



HAWAII ELECTRICIANS ANNUITY FUND

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Date: May 1, 2020

To: All Participants of the Hawaii Electricians Annuity Fund

From: Travis Umemoto, Administrator

Re: Annuity Fund Benefit Changes from the Coronavirus Aid, Relief, and Economic Security Act on Fund Benefits

Please see the following benefit changes to Annuity Fund. These changes were made as the result of the Government's approval of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

- 1) The annual mandate to pay the Required Minimum Distribution to affected participants will be waived for the year 2020.
- 2) Participants suffering financial difficulties due as a result of COVID-19 can delay their monthly Annuity loan payment until the end of the year. Interest will still accrue. In the beginning of 2021, the loan balance and additional accrued interest will be totaled and a new loan balance established. A new monthly payment amount will be established based on the revised amounts and revised due date.
- 3) COVID-19 Hardship Distributions will be allowed to participants for the following qualifying reasons:
 - a. The participant is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention,
 - b. The participant's spouse or dependent (as defined in section 152 of the Internal Revenue Code of 1986) is diagnosed with such virus or disease by such a test, or
 - c. The participant experiences adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reducing hours of a business owned or operated by the individual due to such virus or disease, or other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

The COVID-19 Hardship Distribution terms are as follows:

- a. A total of two COVID-19 Hardship Distributions may be applied for during 2020 (Justification for the requested amount must be provided);
- b. The cumulative distribution limit for all COVID-19 Hardships combined payable during 2020 is \$50,000;
- c. Each distribution is limited to 50% of the participant's account balance; and
- d. COVID-19 Hardship Distributions will not count against the Fund's existing hardship distribution frequency limits.

This document serves as the Summary of Material Modifications to the Plan required under ERISA. Please keep this important notice with your Summary Plan Description (SPD) for easy reference to all Plan provisions.

If you have any questions, please call the Annuity Fund office at 841-6169, ext. 307 or 317. Neighbor islands may call toll free at (800) 622-3830.