



SOUTHERN CALIFORNIA IBEW – NECA ADMINISTRATIVE CORPORATION

6023 Garfield Avenue, City of Commerce, CA 90040

Phone: (323) 221-5861 or (800) 824-6935

Fax (323) 726-3520

Mailing Address:

P.O. Box 910918

Los Angeles, CA 90091



Website: www.scibew-neca.org

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May 2020

STATEMENT OF MATERIAL MODIFICATIONS

The Board of Trustees of the Southern California IBEW-NECA Defined Contribution Plan have elected to amend the Plan to provide a further distribution option for retirees and other individuals entitled to a distribution of their account balance. The Amendment is effective for distributions on and after September 1, 2020.

Under the new option a retired Participant can elect a partial taxable distribution of a portion of their account balance. The partial withdrawal is limited to a minimum of \$25,000 and a maximum of 25% of the cash value of the individual account with an account balance of at least \$100,000 excluding any defaulted loan. For example, defaulted loan balances are excluded when calculating the minimum account balance.

An eligible retiree may take only one partial distribution within a 365 day period. Subsequent to a partial distribution a retiree is still free to subsequently withdraw their entire remaining account balance in any other form of distribution available under the Plan.

The Trustees have set the initial minimum at \$25,000 in recognition of the fact that the application and distribution process gives rise to administrative expenses. Those administrative expenses are then shared by all Plan Participants through the monthly account charge. The Trustees will be monitoring experience under the Amendment and may in the future further amend the Plan to lower the minimum distribution requirement and/or increase the frequency of such partial distributions.

The Board of Trustees would stress that this new retirement option in no fashion changes the restriction which prohibits distributions to Participants who have not severed all employment with all contributing employers nor does it alter any other eligibility provision of the Plan.

Should you have any questions on this new option, please contact the Administrative Trust Funds Office.

**AMENDMENT NO. 13
TO THE SOUTHERN CALIFORNIA IBEW-NECA
DEFINED CONTRIBUTION PLAN**

This Amendment to the Southern California IBEW-NECA Defined Contribution Plan executed April 23, 2020 is made by the Board of Trustees of the Southern California IBEW-NECA Defined Contribution Trust Fund (“Board of Trustees”) with reference to the following facts and circumstances:

A. The Board of Trustees wishes to afford eligible Retirees the ability to receive a taxable distribution of a portion of their account balance while retaining portions of their account balance in the Plan. The Board of Trustees intends that this Plan Amendment avoid undue administrative expense to the Plan as a whole.

B. The Board of Trustees desires that this Plan Amendment be first effective for distributions on and after September 1, 2020 and as such this Plan Amendment is effective September 1, 2020.

C. The Board of Trustees has reserved to themselves the ability to amend the Plan from time to time.

NOW THEREFORE, the Plan is amended as follows:

1. Article V Section 4 Subsection (c)(1) is amended by adding a Part I to read as follows:

“I. Partial Distribution: An initial minimum account balance of \$100,000, excluding any defaulted loan balance, is required for a Partial Distribution. This form of benefit allows a Participant to receive between a minimum of \$25,000 and a maximum of 25% of the Participant’s account value in a single initial taxable Partial Distribution. One distribution under this subsection (I) is available during a rolling 365 day time period. Within that following 365 day time period, or thereafter, a Participant who has received a Partial Distribution may receive a further distribution of their entire remaining account balance pursuant to subsections (A) through (H). After the 365 day period has expired a Participant may take a subsequent Partial Distribution pursuant to this subsection (I) if their account balance then exceeds \$100,000. A Participant who has received a subsequent Partial Distribution may receive a further distribution of their entire remaining account balance pursuant to subsections (A) through (H).”

2. Article V Subsection (c)(2) is amended to read as follows:

“2. For an unmarried Participant the optional forms will be the single sum payment described in subsection (c)(1)(B), the installment payments described in subsection (c)(1)(C), the Certain

and Life Annuity described in subsection (c)(1)(G), the Full Cash Refund Annuity described in subsection (c)(1)(H) and the Partial Distribution described in subsection (c)(1)(I).”

3. Article VI, Section 3 is amended to read as follows:

“Section 3: Form of Distribution.

1. Married Participants.

If a Participant is married on the date his Individual Account is to be distributed, and he and his spouse do not elect otherwise, his Individual Account will be payable in the form of an Automatic 50% Joint and Survivor Annuity as described in Article V, Section 4(a). A Participant and his spouse may jointly elect not to receive the Automatic 50% Joint and Survivor Annuity, and instead may elect the single sum payment described in Article V, Section 4(c)(1)(B), annual installments over two to five years as described in Article V, Section 4 (c)(1)(C), a 66 2/3% Joint and Survivor Annuity as described in Article V, Section 4 (c)(1)(D), a 75% Joint and Survivor Annuity as described in Article V, Section 4(c)(1)(E), a 100% Joint and Survivor Annuity as described in Article V, Section 4 (c)(1)(F), the Certain and Life Annuity described in Article V, Section 4 (c)(1)(G), the Full Cash Refund Annuity described in Article V, Section 4(c)(1)(H) and the Partial Distribution described in Article V, Section 4(c)(1)(I).

Such election must be made in accordance with Article V, Section 4(d).

2. Unmarried Participants.

If a Participant is not married on the date his Individual Account is to be distributed, and does not elect otherwise, his Individual Account will be payable in the Normal Form of Annuity as described in Article V, Section 4(b). Instead of the Normal Form of Annuity, such Participant may elect a single sum payment as described in Article V, Section 4(c)(1)(B), annual installments as described in Article V, Section 4(c)(1)(C), the Certain and Life Annuity described in Article V, Section 4 (c)(1)(G), the Full Cash Refund Annuity described in Article V, Section 4 (c)(1)(H) and the Partial Distribution described in Article V, Section 4(c)(1)(I).

Such election must be made in accordance with Article V, Section 4(d).”

4. Article VII, Section 4 is amended to read as follows:

“Section 4: Form of Distribution

1. Married Participants.

If a Participant is married on the date his Individual Account is to be distributed, and he and his spouse do not elect otherwise, his Individual Account will be payable in the form of an Automatic 50% Joint and Survivor Annuity as described in Article V, Section 4(a). A Participant and his spouse may jointly elect not to receive the Automatic 50% Joint and Survivor Annuity, and instead may elect the single sum payment described in Article V, Section 4(c)(1)(B), annual installments over two to five years as described Article V, Section 4(c)(1)(C), a 66 2/3% Joint and Survivor Annuity as described in Article V, Section 4(c)(1)(D), a 75% Joint and Survivor Annuity as described in Article V, Section 4(c)(1)(E), a 100% Joint and Survivor Annuity as described in Article V, Section 4(c)(1)(F), the Certain Life Annuity described in Article V, Section 4(c)(1)(G), the Full Cash Refund Annuity described in Article V, Section 4(c)(1)(H) and the Partial Distribution described in Article V, Section 4(c)(1)(I). Such election must be made in accordance with Article V, Section 4(d).

2. Unmarried Participants.

If a Participant is not married on the date his Individual Account is to be distributed, and does not elect otherwise, his Individual Account will be payable in the Normal Form of Annuity as described in Article V, Section 4(b). Instead of the Normal Form of Annuity, such Participant may elect a single sum payment as described in Article V, Section 4(c)(1)(B), annual installments as described in Article V, Section 4(c)(1)(C), the Certain and Life Annuity described in Article V, Section 4(c)(1)(G), the Full Cash Refund Annuity described in Article V, Section 4(c)(1)(H) and the Partial Distribution described in Article V, Section 4(c)(1)(I).

Such election must be made in accordance with Article V, Section 4(d).”

Executed April 23, 2020 at Commerce, California

Board of Trustees Southern California IBEW-NECA Defined Contribution Plan.

By: Chair Joël Barton

Secretary Jim Willson