

Cement Masons & Plasterers Local Union 518
Defined Contribution Plan
Frequently asked questions

How do I become a participant in the Defined Contribution Plan?

You will automatically become a participant on the first day on or after April 1, 2000 in which an employer is required to contribute to the plan on your behalf.

How is my account maintained?

By investment choices – there's a range of investment funds. If you do not choose investment funds, the Plan will allocate the monies in your account to one of the lifestyle-type funds based on your age.

Is my employer the only one that can make contributions to my account?

Yes. This plan does not permit you to make voluntary contributions to it. However, the plan will accept rollover distributions from certain other qualified retirement accounts on your behalf. Contact the Fund office for more details regarding rollovers.

What type of Plan is this?

It is a profit sharing Plan based on hourly rates negotiated by the union. Employer contributions are made on your behalf and credited to your own account balance.

What types of Distributions can I receive from the Plan?

- At Normal Retirement age 55 and you have ceased employment (be off work for 4 months) and your account balance will be paid to you as of the last business day preceding the date you apply.
- Termination of Benefit – Once you have no contributions for 12 consecutive months you may apply to receive your account balance.
- Death and Disability – If you should die or become disabled prior to the distribution of your account, you, the beneficiary or surviving spouse can apply to receive the entire account balance.
- You can also take a partial distribution twice per calendar year with a \$5,000 minimum withdrawal. If your account balance is less than \$1,000 we can pay the benefit in a single lump sum without your consent.
- Hardships which is for: a foreclosure of your primary residence, medical expenses, funeral expenses, eviction, damage to your primary residence. The

Hardship will be payable to the mortgage company, doctor's office, funeral home, landlord or repair contractor. You must have a minimum of \$5,000 in your account with a maximum of \$50,000. The minimum distribution is \$1,000.

- A loan – if you have a minimum of \$5,000 the maximum loan amount is 30% up to a maximum of \$40,000. You can pick the term of your loan for 36, 48 or 60 months currently at 6.75% prime rate + 3.50%. You can only have one loan in a 12 month period.

Are there any fees associated with the loan?

All loans are subject to a one-time administration fee of \$250.00. A one time \$10 late fee will be assessed for any loan that no payment is received within 15 days after the due date.

A \$50 charge will be assessed for any payment that is returned for non-sufficient funds.

How do I repay the loan?

You will receive a monthly statement with your amount due. You can send a check made payable to the Kansas City Cement Masons or there's an option for direct debit. We can automatically deduct your loan payment from your checking or savings account. The direct debit can be canceled at any time.

If you receive a payment prior to age 55 and later return to work and your prior to age 55, you can't receive a benefit payment again until your age 55 and have ceased industry employment.

What is the definition of "industry employment"?

The term "industry employment" means **any** employment which occurs within the jurisdictional area of the union and is in a trade activity for which an employer contributing to the Fund would have been required to make contributions on **any** worker's behalf, whether or not contributions are actually made. Industry employment includes, but is not limited to, supervisory positions or self-employment.

How does the Plan consider you disabled?

The term "Disability or "Disabled" means a physical or mental condition that prevents an Employee from engaging in the work covered under the collective bargaining agreement for a period of at least six months, as certified by a physician, on a form furnished and approved by the Trustees.

Can I "roll over" my account to another tax qualified plan or an IRA?

Yes, as most, though not all, lump sum distributions are eligible for favorable rollover tax treatment. **You should consult a professional tax advisor for information as to how the rollover rules apply to your specific situation.**

Will I have to pay taxes on this money?

When any benefit is paid as a single amount or “lump sum distribution”, the Plan will provide information regarding options the participant or the beneficiary might use to reduce or to postpone a tax liability on that payment. The Fund must withhold 20% of an eligible rollover distribution if you elect to have it paid to yourself. **Refer to your tax consultant for more information.**

How do I apply for benefits?

Call the Fund Office for an application at (913-236-5490).