TO: ALL PARTICIPANTS IN THE INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES LOCAL 13 RETIREMENT PLAN & TRUST

FROM: BOARD OF TRUSTEES
DATE: October 5, 2020

IMPORTANT NOTICE – SUMMARY OF MATERIAL MODIFICATIONS
CORONAVIRUS-RELATED DISTRIBUTIONS AND SUSPENSION OF REQUIRED MINIMUM DISTRIBUTIONS

The Management and Union Trustees have again taken urgent action to provide immediate relief to participants in the Plan. The Trustees have modified the previously approved COVID-19 withdrawal rules to allow additional distributions during calendar year 2020. In addition, they have implemented a temporary change in federal law suspending payments of required minimum distributions (RMDs) that are due in 2020.

CHANGES IN RULES ON CORONAVIRUS-RELATED DISTRIBUTIONS

Effective October 1, 2020, employees who are involuntarily laid off or terminated from employment under the Plan in connection with the coronavirus (COVID-19) pandemic can take up to three additional Coronavirus-Related Distributions in 2020, as follows:

- Up to $30,000 during the month of October 2020, provided the employee submits a completed application during the month of October
- Up to $30,000 during the month of November 2020, provided the employee submits a completed application during the month of November
- Up to $40,000 during the month of December 2020, provided the employee submits a completed application by December 15, 2020

Under federal law, the total of all hardship withdrawals and Coronavirus-Related Distributions received in calendar year 2020 cannot exceed $100,000. The Coronavirus-Related Distributions may be taken from your voluntary Employee Account and your Employer Account (your mandatory or profitsharing account). You may withdraw up to 100% of the funds in your Employee Account, including investment gains, plus 50% of the funds in your Employer Account, including investment gains.

To qualify, a participant must sign a certification establishing that one of the following conditions exists:
You have experienced adverse financial consequences as a result of being laid off, quarantined, or furloughed, or having your work hours reduced due to COVID-19,

You, your spouse, or a dependent has been diagnosed with COVID-19 by a CDC-approved test,

You have experienced adverse financial consequences because you are unable to work due to lack of childcare due to COVID-19, or

You have experienced adverse financial consequences as a result of the closing or reduction in hours of a business that you own or operate due to COVID-19.

Before taking a distribution, we urge you to speak to a financial adviser about the tax consequences (outlined below) of taking a Coronavirus-Related Distribution and how depleting your account will reduce assets available for your retirement.

The distribution is subject to a **default of 10% federal income tax withholding**, however, you may choose to opt out of federal tax withholding or increase the percentage that is withheld. Coronavirus-related distributions are **not subject to the 10% early withdrawal penalty** that would otherwise apply to early distributions to participants under age 59 1/2.

The federal CARES Act stretches your payment of income taxes on the distribution over a three-year period. For example, if you receive a $30,000 Coronavirus-Related Distribution in 2020, you must report $10,000 in income on your federal income tax return for each of 2020, 2021, and 2022. However, you have the option of including the entire distribution in your 2020 income.

You can avoid paying income tax by repaying all or part of the amount of a Coronavirus-Related Distribution to the Plan, provided you complete the repayment within three years after the date the distribution was received. The IRS gives this example: you can choose to include the distribution in income over a 3-year period (2020, 2021, and 2022), and then repay the full amount to the Plan in 2022. You would then be able to file amended federal income tax returns for 2020 and 2021 to claim a refund of the tax attributable to the amount of the distribution that you included in income for those years, and you will not be required to include any amount in income in 2022.

To apply for a Coronavirus-related distribution, contact the Administrative Office at the above street address, email address, or phone number. Your spouse’s signed consent, witnessed by a notary public or Plan representative, is required by law on each distribution.

**SUSPENSION OF 2020 REQUIRED MINIMUM DISTRIBUTIONS**

The CARES Act also waives all required minimum distributions (RMDs) that are due in 2020. This waiver applies to both 2019 RMD payments that were due by April 1, 2020, and 2020 RMD payments to be made by December 31, 2020. A participant may nonetheless elect to receive the RMD. If so, any waived RMD payments that are distributed to a participant in 2020 may be rolled over to another qualified plan or an IRA.
If you wish to receive payment of your RMDs for 2020, please notify Zenith American Solutions, the Plan’s administrator, by November 15, 2020.

This is a summary of material modifications regarding the International Alliance of Theatrical Stage Employees Local 13 Retirement Plan & Trust. It supplements and modifies the Plan’s Summary Plan Description ("SPD"), which is the booklet that describes the Plan’s rules. In the event of a discrepancy between the new Plan amendments and this summary of material modifications, the Plan amendments are controlling.

The Board of Trustees reserves the right to modify or terminate the Plan and the Plan’s rules and benefits at any time.

You should retain a copy of this notice with your SPD. If you have any questions, please contact:

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