Important changes to the Elevator Constructors Annuity and 401(k) Retirement Plan

Your **Elevator Constructors Annuity and 401(k) Retirement Plan** is an important part of your long-term financial strategy. That is why the Plan's Trustees, with the guidance of the Plan's investment consultant, closely monitor on an ongoing basis the Plan's features, investment lineup, and administrative fees.

Annual Pro Rata Administrative Services Expense Charge Reduction Effective March 1, 2025

To help defray the cost of the Plan's operating and administrative expenses (*e.g.*, accounting, auditing, compliance, investment oversight, legal, trustee and recordkeeping services), an Annual Pro Rata Administrative Services Expense Charge (Pro Rata Administrative Expense Charge) is assessed on all Participants' Annuity Account and Retiree Self-Directed Annuity Account balances. Currently, the annual Pro Rata Administrative Expense Charge is set at 0.025% of each Participant's Annuity Account or Retiree Self-Directed Annuity Account balance.

After a careful review of the Plan's operating and administrative expenses, the Plan's Trustees are pleased to announce that effective **March 1, 2025**, the annual Pro Rata Administrative Expense Charge will be reduced from 0.025% to 0.015%. This reflects a 40% reduction to the Plan's Pro Rata Administrative Expense Charge. The reduced annual charge, which is assessed on a monthly basis, will be assessed at the end of March and deducted from your account beginning in April.

2025 Annual Employee Contribution Limits

- The annual combined contribution limit on pretax 401(k) deferrals plus after-tax Roth contributions has increased to **$23,500** from $23,000 in 2024.
- Participants who are age 50 or older in 2025, can make additional **catch-up contributions**—which may consist of pretax 401(k) deferrals, after-tax Roth contributions, or both—of up to **$7,500**. This means you can contribute up to $31,000 annually.
- ***New Higher Catch-Up Contribution Limit for Participants age 60 to 63***. Participants who are age 60 to 63 in 2025, can make higher catch-up contributions—which may consist of pretax 401(k) deferrals, after-tax Roth contributions, or both—of up to **$11,250**. This means you can contribute up to **$34,750** annually. Participants who will be 64 years old in 2025 are not eligible to make these additional higher contributions and are limited to $31,000 annually.

To begin making contributions or to make changes to the amount you're contributing, complete the 401(k) Contribution Enrollment/Deferral Change form and provide it to your employer. The form can be downloaded from **empower.com/iuec**.

New In-Service Distribution Options Available Effective January 1, 2025

Taking advantage of recent changes in federal law, effective January 1, 2025, the Trustees have expanded the Plan's in-service distribution opportunities. As in the case of the Plan's Hardship Withdrawals, these new in-service distribution opportunities are generally only available to those Participants who have elected to make elective deferrals to the Plan and currently maintain 401(k) Accounts, Roth Accounts, Rollover Accounts, and/or Roth Rollover Accounts. Under certain circumstances, Participants with "Old Annuity Accounts" (the portion of an Annuity Account attributable to contributions received prior to January 1, 2011) may access their Old Annuity Accounts to receive these in-service distributions.

- ### Qualified Birth or Adoption Distributions

  Effective January 1, 2025, an eligible Participant may receive a **Qualified Birth or Adoption Distribution** (**QBAD**).

  QBAD Eligibility Rules:
  - A QBAD is a distribution to a Participant made during the 1-year period beginning on the date on which a child of the Participant is born or on which the legal adoption of an "eligible adoptee" is finalized. (An "eligible adoptee" is an individual (other than the child of your spouse) who has not attained age 18 or is physically or mentally incapable of self-support.)
  - The amount of a QBAD cannot exceed $5,000 per child.
  - The source of your QBAD may be your 401(k) Account, Roth Account, Rollover Account, and/or Roth Rollover Account, and to the extent the total combined balance of these accounts is less than $5,000, your Old Annuity Account. **Your New Annuity Account cannot be a source for a QBAD.**

  Special Features of QBADs.
  - *No Early Distribution Penalties:* The additional 10% tax the IRS assesses on early distributions does not apply to QBADs.
  - *QBAD Repayment Rights/Rollover Treatment:* If you receive a QBAD you may, at any time during the 3-year period beginning on the day after the date on which you receive your QBAD, make one or more contributions (repayments) back to the Plan of all or any portion of your QBAD. To the extent of your repayment, your QBAD will be treated as a "direct rollover" for federal income tax purposes.

- ### Qualified Disaster Recovery Distributions

  Effective January 1, 2025, an eligible Participant may receive a **Qualified Disaster Recovery Distribution** (**QDRD**).

  QDRD Eligibility Rules:
  - A QDRD is a distribution made within 180 days after a federally declared disaster to a Participant whose principal residence is located in the disaster area and who has sustained an economic loss on account of the disaster.
  - The amount of a QDRD cannot exceed $22,000.
  - The source of your QDRD may be your 401(k) Account, Roth Account, Rollover Account, and/or Roth Rollover Account, and to the extent the total combined balance of these accounts is less than $22,000, your Old Annuity Account. **Your New Annuity Account cannot be a source for a QDRD.**

  Special Features of QDRDs:
  - *No Early Distribution Penalties:* The additional 10% tax the IRS assesses on early distributions does not apply to QDRDs.
  - *QDRD Repayment Rights/Rollover Treatment:* If you receive a QDRD you may, at any time during the 3-year period beginning on the day after the date on which you receive your QDRD, make one or more contributions (repayments) back to the Plan of all or any portion of your QDRD. To the extent of your repayment, your QDRD will be treated as a "direct rollover" for federal income tax purposes.
  - *Income Inclusion Spread Over 3-Year Period:* Unless you elect otherwise, any amount of your QDRD required to be included in your gross income in the year you receive your QDRD will be included ratably over a 3-year period beginning with the year you receive your QDRD.

- ### Distributions to Terminally Ill Participants

  Effective January 1, 2025, an eligible Participant may receive a Distribution on account of Terminal Illness.

  Eligibility Rules for Distributions on Account of Terminal Illness ("Terminal Illness Distributions"):
  - A Participant may receive a Terminal Illness Distribution if the Participant furnishes the Plan with certification from their physician with the following information:
    - Statement that the Participant's illness or physical condition is reasonably expected to result in death within 7 years of the certification.
    - Narrative description of the evidence used to support the statement (copies of the evidence and other documentation do not need to be provided).
    - Examining physician's name and contact information.
    - Date the physician examined the participant or reviewed evidence the participant provided.
    - Physician's signature with date and an attestation that the physician composed the narrative description based on a physical examination of the participant or a review of evidence the participant provided.
  - The source of a Terminal Illness Distribution may be your 401(k) Account, Roth Account, Rollover Account, Roth Rollover Account, and your Old Annuity Account. **Your New Annuity Account cannot be a source for a Terminal Illness Distribution.**

  Special Features of Terminal Illness Distributions:
  - *No Early Distribution Penalties:* The additional 10% tax the IRS assesses on early distributions does not apply to Terminal Illness Distributions.
  - *Repayment Rights/Rollover Treatment:* If you receive a Terminal Illness Distribution you may, at any time during the 3-year period beginning on the day after the date on which you receive such distribution, make one or more contributions (repayments) back to the Plan of all or any portion of your Terminal Illness Distribution. To the extent of your repayment, your Terminal Illness Distribution will be treated as a "direct rollover" for federal income tax purposes.

Self-Certification of Hardship Withdrawals

Effective **March 4, 2025**, Participants will be permitted to request a Hardship Withdrawal without having to provide supporting documentation of their financial need.* Participants will be responsible for maintaining backup documentation to provide when requested by the Plan.

Please Keep in mind:
- A Hardship Withdrawal may not exceed the amount of the Participant's "immediate and heavy financial need." However, the amount required to satisfy such financial need may include amounts necessary to pay any taxes or penalties that may result from the Hardship Withdrawal.
- The source of your Hardship Withdrawal may be your 401(k) Account, Roth Account, Rollover Account, and/or Roth Rollover Account, and to the extent the total combined balance of these accounts is less than your immediate and heavy financial need, your Old Annuity Account. **Your New Annuity Account cannot be a source for a Hardship Withdrawal.**

- Hardship Withdrawals can be made for the following reasons:
  - Tax deductible medical expenses for you, your spouse or dependents.
  - Purchase of a principal residence for you (not including mortgage payments).
  - Payment of tuition, related educational fees, and room and board expenses for post-secondary education for you, your spouse, or your children or dependents for the next 12 months.
  - Prevention of eviction from or foreclosure on the mortgage on your principal residence.
  - Burial or funeral expenses for your deceased parent, spouse, or dependent.

- Expenses for the repair of your principal residence if the expenses would qualify as deductible casualty expenses under §165 of the Internal Revenue Code.
- Expenses or losses (including loss of income) you incur on account of disaster declared by FEMA, provided your primary residence or principal place of employment at the time of the disaster was designated by FEMA for assistance with respect to the disaster.

* More than two Hardship Withdrawal requests in a Plan Year require Participants to provide additional information for administrative review and approval.

For More Information

For information about distribution options and to initiate a request, contact Empower at **833-390-IUEC (4832)**. Representatives are available to assist weekdays from 8 a.m. to 10 p.m. and Saturdays from 9 a.m. to 5:30 p.m. Eastern time.