

AUTOMOTIVE INDUSTRIES INDIVIDUAL ACCOUNT RETIREMENT PLAN



4160 DUBLIN BOULEVARD SUITE 400 | DUBLIN, CA 94568-7756
TELEPHONE (800) 635-3105 | FAX (925) 588-7121
www.aitrustfunds.org

July 24, 2020

To: Plan Participants

From: Board of Trustees of the Automotive Industries Individual Account Retirement Plan

Subject: Summary of Material Modifications

NOTICE OF CHANGES IN PLAN BENEFITS

The Board of Trustees has amended the Plan as follows:

BINDING ARBITRATION REQUIREMENT

As of January 1, 2020, any ERISA claim (except for claims for benefits), dispute, or breach claim arising out of or in any way related to the Plan or its Trustees shall be resolved by final and binding arbitration to be held in Alameda County, California. Additionally, any arbitration must be brought by an individual participant and not on a class or collective basis.

2020 REQUIRED MINIMUM DISTRIBUTION WAIVER

Pursuant to the Coronavirus Aid, Relief and Economic Security Act (CARES Act) any Required Minimum Distribution payments that are required to be made through December 31, 2020 shall be waived at the election of the Participant or Beneficiary

CORONAVIRUS DISTRIBUTIONS FROM APRIL 1, 2020 TO DECEMBER 31, 2020

As of April 1, 2020, if you have been diagnosed with Coronavirus by a test approved by the Centers for Disease Control and Prevention (CDC), have a spouse or dependent who is diagnosed with Coronavirus by such test, or if you have experienced adverse financial consequences as a result of Coronavirus, you may be able to take a distribution not to exceed the lesser of (i) 50% of your Individual Account balance, or (ii) \$100,000. This temporary Coronavirus Distribution is available from April 1, 2020 to December 31, 2020, in accordance with the CARES Act.

You may apply for a distribution by contacting the Trust Fund Office. To apply you will need to certify in writing that you meet one of the following criteria:

- You are diagnosed with Coronavirus by a test approved by the CDC;
- Your spouse or dependent is diagnosed with Coronavirus by such test; or
- You experience adverse financial consequences as a result of Coronavirus because you, your spouse or a member of your household:
 - was quarantined, furloughed, laid off;
 - had a reduction in work hours or closure or reduced hours of business;
 - was unable to work due to lack of childcare;
 - had a reduction in pay or self-employment income; or
 - other factors as determined by the Secretary of the Treasury.

Under the CARES Act, this Coronavirus Distribution is subject to favorable tax treatment including:

- 10% early withdrawal penalty tax for participants under age 59 ½ does not apply.
- 20% mandatory withholding for federal taxes on pension plan distributions does not apply.
- Distributions are included in gross income for federal tax purposes ratably over a three-year period unless you elect otherwise.
- For a three-year period after the distribution, you can contribute up to the full amount of the distribution to an eligible retirement plan as if the contribution was a timely rollover of an eligible rollover distribution.

QUARTERLY VALUATIONS

As of March 1, 2020, your Individual Account balance shall be valued quarterly on March 31, June 30, September 30 and December 31 of each year and such other dates as may be determined by the Board from time to time.

TWENTY PERCENT (20%) HOLD BACK ON DISTRIBUTIONS

As of March 1, 2020, the Plan shall hold back twenty percent (20%) of your Individual Account balance on your distributions to protect the Plan against downturns in the investment market. The remaining twenty percent (20%) will be paid after the next Valuation Date after you applied for your distribution.

Please keep this important notice with your Plan Document/Summary Plan Description (SPD) for easy reference to all Plan provisions. If you have any questions, you may call the Trust Fund Office at (800) 635-3105.

In accordance with ERISA reporting requirements, this document serves as your Summary of Material Modifications to the Plan.