

**Elevator Constructors Annuity and 401(k) Retirement Plan  
New 401(k) Deferral Distribution Option for Out-of-Work Members**

**Overview:**

Effective immediately, the Trustees of the Elevator Constructors Annuity and 401(k) Retirement Plan have amended the Plan to allow Participants who have separated from service (are out of work) for three consecutive full months to withdraw funds from their 401(k) salary deferral accounts.

The Trustees feel that this new Plan provision will aid Participants during economic downturns in the industry. This new option allows Participants to take withdrawals from their 401(k) salary deferral accounts without waiting to be out of work for six consecutive months.

**Read the following Questions & Answers to help understand this new Plan provision.**

**HOW DOES THE PARTIAL DISTRIBUTION PROCESS WORK?**

If you have not received an Annuity contribution from any signatory Employer for three consecutive full months, you may take a Separation from Service distribution of up to one-third ( $\frac{1}{3}$ ) of the balance of your *401(k) Account only* beginning on the 1st day of the 4th month. If you are still out of work, the payment in the 5th month can be up to 50% of the remaining balance in your 401(k) salary deferral account, and the payment in the 6th month can be up to 100% of the remaining balance in your 401(k) salary deferral account.

For example:

A Participant is laid off on January 15th, 2010 and has a 401(k) account balance of \$120,000. He becomes eligible for the first of three partial payments of his/her 401(k) balance on May 1, 2010.

- Payment #1: Up to 1/3 of 401(k) balance (\$40,000) payable on May 1, 2010.
- Payment #2: Up to 50% of remaining 401(k) balance (\$40,000) on June 1, 2010.
- Payment #3: Up to 100% of remaining 401(k) balance (\$40,000) on July 1, 2010.

*The participant must certify each month that he/she is out of work by returning a completed Separation from Service Distribution Form.*

**Tax Liability:** Under IRS rules, the Participant's taxable income in the above example would be \$120,000 for the calendar year in which he/she received the distribution. The distribution is taxed as ordinary income. MassMutual will automatically withhold 20% from each distribution before sending the balance to the Participant. However, the Participant may be subject to additional taxes (depending on his/her tax bracket) plus an additional 10% penalty may apply if he/she is under age 59  $\frac{1}{2}$ . Therefore, Participants should consider the taxation of these distributions and plan accordingly.

**Please Note:** In the above example, the account balance was not adjusted to reflect any increase or decrease in the Participant's account balance. Depending on the Participant's asset allocation, the account balance may fluctuate in value. This fluctuation will affect the amounts distributed.

Once a Participant has been out of work for six consecutive months, the Participant also may be eligible to take additional distributions from the Plan. In order for the Participant to take additional distributions, he/she should complete the Elevator Constructors Annuity and 401(k) Retirement Plan Distribution Form and return it to MassMutual for processing. If the Participant chooses to take additional distributions from the Plan, he/she will have distribution options that include installment payments or lump sum.

#### HOW DO YOU KNOW IF YOU HAVE CONTRIBUTED TO THE 401(k) PLAN?

You can verify if you have contributed to a 401(k) salary deferral account by reviewing your most recent Plan statement. Under "ACCOUNT ACTIVITY BY CONTRIBUTION SOURCE" on your statement, you will have a contribution source of "401(k)" if you have contributed to a 401(k) salary deferral account. You can also verify if you have contributed to a 401(k) salary deferral account through the Journey website at [www.massmutual.com/iuec](http://www.massmutual.com/iuec). Once you have logged on to your account, you should select "Account Balances" under the "My Account" tab on the right hand side of the screen. Then view your account balance "By Source". If you have a source of "401(k)", you have contributed to a 401(k) salary deferral account in the Plan.

#### HOW DO YOU APPLY FOR A WITHDRAWAL FROM THE PLAN?

Request a Separation from Service Distribution Form by calling MassMutual at 1-800-74-FLASH (1-800-743-5274). You can also download the Separation from Service Distribution Form from any of the websites listed below.

- MassMutual Retirement Services: [www.massmutual.com/iuec](http://www.massmutual.com/iuec)
- National Elevator Industry Benefits Plans: [www.neibenefits.org/contacts/massmutual](http://www.neibenefits.org/contacts/massmutual) financial group
- I.U.E.C.: [www.iuec.org/IUEC](http://www.iuec.org/IUEC) Membership Resources and Links/MassMutual

#### WHERE SHOULD YOU SEND YOUR COMPLETED SEPARATION FROM SERVICE DISTRIBUTION FORM?

Return it to MassMutual in any one of the following ways:

- Email: Attach the completed form to an email and sent to MassMutual at [Rscsoprocessing@massmutual.com](mailto:Rscsoprocessing@massmutual.com)
- Mail: Send through U.S. Postal Service to:  
MassMutual Life Insurance Company  
Retirement Services – N134  
P.O. Box 1295  
Springfield, MA 01101-9909
- Fax: Fax the completed form to 1-413-744-2020

#### HOW LONG DOES IT TAKE TO PROCESS THE DISTRIBUTION FORM?

Once MassMutual receives the initial completed Separation from Service Distribution Form *in good order*, the distribution will be processed within 1-2 business days. Each subsequent payment will be processed within 1-2 business days after the next complete form is received in good order.

DO YOU HAVE TO CERTIFY EACH MONTH THAT YOU HAVE NOT HAD ANY WORKING HOURS FOR THE MONTH?

Yes. The certification is included in the Separation from Service Distribution Form which must be completed each month in order to take a distribution.

DO YOU HAVE TO TAKE THE FULL AMOUNT PERMITTED EACH MONTH?

No. You may withdraw up to the maximum allowed each month. If you choose not to take the maximum allowable, your remaining 401(k) salary deferral balance will continue to be invested in accordance with the investment elections that you have on file for your 401(k) salary deferral account.

HOW ARE THESE DISTRIBUTIONS TAXED?

All distributions are subject to federal withholding taxes. If you are under age 59 ½, distributions may be subject to an additional 10% tax penalty. You should consult your tax advisor for details concerning the tax implications of these distributions.

WHO SHOULD YOU CONTACT IF YOU HAVE QUESTIONS REGARDING THIS NEW PLAN PROVISION?

If you have questions concerning this new provision, please feel free to contact the MassMutual Participant Information Center at 1-800-74-FLASH (1-800-743-5274), Monday through Friday between 8 a.m. and 8 p.m. ET.