



SHEET METAL WORKERS' LOCAL UNION NO. 28 FUNDS AND PLANS METROPOLITAN NEW YORK AND LONG ISLAND

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ALTERNATE TRUSTEE
ALBERT LABELLA

July 1, 2020

Dear Participant,

As previously communicated, the U.S. federal government's Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was recently passed into law. The CARES Act allows you to access money in your individual Annuity Fund account during these difficult times, including a temporary COVID-19 hardship withdrawal option and relaxed loan rules which may help you cover immediate financial needs resulting from the impact of the coronavirus.

The Trustees have reviewed their prior decision and have decided to extend the eligibility period for Coronavirus Related Distributions (CRD) as noted below.

Temporary Coronavirus Related Distribution Option

Under this distribution option, you will be able to withdraw up to a maximum distribution of \$10,000 once per month not to exceed \$40,000 in total for April, May, June, and July. The Trustees will continue to revisit this provision on a monthly basis to determine if this distribution type will be continued through the end of the year. These distributions will only be paid from contribution payments that were made to the Profit-Sharing portion of your individual account which started on or after February 1, 2012.

You can download a copy of the CRD application by logging into your personal account on the Union's website with Union Fusion at <https://smw28.unionfusion.net>. The application can be found under the Members Welcome Page. You can also call the Fund Office at (516) 742-9478.

Things to think about when deciding if you want to take a CRD

While it may be tempting to look to your retirement account to help bridge the gap if you are in a difficult financial position, consider the overall impact on your retirement picture.

- Taking money out of your retirement plan for any reason will have an impact on the amount of money that you have available in retirement.
- Any distribution from your retirement Plan is considered taxable income. Under the CARES Act, you do not need to pay a penalty tax for an early CRD withdrawal. However, regular income tax will still be required on the distribution. In the case of a CRD, federal taxes can be paid over the next three years. It is advised that you consult with your tax advisor.
- You may also be required to pay state, local, and city taxes on the distribution.
- It is also important to consider the potential opportunity cost of taking a distribution. When you take money out of the Plan, that money is no longer able to accrue interest until retirement.

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Suspension of Loan Repayments

Please be reminded, with the CARES Act, if you currently have an outstanding loan in good standing as of March 27, 2020, you are allowed to suspend loan repayments through December 31, 2020. The loan repayment period will be extended by the length of time that loan repayments were delayed. For Participants who are currently repaying loans through ACH, if you would like to suspend your payments, you will need to contact John Hancock by calling the Participant Service Center at (833) 388-6466. If you would like to continue repaying an outstanding loan, no action is required. Loan repayments will continue as scheduled. For Participants who currently repay their loan by check, you will continue to receive your monthly invoice, but you can suspend your payments through December 31, 2020.

Questions?

If you have any questions or would like more information on these changes, please contact John Hancock at (833) 388-6466. Representatives are available from 8:00 a.m. to 10:00 p.m. EST Monday through Friday. Please also feel free to contact the Fund Office at (516) 742-9478 with any questions you may have concerning this notice.

Sincerely,

The Trustees of the Sheet Metal Workers' Local Union No. 28 Annuity Fund