



## Annuity Fund of Local No. One, I.A.T.S.E.

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### SUMMARY OF MATERIAL MODIFICATIONS TO THE ANNUITY FUND OF LOCAL NO. ONE, I.A.T.S.E.

**To:** All Participants in The Annuity Fund of Local No. One, I.A.T.S.E.  
**From:** Scott Cool, Director of Fund Administration  
**Date:** July 10, 2009  
**Re:** Modifications to the Plan Provisions Regarding Loans

*This document is a Summary of Material Modifications ("SMM") intended to notify you of important modifications to The Annuity Fund of Local No. One, I.A.T.S.E. ("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 this clarification of the Plan, please contact the Fund Office during normal business hours at 320 W. 46th Street, 6th Floor, New York, New York, 10036 telephone number (212) 247-5225 or visit our website at [www.fundoneiatse.com](http://www.fundoneiatse.com).*

The purpose of this Notice is to make you aware of recent changes to the Annuity Plan's loan provisions, which can be found on pages 6-7 of the SPD and in Article XI of the Plan document. Prior to these changes, participants were able to take up to 2 loans, and had the ability to refinance the 2<sup>nd</sup> loan for purposes of either changing the loan amount and/or applicable interest rate, but only if neither outstanding loan was in default. In lieu of the full refinancing of the 2<sup>nd</sup> loan, the amended loan provisions now provide for a 3<sup>rd</sup> loan, if neither of the outstanding loans are in default. The new provisions also allow participants to refinance any outstanding loans for purposes of adjusting interest rates. Following is the actual text of the new loan provisions:

*"11.2. (a) The amount of any loan (when added to the balance of any other loans outstanding from the Plan) shall not exceed the lesser of (1) \$50,000 (reduced by the amount by which the highest outstanding balance of loans from the Plan with respect to the Participant during the once-year period prior to the date of the loan exceeds the outstanding balance of loans from the Plan on the date on which such loan is made) or (2) 50% of the Participant's Individual Account as of the most recent Valuation Date. The maximum number of loans that may be outstanding at any time is three. A third loan cannot be taken if a Participant has two loans outstanding and has defaulted on either of those loans. All qualified plans (including the Plan) of the Employer shall be considered as a single plan for purposes of determining the maximum amount of the loan permitted in accordance herewith.*

*(b) A Participant may refinance an outstanding loan before the loan is repaid, provided that the loan is not in default. A refinanced loan is subject to all the Plan loan requirements including, but not limited to, the amount limitations set forth in Section 11.2(a) and 11.3(d) and the repayment terms set forth in Sections 11.3(b) and (c). The refinancing of a loan shall not extend the repayment period of such loan as set forth in Section 11.3(b) and the promissory note for such loan. The refinancing of a loan shall not change the amount of such loan. The interest rate on the total amount of the refinanced loan shall be determined in accordance with Section 11.3(b)."*

This Notice 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 Notice, of course, cannot contain a full restatement of the terms and provisions of the Plan. If any conflict should arise between this Notice and the Plan, or if any point is not discussed in this Notice 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.