

## AGMA Retirement Plan

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## SUMMARY OF MATERIAL MODIFICATIONS TO THE AGMA RETIREMENT PLAN

**To: All Participants**

**From: Derek Davis, Executive Director**

**Date: March 28, 2022**

**Re: Plan changes: (a) Participant-Directed Investments & Daily Valuation of Accounts; (b) Lump Sum Payments; (c) Recovery of Overpayments; (d) Required Beginning Date; (e) Beneficiary Designation**

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### **Participant-Directed Investments & Daily Valuation of Accounts**

Effective September 1, 2021, as you have been previously notified, the AGMA Retirement Plan (the “Plan”) changed from a plan in which investment of the Plan’s assets was directed by the Plan’s Board of Trustees to one in which the Participant or Surviving Spouse (the “Account Holder”) can direct the investment of the balance in the Individual Account (also known as the “Accumulated Share”) into investment options designated by the Trustees.

Under this new “participant-directed” approach, the Plan now provides that if an Account Holder does not select an investment option, the Individual Account is invested in a “default” option (or options) designated by the Trustees, which is intended to satisfy the requirements of a qualified default investment alternative under applicable regulations.

Also effective September 1, 2021, the Plan changed from “annual valuation” to “daily valuation” of Individual Accounts. This means that the Plan now provides for investment returns to be applied to an Individual Account every business day rather than annually.

In connection with these changes, a number of other changes were made to the Plan effective September 1, 2021, including the following:

- If the Accumulated Share is distributed as a lump sum, the Annuity Starting Date is defined as the date of distribution, provided that required consents have been obtained from the Participant and the Participant’s spouse (if any).
- Transfers between investment options may be limited by rules of the investment options or the Trustees, including (without limitation) rules restricting the availability of transfers, setting minimum or maximum amounts that may be transferred, and when transfers are permitted.

- If an investment option is eliminated, the Account Holder will be deemed to have designated investment in a designated option most similar to the eliminated option and in the same proportion as previously elected, unless the Account Holder has designated a different option or options.
- When a benefit is to be paid, the amount will generally be the Accumulated Share as of the business day immediately preceding final processing for payment, less any expenses charged in connection with such payment.
- The Fund's administrative expenses shall be charged to each Individual Account on a uniform basis.
- Account Holders shall receive quarterly statements reflecting the Accumulated Share in their Individual Accounts
- Applications for benefits may be made online or by telephone, in addition to in writing.

### **Lump Sum Payments**

The following changes to the Plan were also made effective September 1, 2021, to clarify or modify certain provisions of the Plan:

- If a married Participant's Accumulated Share does not exceed \$5,000, it shall be paid as a lump sum rather than as a Joint and Survivor Annuity Benefit.
- If the Accumulated Share is payable as a lump sum, it may be paid in partial lump sums of not less than \$1,000 each; provided, however, that the entire Accumulated Share shall be paid as a single lump sum if the Participant dies before retirement and either (a) the Participant and spouse rejected the Pre-Retirement Joint and Survivor Annuity, (b) the Participant was married for less than 1 year at death, or (c) the Participant was unmarried. Partial lump sums do not constitute installment payments.

### **Recovery of Overpayments**

Also effective September 1, 2021, a provision has been added to the Plan specifying the Trustees' power to recover benefit overpayments. That provision provides that the Trustees have the authority, in their sole and absolute discretion, to recover the amount of any overpayment (plus interest and costs), including without limitation (i) the right to reduce benefits payable in the future to the person who received the overpayment, (ii) the right to reduce benefits payable to a surviving spouse or Beneficiary who is, or may become, entitled to receive payments under the Plan following the death of that person, and/or (iii) the right to initiate a lawsuit or take such other legal action as may be necessary to recover any overpayment (plus interest, attorney's fees and costs).

### **Required Beginning Date**

Changes were also made to the Plan with respect to the Required Beginning Date, which is the date when benefits are required to commence pursuant to applicable law, as follows:

- The Plan was revised effective September 1, 2021 to correct an apparent drafting error in the provision concerning when the Fund will establish an individual's Required Beginning Date as the Annuity Starting Date and begin payments according to Plan rules. As corrected, the Fund will do so if the Participant fails to file a completed application for benefits on a timely basis.

- The Plan's definition of "Required Beginning Date" was revised retroactively effective May 27, 1999 to conform the terms of the Plan to its operations by eliminating language under which the Required Beginning Date could be based on the Participant's retirement. As revised, the definition provides as follows: "A Participant's "Required Beginning Date" as used herein shall mean April 1 of the calendar year following the calendar year in which the Participant attains age 70½ (age 72 for those who turn age 70 ½ on or after January 1, 2020)."

### **Beneficiary Designation**

Effective September 1, 2021, provisions were added to the Plan specifying that an alternate payee may designate a Beneficiary to the extent provided in a Qualified Domestic Relations Order and not otherwise inconsistent with the Plan, and that a designated Beneficiary may not designate a Beneficiary.

*This document is a Summary of Material Modifications ("SMM") intended to notify you of important changes made to the Rules and Regulations of the AGMA Retirement Plan ("the Plan"). You should take the time to read this SMM carefully and keep it with the copy of the Summary Plan Description ("SPD") that was previously provided to you. If you need another copy of the SPD or if you have any questions regarding these changes to the Plan, please contact the Fund Office during normal business hours at 1430 Broadway, Suite 1203, New York, NY 10018, Telephone: 212-765-3664, or email: [info@agmafunds.org](mailto:info@agmafunds.org).*

*This is only a summary of recent changes to the Plan. If there is any discrepancy between the terms of the Plan and this summary, the provisions of the Plan will control.*

This SMM is intended to provide you with an easy-to-understand description of certain changes to the Plan. While every effort has been made to make this description as complete and as accurate as possible, this SMM cannot contain a full restatement of the terms and provisions of the Plan. If any conflict should arise between this SMM and the Plan, or if any point is not discussed in this SMM or is only partially discussed, the terms of the Plan will govern in all cases.

The Board of Trustees, or its duly authorized designee, reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the Plan and the Agreement and Declaration of Trust establishing the Plan (the "Trust Agreement"). The Trust Agreement is available at the Fund Office and may be inspected by you free of charge during normal business hours.

No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters arising under the Plan.