

SUMMARY OF MATERIAL MODIFICATIONS #2

Important Notice Regarding a Benefit Improvements Effective Immediately

October 2015

Dear Participant:

This notice, referred to as a Summary of Material Modifications (SMM), describes important changes to the benefits provided by the Bricklayers & Allied Craftworkers Local 1 of PA/DE Annuity Plan (Plan). You should read this notice carefully and keep it with your Summary Plan Description (SPD). If you have any questions, please feel free to contact the Fund Office.

BENEFIT IMPROVEMENT / PARTIAL LUMP SUM DISTRIBUTION OPTION

We are pleased to report that, effective immediately, the Trustees have amended the Plan to permit Participants and Beneficiaries to receive partial lump distributions from their Individual Accounts so long as such individuals have met all applicable conditions for entitlement to a distribution. Consequently, Participants and Beneficiaries may elect to receive a portion of the amount held in their Individual Accounts and defer until a later date to elect to receive the remaining portion in any of the Forms of Payment available under the Plan. **This benefit is applicable only where you have otherwise satisfied all criteria for eligibility for benefits either by having retired, having been deemed totally and permanently disabled, or having left the industry for the requisite period of time to be entitled to a severance benefit. It does not mean active participants can receive a portion of their account balances.**

If you are eligible and wish to receive a partial lump sum distribution from your Individual Account, you must submit a completed application form (including, if applicable, your spouse's consent to waive the 50% Joint and Survivor Annuity) to the Fund. If you wish to receive one or more additional partial lump sum distributions, you must submit a new application form (with, if applicable, spousal consent) each time you wish to receive such a distribution.

EXPANSION OF HARDSHIP WITHDRAWAL OPTIONS AVAILABLE TO FORMER PARTICIPANTS OF THE BRICKLAYERS LOCAL 1 OF PA ANNUITY FUND AND THE BRICKLAYERS LOCAL 54 OF PA PENSION FUND TO INCLUDE THE SAME OPTIONS AVAILABLE TO ALL OTHER PARTICIPANTS

The Trustees are pleased to announce an expansion of the hardship withdrawal options available to former participants of the Bricklayers Local 1 of PA Annuity Fund and the Bricklayers Local 54 of PA Pension Fund. Effective 10/8/2015 the Trustees have expanded the hardship withdrawal option available to former participants of the Bricklayers Local 1 of PA Annuity Fund and the Bricklayers Local 54 of PA Pension Fund to include the same options that are available to all other participants.

Timing of Withdrawals – Former participants of Bricklayers Local 1 of PA Annuity Fund and the Bricklayers Local 54 of PA Pension Fund, is limited to one withdrawal per consecutive twelve (12) month period. Notwithstanding the foregoing, a Participant of the former Pointers, Cleaners and Caulkers Local 35 Annuity Fund is limited to one withdrawal per consecutive twenty-four (24) month period.

Accordingly, hardship withdrawals are also available to such participants to cover the following types of expenses:

- (1) Out-of-pocket medical expenses of at least \$500.00 incurred by the Participant, his or her spouse or dependent because such expenses have not been reimbursed from the Bricklayers and Allied Craftworkers Local 1 of PA-DE Health and Welfare Fund.
- (2) Premiums to maintain continuation of health insurance coverage under COBRA. A withdrawal shall only be permitted under this paragraph so long as the participant: (i) is otherwise eligible for COBRA benefits; (ii) made a timely election to obtain COBRA benefits; and (iii) timely fulfilled any procedural requirements in order to obtain such benefits.
- (3) Down payment, contract and title expenses contracted for, or incurred in connection with, the purchase of a home, including a cooperative or condominium apartment, in which the participant will reside (i.e., the participant's principal residence).
- (4) Down payment, contract or titled expenses contracted for, or incurred in connection with, the refinancing of an existing mortgage loan with respect to the participant's principal residence.
- (5) Payments necessary to prevent the participant's eviction from, or foreclosure on the mortgage, of his primary residence.
- (6) Expenses for the repair of damage to the participant's primary residence that would qualify as a casualty deduction under Code section 165.
- (7) Tuition, room, board, and book expenses so that the participant, his or her spouse or dependent child(ren) may take courses for up to the next 12 months at an educational institution beyond the high school level, or for a dependent child(ren) to attend a school or institution for physically or mentally disabled children.

CONCLUSION

The Trustees believe that the Bricklayers & Allied Craftworkers Local No. 1 of PA-DE Annuity Plan plays an important role in your retirement security and they are proud to be involved in its continued operation. As always, if you have any questions about this SMM, the Plan, or your benefits under the Plan, please contact the Fund Office at Bricklayers Benefit Plans, 2791 Southampton Road – Suite 1 – Philadelphia, PA. 19154 or by phone at 215-856-9663 (Toll Free: 888-516-9222).

Very truly yours,

The Board of Trustees

IMPORTANT

This SMM is intended to provide you with an easy-to-understand description of certain changes to the Bricklayers & Allied Craftworkers Local No. 1 of PA-DE Annuity Plan. While every effort has been made to make this description as complete and accurate as possible, if any conflict should arise between this SMM and the Plan, the terms of the Plan will govern in all cases.