

# Sprinkler Industry Supplemental Pension Fund

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## CORONAVIRUS-RELATED HARDSHIP DISTRIBUTIONS

### PART 1: APPLICATION FORM

Participants of the Sprinkler Industry Supplemental Pension Plan (Plan) may use this form to apply for a Coronavirus-Related Hardship Distribution. Please read this form carefully and completely before filling it out and returning it to the Fund Office. If any section of the Application Form is not clear, please refer to the Instructions (Part 2) or contact the Fund Office.

SECTION 1: PERSONAL DATA		
Full Name:	Local Union:	
Address:		
City:	State:	Zip Code:
Telephone:	Email:	
Social Security Number:	Date of Birth:	
Marital Status:		

SECTION 2: WHY ARE YOU ELIGIBLE?	
<b>Instructions:</b> Please indicate why you are eligible for a Coronavirus-Related Hardship Distribution.	
<input type="checkbox"/>	<b>Participant's Positive Coronavirus Test.</b> I certify that I have been diagnosed with the virus SARS-CoV-2 or with Coronavirus Disease 2019 by a test approved by the Centers for Disease Control and Prevention.
<input type="checkbox"/>	<b>Spouse or Dependent's Positive Coronavirus Test.</b> I certify that my spouse or dependent (as defined in Internal Revenue Code Section 152) has been diagnosed with the virus SARS-CoV-2 or with Coronavirus Disease 2019 by a test approved by the Centers for Disease Control and Prevention.
<input type="checkbox"/>	<b>Adverse Financial Consequences Due to the Coronavirus.</b> I certify that I have experienced adverse financial consequences due to the virus SARS-CoV-2 or Coronavirus Disease 2019 resulting from at least one of the following occurrences: a. Being quarantined; b. Being furloughed, laid off, or having work hours reduced; c. Being unable to work due to lack of child care; d. A closing or reducing of hours of a business owned or operated by the participant; <b>or</b> e. Other factors as determined by the Secretary of Treasury.

**SECTION 3: PAYMENT AMOUNT**

**Instructions:** Please indicate your requested distribution amount. Coronavirus-Related Hardship Distributions are one-time, single lump sum payments limited to the lesser of the profit-sharing balance of your Individual Account and \$30,000. The Plan will accept applications for this temporary benefit through December 31, 2020. The Plan will not accept applications postmarked after December 31, 2020.

**Payment Amount:** I elect to withdraw a portion of my Individual Account in the amount of:

\$ \_\_\_\_\_

**You cannot receive more than \$30,000 under this distribution option.** If you elect to withdraw more money than is currently available to you, you will receive the maximum available distribution.

**Important Reminder: Distributions Are Limited to One Per Participant**

We reiterate that distributions are limited to *one per participant, regardless of the amount you choose to receive*. For example, if you elect to withdraw \$10,000, you *cannot* then receive one or more additional distributions for a total of \$30,000. We urge you to carefully consider whether you require financial relief, whether your retirement account with the SIS Plan should be the source of that relief, and, if so, the amount of money you require from the SIS Plan to meet your needs. Under current Plan rules, *if you take one distribution you will not be permitted to take a second distribution, even if you did not withdraw the maximum amount available*. This rule is necessary to ensure that the SIS Plan remains devoted to retirement-related purposes for the protection of you and your family, while also serving as a potential source of aid until the pandemic passes.

**SECTION 4: TAX TREATMENT AND WITHHOLDING**

**Instructions:** Please indicate the amount, if any, you wish to be withheld for federal income tax.

Distributions that qualify as coronavirus-related distributions as defined in the Coronavirus Aid, Relief, and Economic Security Act will receive favorable tax treatment. Among other things, coronavirus-related distributions: (a) are not subject to the 10% tax penalty typically applicable to early distributions; (b) are not eligible rollover distributions, meaning they are not subject to mandatory 20% income tax withholding; and (c) will be included in gross income for federal tax purposes over a 3-year period, unless you elect otherwise. The IRS is expected to issue guidance on these rules and how they apply to you.

Please make your federal tax withholding election below. If you fail to make an election, the Fund Office will withhold 10% of your distribution.

<input type="checkbox"/>	No withholding of federal income tax.
<input type="checkbox"/>	Withholding of federal income tax at the standard 10% rate.
<input type="checkbox"/>	Withholding of federal income tax at the standard 10% rate plus an additional \$

SECTION 5: METHOD OF PAYMENT   DIRECT DEPOSIT OR CHECK	
<input type="checkbox"/>	<p><b>Direct deposit to a bank account of which I am an authorized account holder. To elect direct deposit, you must select either Checking or Savings and you must provide a VOIDED CHECK.</b></p> <p><input type="checkbox"/> Checking   <input type="checkbox"/> Savings</p> <p>Bank Name: _____</p> <p>Bank ABA/Routing Number: _____</p> <p>Bank Account Number: _____</p> <p>I understand that if the bank account information I have provided is invalid, a check will be mailed. I understand that a reprocessing fee may be charged to my account if the direct deposit is declined by my financial institution. I authorize the Plan and its recordkeeper, John Hancock, to initiate a debit to my account for any overpayment or payments made in error.</p>
<input type="checkbox"/>	<p><b>Send payment by check – Allow at least up to 15 business days for postal service delivery.</b></p>

SECTION 6: MARITAL STATUS   INFORMATION REGARDING SPOUSE   SPOUSAL CERTIFICATION ONLY COMPLETE THIS SECTION IF YOUR INDIVIDUAL ACCOUNT IS GREATER THAN \$5,000	
<p><b>Instructions:</b> If your Individual Account is greater than \$5,000, you (and your spouse, if applicable) must complete this section accurately and fully.</p>	
<p><b><u>MARITAL STATUS</u></b></p> <p><b>Please check the appropriate box:</b></p> <p style="margin-left: 100px;"> <input type="checkbox"/> I am married.  <input type="checkbox"/> I am not married.  <input type="checkbox"/> I am not now married, but I was before. The marriage ended:  <input type="checkbox"/> by death. (Provide date and copy of death certificate.)  <input type="checkbox"/> by divorce. (Provide date and copy of divorce decree.) </p> <p>If you are married, your spouse must consent to your Coronavirus-Related Hardship Distribution by completing the SPOUSE’S CERTIFICATION (below):</p> <p>I recognize that the Plan may make inquiries about my marital status with various organizations and individuals and I consent to the release of any information about my marital status from my employers, my Local and International Union, any fringe benefit fund in which I may have participated and any other organization or individual.</p>	
<p><b><u>INFORMATION REGARDING YOUR SPOUSE, IF APPLICABLE</u></b></p> <p>Full Name: _____</p> <p>Address: _____</p> <p>City: _____ State: _____ Zip Code: _____</p> <p>Telephone: _____ Email: _____</p> <p>Date of Birth: _____</p>	

**SPOUSE'S CERTIFICATION, IF APPLICABLE**

I certify that I am the lawful spouse of the above-named Participant. I consent to my spouse's election to withdraw a portion of his/her Individual Account in the form of a single lump sum. I understand that without this consent, no withdrawal can be taken at this time, and unless I consent otherwise in the future, my spouse's Individual Account would be distributed at the time of his/her retirement by the purchase of a 50% Joint and Survivor Annuity under which I could receive lifetime survivor benefits in the event my spouse dies before me. I further consent to all other elections or waivers made in this Application Form.

**Spouse's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Plan Representative Certification**

Subscribed and sworn before me on \_\_\_\_\_ (Date).

\_\_\_\_\_  
(Signature of Plan Representative)

**OR**

**Notary Public Certification**

Subscribed and sworn before me on \_\_\_\_\_ (Date).

\_\_\_\_\_  
(Signature of Notary Public)

Notary Public in and for the County of \_\_\_\_\_, State of \_\_\_\_\_.

My commission expires \_\_\_\_\_ (Date).

**Remote Notarizations**

The Plan will accept notarizations performed in person. However, please be advised that certain jurisdictions, including Maryland, have authorized remote notarizations via "communication technology" that enables the notary to in real time, view the individual, and compare consistency of the information and photos on identification credentials. Notaries who proceed in this fashion typically must document the remote notarization on a certificate and in a journal, noting that the individual was not in the physical presence of the notary public. The Fund Office will require verification of remote notarizations prior to processing your distribution.

**SECTION 7: PARTICIPANT CERTIFICATION**

**Instructions:** Please sign below after reading all of the information in this section. Be sure to ask the Fund Office if you have any questions.

**PARTICIPANT CERTIFICATION**

**A. Accuracy of Information and Representations.**

I hereby apply for and consent to payment of benefits, to which I believe I am entitled, from the Plan, and authorize all actions necessary to implement the elections made herein. I certify that the representations made in this Application Form, and any information or proof submitted with this Application Form, are true and correct. I recognize that the Plan is relying on the accuracy and completeness of such representations in making a determination on my Application for benefits, and I agree to provide the Plan with any information and proof the Plan deems necessary to determine whether to grant my Application. I understand that any false statement made by me in this Application Form or any fraudulent information or proof I furnish will impede my claim. I further understand that if I have made any false statement or provided fraudulent information or proof, I will be liable to the Plan for any penalties or expenses incurred by the Plan in relying on such statement, information, or proof. Finally, I understand that all payments are governed by the Plan Document, and I agree to reimburse the Plan for any payments not provided by the Plan Document.

**B. Waiver of the 30-Day Period.**

I hereby acknowledge that I have been given information from the Plan explaining the form of benefits options available. I understand that I am entitled to consider these options for a minimum of thirty (30) days from the date that I received this information. I also understand that I may waive this requirement and receive my benefits after seven (7) days of receipt of this Application Package. I hereby consent to the waiver of the 30-day period and request that my distribution be made on the later of, seven (7) days following receipt of this Application Package, or the Effective Date of Benefits.

**Participant's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

## **CORONAVIRUS-RELATED HARDSHIP DISTRIBUTIONS**

### **PART 2: APPLICATION INSTRUCTIONS**

This document provides Instructions for how to apply for a Coronavirus-Related Hardship Distribution. We encourage you to read these Instructions carefully and to contact the Fund Office if you have any questions. If, after you've reviewed these Instructions, you wish to take a Coronavirus-Related Hardship Distribution, please fill out the enclosed Application Form (Part 1 of this Application Package) and return it to the Fund Office at your earliest convenience.

#### **ELIGIBILITY AND AMOUNT**

The Trustees have amended the Plan to permit participants who experience a coronavirus-related event to receive a one-time, lump sum distribution of up to the lesser of the profit-sharing balance of their Individual Accounts and \$30,000.

Money purchase pension plan monies (contributions received prior to 1999 and income on those contributions) are not available for withdrawal under this new Plan feature.

A Coronavirus-Related Hardship Distribution is available to any participant:

- Who is diagnosed with the virus SARS-CoV-2 or with Coronavirus Disease 2019 (collectively referred to as COVID-19) by a test approved by the Centers for Disease Control and Prevention (CDC);
- Whose spouse or dependent (as defined in Section 152 of the Internal Revenue Code) is diagnosed with COVID-19 by such a test; or
- Who experiences adverse financial consequences due to COVID-19 resulting from –
  - Being quarantined;
  - Being furloughed, laid off, or having work hours reduced;
  - Being unable to work due to lack of child care;
  - A closing or reducing of hours of a business owned or operated by the participant; or
  - Other factors as determined by the Secretary of Treasury.

The Fund Office will rely on participants' certifications that they satisfy these conditions.

The Fund Office will accept applications for this special, temporary benefit through December 31, 2020. The Fund Office will not accept any applications postmarked after December 31, 2020.

#### **GENERAL INSTRUCTIONS**

- ✓ Please review the Application Package, right to defer a Plan distribution, and other distribution options carefully before completing the Application Form.
- ✓ Answer all questions that apply to you and make your answers complete and legible.
- ✓ If you do not understand any part of this Application Package, please contact the Fund Office.
- ✓ File the completed Application Form at the Fund Office, along with:
  - (1) A copy of your driver's license, and
  - (2) Any other documentation required by the Application Form or the Fund Office to process your Application.
- ✓ A Coronavirus-Related Hardship Distribution cannot be made until you file the Application Form and your Application is approved. Nor can it be made before the end of the seven (7) day period following the date you are provided with this Application Package.
- ✓ Once filed, by written notice to the Fund Office, you may revoke your Application at any time up to the later of the distribution is made and the end of the seven (7) day period following the date you are provided

with this Application Package. After that date, it cannot be revoked.

- ✓ *Your Coronavirus-Related Hardship Distribution has important tax and legal consequences. You should consider it carefully and consult with your attorney or tax advisor before completing the Application Form.*

### **SPECIFIC INSTRUCTIONS**

The Application Form includes seven (7) sections that you must fill out.

1. **Section 1: Personal Data.** Section 1 of the Application Form requires you to input your personal data so the Fund Office may identify you and verify your claim for a withdrawal.
2. **Section 2: Why Are You Eligible?** Section 2 of the Application Form requires you to indicate why you are eligible for a Coronavirus-Related Hardship Distribution by indicating whether (a) you have tested positive for COVID-19, (b) your spouse or dependent (defined in Section 152 of the Internal Revenue Code) has tested positive, or (c) you have experienced adverse financial consequences due to COVID-19.
3. **Section 3: Payment Amount.** Section 3 of the Application Form requires you to input the amount you wish to receive as a Coronavirus-Related Hardship Distribution. Coronavirus-Related Hardship Distributions are one-time, single lump sum payments limited to the lesser of the profit-sharing balance of your Individual Account and \$30,000.
4. **Section 4: Tax Treatment and Withholding.** Section 4 of the Application Form requires you to input your tax withholding election. The Fund Office will withhold 10% of your distribution, unless you elect otherwise.
5. **Section 5: Method of Payment.** Section 5 of the Application Form requires you to input your method of payment – direct deposit or paper check.
6. **Section 6: Marital Status | Information Regarding Spouse | Spousal Certification.** If you are married, Federal law gives certain rights to your spouse with regard to your retirement benefits, and he or she must participate in the decision about how your benefits will be paid. If you were previously married, your ex-spouse may also have certain rights established through a Qualified Domestic Relations Order (QDRO) that may impact the amount you may receive as a Coronavirus-Related Hardship Distribution. Therefore, it is important to verify your current marital status and to determine whether a QDRO exists with regard to any previous marriage.

If your Individual Account is greater than \$5,000, the Plan requires that your spouse consent to the Coronavirus-Related Hardship Distribution. With that in mind, if your Individual Account is greater than \$5,000, Section 6 of the Application Form requires you to provide: (a) information and proof regarding your marital status, as applicable; (b) your spouse's name, contact information, and other identifying information, if applicable; and (c) your spouse's signature signifying your spouse's consent to the Coronavirus-Related Hardship Distribution, if applicable. Additional information regarding a Plan Representative or Notary Public witness required for your spouse's consent may be found in Section 6.

7. **Section 7: Participant Certification.** By signing and dating the Application Form, you acknowledge that the selections you made in previous sections are true and correct to the best of your knowledge. In addition, Federal law requires that you be provided with at least 30 days from the date you receive the Application Package to the date the distribution is made to consider the option that was selected. However, you may elect to waive this 30-day minimum period and elect to have the Coronavirus-Related Hardship Distribution made after 7 days of the receipt of this Application Package. Therefore, you must sign and date the Application Form to receive the distribution before the 30-day minimum period. Please read the Application Form fully before signing it.

## **FEDERAL INCOME TAX TREATMENT**

Distributions that qualify as coronavirus-related distributions as defined in the Coronavirus Aid, Relief, and Economic Security Act will receive favorable tax treatment. Among other things, coronavirus-related distributions: (a) are not subject to the 10% tax penalty typically applicable to early distributions; (b) are not eligible rollover distributions, meaning they are not subject to mandatory 20% income tax withholding; and (c) will be included in gross income for federal tax purposes over a 3-year period, unless you elect otherwise. The IRS is expected to issue guidance on these rules and how they apply to you.

## **TIMING OF DISTRIBUTION**

Under Federal law, a Coronavirus-Related Hardship Distribution is treated similarly to other distributions available under the Plan even though a Coronavirus-Related Hardship Distribution may be paid to you before you retire or separate from covered employment. Therefore, you should keep in mind that under current IRS rules:

- As previously noted, you have the right to a 30-day period after you are provided with this Application Package, right to defer a Plan distribution and other distribution options, to decide whether to apply for a Coronavirus-Related Hardship Distribution. You may waive that right by filing the Application Form within this 30-day period.
- You must be provided with this Application Package, other distribution options and right to defer a Plan distribution, no earlier than 180 days before the date your Coronavirus-Related Hardship Distribution is made from your Individual Account. Accordingly, if, when you return the Application Form, the distribution cannot be made within 180 days of the date you were provided with this Application Package, the Coronavirus-Related Hardship Distribution will not be made and you will have to obtain another Application Package before you can apply for a Coronavirus-Related Hardship Distribution.

## **DISTRIBUTION OPTIONS | RIGHT TO DELAY COMMENCEMENT OF YOUR BENEFIT | TRUSTEE AUTHORITY**

In accordance with federal law, a notice regarding other optional forms of benefit has been furnished with this Application Package or will be furnished separately. These optional forms of benefits are available if you meet the Plan's eligibility requirements to receive a distribution upon retirement, total and permanent disability, and separation from employment. In addition, the Plan offers hardship distributions in the form of a lump sum under certain specified circumstances.

Please remember that distribution of your Individual Account must be made or begin by your Required Beginning Date. Currently, your Required Beginning Date is defined as April 1 of the year following the year in which you reach age 70 ½. Please note that you have the right to defer distribution of your Individual Account until your Required Beginning Date. If you refrain from commencing your benefit, the value of your Individual Account will remain invested in the investment options chosen by you, or if none, the Plan's qualified default investment alternative. Information regarding the Plan's investment options and the fees associated with such options may be directed to the Fund Office or the Plan's recordkeeper. You may also refer to your quarterly statement, or other literature produced by the Plan's recordkeeper, for a description of the fees associated with the Plan's investment options.

The Board of Trustees has the exclusive responsibility and complete discretionary authority to control the operation and administration of the Plan, with all powers necessary to enable it to properly carry out such responsibility. For example, the Board of Trustees has the exclusive responsibility and authority to construe the terms of the Plan and to resolve all interpretative, equitable, and other questions that arise in the operation and administration of the Plan. The Board of Trustees also reviews and makes final decisions on all claims for benefits. All actions or determinations of the Board of Trustees are final, conclusive and binding on all persons. Nothing in this Application Package is meant to interpret, extend or change in any way the formal rules and regulations of the Plan. In case of doubt or conflict between this Application Package and the Plan document, the Plan document, as interpreted by the Trustees, will always govern.