



MEBA Benefit Plans

Safeguarding MEBA Members and Families

1007 Eastern Avenue
Baltimore, Maryland 21202-4345
Phone (410) 547-9111
www.mebaplans.org

MEBA PENSION TRUST – 401(k) PLAN SUMMARY OF MATERIAL MODIFICATIONS

This Summary of Material Modifications (“SMM”) advises you of changes in the information contained in the Summary Plan Description (“SPD”) for the MEBA 401(k) Pension Trust – 401(k) Plan (“Plan”), as required by the Employee Retirement Income Security Act of 1974, as amended. The Plan’s Trustees have amended the Plan to: (1) clarify the rights and obligations with respect to make-up contributions for periods of qualifying military service; (2) implement automatic distributions for small accounts of Terminated Participants, increase the age that triggers required minimum distributions, and permit a surviving spouse to elect to be treated as the employee for required minimum distributions; (3) confirm that in administering the Plan, the Trustees may reasonably rely on the truth, accuracy, and completeness of all information you provide; (4) provide that overpayments will be handled in accordance with the Plan’s Recovery of Overpayments Policy; and (5) allow Participants to self-certify as to the requirements for hardship distributions.. The SPD is changed as described below.

1. On page 8 of the SPD, the paragraph under the heading “Contributions for Military Service” is modified to read as follows (new language shown in ***bold italics***):

If you leave employment covered by the 401(k) Plan to enter qualified military service and later return to Covered Employment (as defined on page 20 of the SPD) within the time period required by federal law, you will be permitted to “make-up” the contributions you could have made had you not been in military service. Your make-up contributions must be made during a period of time beginning after reemployment which is equal to three times the length of your military service (but not longer than five years). ***Your make-up contributions cannot exceed the annual maximum contributions you could have made while you were in qualified military service.*** Your make-up contributions are in addition to any regular contributions you otherwise make after reemployment, and do not count against the annual maximum contribution limits for years after reemployment. Your account will not be credited with past investment returns for any made-up contributions,

If immediately prior to leaving for qualified military service you were eligible to receive employer matching contributions or nonelective contributions, your account will be restored for missed nonelective contributions and matching contributions with respect to your make-up contributions (to the extent such contributions would have been matched if made during your period of qualified military service).

2. On page 21 of the SPD, the paragraphs under the heading “How Your Account Can Be Paid” are modified to read as follows (new language shown in ***bold italics***):

How Your Account Can Be Paid

You may choose to have your Plan account paid:

- as a single lump sum payment of your entire account balance;
- in 36, 60 or 120 monthly installments;
- life expectancy - variable payments determined using IRS life expectancy tables, or;
- fixed percentage - you can set a fixed percentage of your vested account balance to be distributed every year.

While you are receiving installments you can continue to make changes in your investment options. You may also at any time elect to receive your remaining account balance in a lump sum.

Automatic Distribution of Small Amounts

If your account balance is less than \$1,000 at the time you are first eligible to take a distribution, it will automatically be paid to you in a single lump sum.

Further, effective September 1, 2024, if your account balance is between \$1,000 and \$7,000, unless you affirmatively elect one of the distribution options described above at the time you are first eligible to take a distribution, your account will be automatically rolled over to an Individual Retirement Account (IRA) established in your name, with an IRA recordkeeper selected by the Plan's Trustees. This transfer will occur without your consent (or the consent of your beneficiary) in the event of your death.

Please note, if your account balance includes both Pre-Tax Elective Contributions and Designated Roth Contributions, you will receive a separate payment for each contribution type. For example, if your account balance when you are first eligible for a distribution has a value of \$900 and includes \$500 of Roth Contributions and \$400 of pre-tax contributions, you will receive separate distributions for each source.

For the avoidance of doubt, for purposes of the small account distributions, you will be considered to have terminated Covered Employment and be eligible for a distribution if you have not performed any Covered Employment for a period of three years. For all other purposes, you are eligible for distribution only if you retire (as defined on page 20).

When You Must Start Taking Distributions

You may take a distribution of your 401(k) account when you are first eligible to do so, or you may leave your money in the 401(k) Plan and take it later. ~~However:~~

- ~~• You must start taking distribution of your account by April 1 of the calendar year after the year in which you reach age 72 (age 70½, for those Participants who attained age 70½ before January 1, 2020), or, if you are still working at that age, when you stop working in Covered Employment.~~
- ~~• If your 401(k) account balance is less than \$1,000, then it will automatically be paid to you~~

in a single lump sum payment when you are first eligible to take a distribution.

However, you MUST start taking ‘minimum required distributions’ from your 401(k) account by the April 1 of the year following the later of the calendar year in which you attain your “required beginning date”, or, if you are still working at that age, when you stop working in Covered Employment. Effective January 1, 2024, “required beginning date” means:

- (i) age 70½ if the Participant attained age 70½ prior to December 31, 2019;*
- (ii) age 72 if the Participant attained age 72 after December 31, 2019, and prior to January 1, 2023;*
- (iii) age 73 if the Participant attains age 72 after December 31, 2022, and age 73 before January 1, 2033; and*
- (iv) age 75 if the Participant attains age 74 after December 31, 2032.*

If you die before you begin receiving a distribution of your 401(k) account, and if your surviving Spouse is your sole beneficiary, your surviving Spouse will have the same distribution options you would have (as described on page 21 of the SPD). In addition, required minimum distributions to the surviving Spouse will begin by the later of December 31 of the calendar year immediately following the calendar year in which you died, or by December 31 of the calendar year in which you would have attained your “required beginning date” date as described above.

3. On page 22 of the SPD, the following is added immediately before the heading “Overpayments”:

REASONABLE RELIANCE BY PLAN ADMINISTRATOR

The Plan Administrator and others responsible for Plan operations, management of assets and provisions of benefits under the Plan may reasonably rely on the truth, accuracy, and completeness of all information and consents, elections, etc., without limitation, that you, your beneficiary, or alternate payee under a qualified domestic relations order make to the Plan.

The Plan Administrator and others responsible for the Plan do not have the duty to inquire into any information provided. In addition, it is the responsibility of the Participant, spouses of Participants, Beneficiaries, and alternate payees to update the Plan with any relevant data.

4. On page 22 of the SPD, the paragraphs under the heading “Overpayments” are modified to read as follows (new language shown in *bold italics*):

Effective January 1, 2024, in the event the Plan makes an Overpayment (that is, if the Plan pays an amount of benefits greater than the amount to which you, your spouse, your Beneficiary, an alternate payee, or any other person is entitled), the Plan will take steps to correct the overpayment in accordance with the Plan’s Recovery of Overpayments Policy. The Plan can do this by offsetting the future benefits of you or any person who is entitled to future benefits with respect to you. For example, the Plan may offset future benefits, including death benefits and survivor benefits. The Plan may also take legal action to recover overpayments.

The Plan shall have a constructive trust, lien, and/or equitable lien by agreement in favor of the

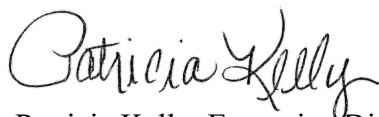
Plan on any overpayment. Any such amount will be deemed to be held in trust by any person, including an attorney, for the benefit of the Plan until paid to the Plan. By accepting benefits from the Plan, you and any person who is entitled to future benefits with respect to you agree that a constructive trust, lien, and/or equitable lien by agreement in favor of the Plan exists with regard to any Overpayment.

The Plan ~~will~~ *may* be entitled to recover attorneys' fees and costs related to the collection of an overpayment. By accepting benefits from the Plan, you and any person who is entitled to future benefits with respect to you affirmatively waive any defenses available to you in any action by the Plan or Trustees to recover Overpayments or amounts due under any other rule of the Plan, including but not limited to a statute of limitations defense or a preemption defense, to the extent permissible under applicable law.

5. On page 23 of the SPD, the following paragraph is added at the end under the heading "Hardship Withdrawals":

Effective January 1, 2024, you may be able to self-certify your need for a hardship withdrawal to satisfy a substantial financial need that cannot be met from other financial sources. The Plan Administrator will establish reasonable procedures for this self-certification process.

If you have any questions regarding these changes, contact the Pension 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 of the change described in this notice.



Patricia Kelly, Executive Director