



# Buffalo Laborers' Benefit Funds

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## Summary of Material Modifications

Dear Participant:

This document is a Summary of Material Modifications and is intended to notify you of changes made to the Buffalo Laborers Security Fund (the "Fund" or the "Plan"). Since this document contains important changes to the Summary Plan Description ("SPD") you received previously for the Plan, you should review it carefully (and share it with your family) and keep it with your copy of the SPD. If you need another copy of the SPD, or if you have any questions concerning this notice, please contact the Fund Office.

Effective January 1, 2023, the Board of Trustees of the Plan has amended the Plan to allow Participants to request in-service withdrawals to cover certain financial hardships.

Please review the following for additional information, including the specific modifications to the SPD.

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The following new Section VIIA is added to the SPD at page 14, immediately after Section VII.

### VIIA HARDSHIP WITHDRAWALS

The Plan is intended to support your long-term retirement income needs. However, certain needs may arise before you retire (such as buying a home or receiving medical care) that can give rise to a financial hardship. You may request a withdrawal from your Individual Account to cover certain financial hardships, subject to the Plan's rules for hardship withdrawals, which are summarized below.

The Plan allows you to request a withdrawal to cover immediate and heavy financial needs. The following are considered immediate and heavy financial needs under the Plan:

- (a) unreimbursed expenses for (or necessary to obtain) medical care, as defined in Section 213(d) of the Internal Revenue Code, incurred by you, your spouse, or your dependents;
- (b) costs directly related to the purchase (excluding mortgage payments) of your primary residence if you do not already own a primary residence;

- (c) costs necessary to prevent eviction from your primary residence or foreclosure on the mortgage of that residence; and
- (d) payments for burial or funeral expenses for your immediate family members. Immediate family members include mother, father, spouse and children.

To request a hardship withdrawal, you must submit an application and signed, written statement certifying that you have experienced an immediate and heavy financial need and that the withdrawal is necessary to satisfy that need. The Trustees will review your application to determine whether the requirements are met, and may require you to submit additional documents.

Hardship withdrawals are subject to the following additional requirements:

- (a) You must have five years of participation in the Plan;
- (b) The amount of the withdrawal will be limited to the amount necessary to meet the financial need;
- (c) Hardship withdrawals are limited to one per calendar year;
- (d) Hardship withdrawals are also subject to lifetime limits. You will be limited to one hardship withdrawal for the purchase of a primary residence and two additional withdrawals to cover any other hardships;
- (e) Hardship withdrawals are subject to a \$1,000 minimum;
- (f) Hardship withdrawals for the purchase of a primary residence are subject to a maximum of 20% of the purchase price plus the closing costs. All other hardship withdrawals are subject to a maximum of \$15,000;
- (g) You may not take a hardship withdrawal that results in your Individual Account balance falling below \$5,000. The amount of the withdrawal may be reduced so that you have a remaining balance of at least \$5,000 after the withdrawal.

IMPORTANT NOTE ABOUT TAX CONSEQUENCES OF HARDSHIP WITHDRAWALS: HARDSHIP WITHDRAWALS ARE SUBJECT TO ORDINARY INCOME TAX AND AN ADDITIONAL 10% IRS TAX PENALTY THAT APPLIES TO EARLY WITHDRAWALS OF RETIREMENT SAVINGS IF YOU ARE UNDER AGE 59½. YOU SHOULD CONSULT A QUALIFIED TAX ADVISOR BEFORE REQUESTING A HARDSHIP WITHDRAWAL.

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