

## BENEFIT PLANS

MEBA MEDICAL & BENEFITS PLAN

MEBA PENSION TRUST

MEBA TRAINING PLAN

MEBA VACATION PLAN

1007 EASTERN AVENUE, BALTIMORE, MARYLAND 21202-4345 • (410) 547-9111

### MEBA 401(k) PLAN SUMMARY OF MATERIAL MODIFICATIONS (SMM)

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This Summary of Material Modifications advises you of changes in the information contained in the MEBA 401(k) Plan Summary Plan Description (“SPD”), as required by the Employee Retirement Income Security Act of 1974. The Board of Trustees recently adopted amendments to the MEBA 401(k) Plan (the “Plan”) to conform to new legal requirements. Below is a summary of the changes to keep with your SPD.

#### **Earnings Definition**

The Plan’s definition of Earnings (used to calculate contributions to the Plan) was changed to include amounts paid after termination of employment (to the extent they would otherwise be taken into account), provided the payments are made within the later of 2 1/2 months after you terminate employment or the end of the year that includes your date of termination.

#### **Investments**

As announced last year, the Plan was amended to provide access to a participant-directed brokerage account (currently the Fidelity BrokerageLink).

The Plan is intended to constitute a plan described in section 404(c) of the Employee Retirement Income Security Act (ERISA), as amended, and Title 29 of the Code of Federal Regulations, section 2550.404c-1. This means that the Plan lets each participant choose from a broad range of investments and each participant can, and has the responsibility to, decide for himself how to invest the assets in his Plan accounts. This also means that the Trustees, the Plan Administrator, the Plan Office, the Employer, the Union, or any other Plan fiduciary is relieved of liability for any losses that are the result of your exercise of control over the investment of assets in your Plan accounts.

#### **Returned Contributions**

In certain cases your contributions may need to be returned, such as when the Plan does not pass required IRS testing. The Plan was required to be amended to provide that any returned contributions include earnings attributable through the end of the Plan year for which the contribution was made, rather than through the date when the contribution is returned.

#### **Direct Rollovers**

You may contribute an eligible rollover distribution from an eligible retirement plan into the MEBA 401(k) Plan Rollover Account. You may also elect to have all or part of eligible distributions from the Plan directly rolled over to another retirement plan. In either case, these changes would apply. Keep in

mind; payments that are directly rolled over are not taxable income to you. Before you make an election you will receive details about your rollover options.

Eligible Rollover Distribution

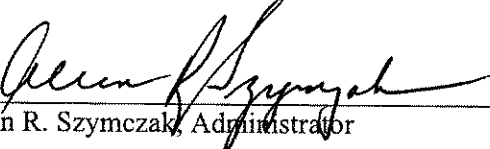
The nontaxable portion of an eligible rollover distribution may be rolled over tax-free to another qualified plan, but only if the rollover is made in a direct trustee-to-trustee transfer and the recipient plan provides for separate accounting of the amount transferred and earnings on that amount.

Eligible Retirement Plan

An eligible retirement plan will include a Roth IRA (individual retirement account), provided the eligible rollover distribution is considered a qualified rollover contribution under Code Section 408A(e). For purposes of distributions to a non-spouse designated Beneficiary, eligible retirement plan shall mean an inherited IRA as defined in Code Section 408(d)(3)(C).

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If you have any questions regarding these changes, contact the Benefits Department at the Plan Office by calling 410-547-9111 or 800-811-6322. Keep this notice with your SPD so that when you refer to the SPD, you will be reminded that the changes described in this notice have occurred.

  
Allen R. Szymczak, Administrator