

# CONNECTICUT LABORERS' ANNUITY FUND

## IN-SERVICE DISTRIBUTION APPLICATION ADDENDUM

### SECTION 1: TO BE COMPLETED BY PARTICIPANT

PRINT NAME \_\_\_\_\_ SOC. SEC. NO. \*\*\*-\*\*-\_\_\_\_\_

I hereby make application for a "In-Service Distribution" from the Connecticut Laborers' Annuity Fund ("Fund") in accordance with the provisions of the Plan and the Fund's plan document as modified by action of the Board of Trustees. I acknowledge that any In-Service Distribution will be made in the form of a lump sum, and that the gross amount which I may receive *cannot exceed the lesser of: (1) \$20,000; or (2) 50% of my Account Balance if my account balance as of the previous December 31<sup>st</sup> was \$5,000.00, or more.*

The amount you may receive from the Fund is obviously dependent upon your Fund Account balance(s). The In-Service Distribution amount which you are eligible for is indicated below:

Maximum In-Service Distribution gross amount: \$ \_\_\_\_\_  
(to be completed by the Fund Office)

I am electing an In-Service Distribution in the gross amount of: \$ \_\_\_\_\_  
(to be completed by the Participant)

Pursuant to federal law, your spouse - if you are married - must consent to your request for an In-Service Distribution. Therefore, you must complete *either* the "Consent of Spouse" or the "Certification that Participant is Not Married" under Section 2.

I understand the following conditions and eligibility rules for an In-Service Distribution:

- ***The amount of my In-Service Distribution cannot exceed the lesser of: (1) \$20,000 (gross); or (2) 50% of your Account Balance (gross).***
- ***The Fund has set a limit of one (1) In-Service Distribution per eligible Participant once per Plan Year (January 1<sup>st</sup> through December 31<sup>st</sup>).***

Here are a few other important items to keep in mind regarding an In-Service Distribution:

- The In-Service Distribution can only be paid in the form of a lump-sum payment, with spousal consent if you are married (as noted above).
- The Fund Office must receive a properly completed In-Service Application, with all required signature(s) and any necessary notary certification, during regular business hours (i.e., 8 a.m. to 3:15 p.m.) **as long as you can show proof of vaccination.** You can also mail the documents to the Fund Office, 435 Captain Thomas Blvd. West Haven, CT 06516.
- An In-Service Distribution is not an "eligible rollover distribution" under the Connecticut Laborers' Annuity Plan. So, this means that the Fund is NOT required to withhold 20% mandatory federal income tax withholding from your In-Service Distribution. However, you will be supplied with an election form where the "default" election is 10% federal income tax withholding, but you have the ability to elect either: (a) no federal income tax withholding (\$0), or (b) a set dollar amount *in addition* to the 10% federal income tax withholding.

- Connecticut requires mandatory state income tax withholding on Fund distributions to Connecticut residents. So, the Fund is required to withhold amounts from an In-Service Distribution issued to a Connecticut resident (per a properly completed Form CT-W4P).
- If you receive an In-Service Distribution and you are younger than age 59-½, the 10% additional tax of Section 72(t) **will apply** to the amount you receive as an In-Service Distribution, unless you meet one of the exceptions.
- Because the Fund does not permit rollovers into the Fund, any amount(s) which you receive from the Fund as an In-Service Distribution may NOT be “re-contributed” back to the Fund.
- The Annuity Fund’s \$50.00 Application Fee will apply to In-Service Distributions.

If you have any questions, you may contact the Fund Office at (203) 934-7991 or toll free at (800) 922-3240.

**SECTION 2: IN-SERVICE WITHDRAWAL, COMPLETE EITHER SECTION A OR B**

**A. CONSENT OF SPOUSE:** This subsection A **must** be completed if you are married:

I HEREBY AFFIRM THAT I HAVE REVIEWED THE INFORMATION FURNISHED TO MY SPOUSE BY THE CONNECTICUT LABORERS' ANNUITY FUND REGARDING THE EFFECT OF THE LUMP SUM PAYMENT OF AN IN-SERVICE DISTRIBUTION SELECTED BY MY SPOUSE. I UNDERSTAND THE EFFECT OF THE ELECTION BY MY SPOUSE TO RECEIVE BENEFITS IN THE FORM OTHER THAN A JOINT AND SURVIVOR ANNUITY MEANS THAT THE SPOUSAL BENEFITS WHICH WILL BE AVAILABLE TO ME IN THE FUTURE UNDER A JOINT AND SURVIVOR ANNUITY WILL BE REDUCED, AND I CONSENT TO SUCH ELECTION. I HAVE BEEN INFORMED AND UNDERSTAND THAT THE BENEFIT PAYABLE UNDER THE IN-SERVICE DISTRIBUTION OPTION SELECTED BY MY SPOUSE WILL BE THE "IN-SERVICE GROSS AMOUNT" SHOWN IN SECTION 1, LESS ANY APPLICABLE INCOME TAX WITHHOLDING.

Subscribed and sworn before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Signature of Participant's Spouse

**B. CERTIFICATION THAT PARTICIPANT IS NOT MARRIED:** This subsection B **must** be completed if you do **not** have a spouse.

I hereby certify and represent to the Fund that I am not presently married. I agree to notify the Fund Office *immediately* if I marry prior to my receipt of my In-Service Distribution.

Subscribed and sworn before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Signature of Participant/Applicant

**SECTION 3: PARTICIPANT'S SIGNATURE**

This application must be completed and signed at least seven (7), but not more than 180, days prior to the commencement of benefits. By signing this application, I certify that I have reviewed the information contained on this application and the "In-Service Distribution Worksheet" and confirm that all of the data agrees with my records and that I have selected the form of benefit indicated herein. I further certify that: (i) my spouse, if any, and I have received from the Fund Office this application containing an explanation of the form of benefit which must be elected in connection with an In-Service Distribution which discusses the impact of my election, (ii) all statements made in connection with this application are true, and (iii) the Trustees shall have the right to recover any overpayments made to me.

\_\_\_\_\_  
Signature of Participant/Applicant

\_\_\_\_\_  
Date

*Fund Office Use Only*

Date Received: \_\_\_\_\_, 2020. Approved by: \_\_\_\_\_

Amount of In-Service Distribution: \$ \_\_\_\_\_

Federal Tax W/H (check one): ☐ 10% (default); ☐ elected \$0; ☐ elected 10% + \$ \_\_\_\_\_

State Tax W/H: \_\_\_\_\_%