



LOCAL 36 BENEFIT FUNDS
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May 14, 2018
Summary of Material Modification

Hardship Withdrawals for the Repair of Damage to a Participant's Principal Residence or Other Immediate and Heavy Financial Need

Dear Participants:

Change in Hardship Withdrawals

The International Association of Sheet Metal, Air, Rail and Transportation Workers ("SMART") Local Union No. 36 401(k) Plan ("401(k) Plan") allows a Participant who is not otherwise eligible for payment of benefits to withdraw all or part of his or her Individual Account in the event of a documented financial hardship ("Hardship Withdrawal") subject to the requirements set forth in IRS Regulations. One of those requirements is that Hardship Withdrawals are only permitted if there is an immediate and heavy financial need.

Generally, whether a Participant has an immediate and heavy financial need depends on the facts and circumstances. Under IRS Regulations, however, certain events are deemed to constitute an immediate and heavy financial need. One of those events is for expenses related to the repair of damage to a Participant's principal residence if such expenses would qualify for the casualty deduction under Section 165(h) of the Internal Revenue Code (determined without regard to whether the Participant's loss exceeds 10% of his adjusted gross income).

Prior to 2018, expenses that qualified for the casualty deduction under Code Section 165(h) included losses arising from fire, storm, shipwreck, or other casualty. The Tax Cuts and Jobs Act of 2017 ("TCJA"), which was signed into law by the President on December 22, 2017, amended Code Section 165(h) to temporarily limit (from January 1, 2018 through December 31, 2025) the use of the casualty deduction to losses arising from fire, storm, shipwreck, or other casualty attributable to a Federally declared disaster determined by the President. The Act did not change the IRS language that the 10% limitation in Section 165(h) does not apply to a Hardship Withdrawal.

Due to the limitations under the TCJA, for the period January 1, 2018 through December 31, 2025 Hardship Withdrawals from the 401(k) Plan under the provisions for expenses for the repair of damage to a Participant's principal residence will be limited to expenses resulting from damage caused by fire, storm, shipwreck, or other casualty attributable to a Federally declared disaster determined by the President.

This change is reflected in the Summary Plan Description.

Change in Procedure for Filing Lawsuits

No action at law or in equity or otherwise, may be brought on any claim or other matter whatsoever against the Fund, the Trustees, or any of them, unless the Appeal Procedure has been followed. This provision, permitting court action, shall not be deemed to extent or reinstate any claim or cause of action which has expired under the time limits set forth in this Trust Agreement, or in any Plan Document or regulations of the Trustees or under any Statute if such time limit has already expired. The Trust Agreement has been amended to also provide that any action by any Participant, Beneficiary, Alternate Payee, Employer or other third-party relating to or arising under the 401(k) Plan shall be brought only in the venue in which the 401(k) Plan is administered which is currently the United States District Court for the Eastern District of Missouri.

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Trustees of the International Association of Sheet Metal, Air, Rail and Transportation Workers
("SMART") Local Union No. 36 401(K) Plan

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