related distributions?*

A. For coronavirus-related distributions, the default federal tax withholding is 10%. However, participants have the option to waive completely or elect a value greater than 10%. State taxes are applicable and vary by state. The 10% early withdrawal penalty of 10% does not apply to coronavirus-related distributions. We encourage you to discuss with a financial professional, what, if any, consequence waiving federal withholding completely may have on your finances later.

*Q. When will the deadline to take a coronavirus-related distribution end?*

A. Coronavirus-related provisions apply to distributions made to qualified individuals made on or after January 1, 2020, and no later than December 30, 2020.

*Q. Do I have other options available to me if I do not want to take a coronavirus-related distribution?*

A. Aside from the normal plan provisions that may still apply to your situation, you may also be eligible for a coronavirus-related plan loan which is addressed in a separate set of Q&A's on this website.

*Q. What effect does taking a coronavirus-related distribution have on my future retirement benefits?*

A. Any withdrawal from your 401(k) Account prior to your retirement will have an impact on your preparation for retirement. Prior to taking a coronavirus-related distribution if you are eligible, you may want to discuss the impact taking a coronavirus-related distribution may have on your retirement with a financial advisor.

**These Questions and Answers are provided for general informational purposes and may be subject to change or clarification based on additional legislative relief by the United States Congress, or guidance published by the Internal Revenue Service or applicable Government Agencies.**

## **II. SPECIAL RULES FOR REQUIRED MINIMUM DISTRIBUTIONS**

Due to the COVID-19 Pandemic and, in accordance with the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), Required Minimum Distributions are hereby delayed for a period of one year, with the delay applying to both 2019 distributions that were required to begin no later than April 1, 2020, and 2020 distributions, unless a Participant elects to receive a Required Minimum Distribution in 2020.

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The amendments to the Plan pertain to all eligible participants as defined in the Plan. For questions, or if you would like more information contact John Hancock at 1-833-388-6466.

**NOTE: This document is a Summary of Material Modifications. It should be kept with your U.F.C.W. Local 342 Savings & 401(k) Plan, Summary Plan Description.**