

Elevator Constructors Union Local No. 1 Annuity & 401(k) Fund  
140 Sylvan Avenue, Suite 303, Englewood Cliffs, NJ 07632  
(201) 592-6800 (855) 521-6111

FEE NOTICE  
APPLICATION FOR ANNUITY ACCOUNT LOAN (OTHER THAN FOR DISABILITY OR UNEMPLOYMENT)

Please note the following loan application fees are applicable:

Medical or Funeral Loan	\$ 50.00
Purchase of Primary Residence	\$100.00
Education Loan	\$100.00†
Purchase of a Motor Vehicle as Transportation to and from Work	\$100.00
Home Improvements or Repairs Of Primary Place of Residence	\$100.00
Natural Disaster Loss	\$100.00

† One-time charge per student

Your check for the loan application should be made payable to: "Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund" and included with your application for the proper amount listed above.

Please note that, if you pay the fee by check, it will delay the processing of your application until your check has cleared our bank. A money order or bank check will expedite the processing of your application.

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**APPLICATION FOR ANNUITY ACCOUNT LOAN (OTHER THAN FOR DISABILITY OR UNEMPLOYMENT)**

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Section 6.2 of the Rules and Regulations of the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund (the "Plan") provides that the falsity of any statement material to an application or the furnishing of fraudulent information or proof shall be sufficient reason for the denial, suspension or discontinuance of all benefits under the Plan, and in any such case, the Trustees shall have the right to recover any payments made in reliance thereon.

Complete the enclosed application if you are applying for a loan on account of a reason other than disability or involuntary unemployment. If you are single, you must complete, and have your signature notarized on, the enclosed *Certification of Marital Status* form. If you are married, you must complete the enclosed *Participant's Verification* form, and your spouse must complete, and have his/her signature notarized on, the enclosed *Spouse's Consent To Participant's Loan Application* form. The completed forms and supporting documentation should be returned to the following address: Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund, 140 Sylvan Avenue, Suite 303, Englewood Cliffs, New Jersey 07632. Note: Receipts, or other proof of loss or expense, issued or billed to an individual other than the Participant or the Participant's spouse will not be accepted as proof of the occurrence of an expense.

To be eligible for a loan, you must satisfy one of the following conditions:

1. You have had your current Individual Annuity Account for 3 years or more; or
2. You (a) previously had an Individual Annuity Account for 3 years or more, completely withdrew from employment in the Elevator Industry and withdrew your Plan Benefit subsequent to your withdrawal, and (b) have been reemployed in the Elevator Industry for at least 15 months and currently have at least \$5,000 in your Individual Annuity Account; or
3. You have made a rollover from another qualified retirement plan to the Plan and your period of active participation in the qualified retirement plan from which the rollover was made plus the period you have had an Individual Annuity Account is at least 3 years.

In no event may your outstanding loan balance(s) exceed the lesser of: (1) 50% of the present value of your Individual Annuity Account; or (2) \$50,000 (reduced by the excess, if any, of the highest outstanding balance of any loans you have had from the Plan during the 12-month period ending on the day before the loan is made, over the current outstanding balance of loans from the Plan on the day on which the loan is made).

Loan repayments must be made by wage deduction, as set forth under the applicable provision of the Plan.

**NOTE: A PARTICIPANT WHO ALREADY HAS AN OUTSTANDING LOAN AND WHO IS NOT CURRENT ON LOAN PAYMENTS IS NOT ELIGIBLE TO RECEIVE ANOTHER LOAN UNLESS SPECIAL AUTHORIZATION IS GRANTED BY THE TRUSTEES. A PARTICIPANT WHO HAS A PENDING QUALIFIED DOMESTIC RELATIONS ORDER (QDRO) CANNOT RECEIVE A LOAN UNTIL THE ORDER IS FINALIZED AND DETERMINED TO BE A QUALIFIED DOMESTIC RELATIONS ORDER. A PARTICIPANT WHO BEGINS TO RECEIVE DISTRIBUTION OF HIS/HER PLAN BENEFIT UNDER THE PLAN IS NOT ELIGIBLE TO OBTAIN A LOAN. AN APPLICATION FOR**

A LOAN MUST BE SUBMITTED WITHIN A REASONABLE TIME FROM THE DATE OF THE APPLICABLE EVENT OR EXPENSE. UNLESS OTHERWISE SPECIFIED BELOW OR IN THE TERMS OF THE PLAN, A LOAN MAY BE APPROVED ONLY TO COVER EXPENSES INCURRED WITHIN SIX (6) MONTHS (12 MONTHS IN THE CASE OF EDUCATIONAL LOANS) OF THE DATE OF THE LOAN APPLICATION.

**PART I**  
**Participant Information**

Name: \_\_\_\_\_  
                    Last  First  Middle Initial

Social Security No.: \_\_\_\_\_ Telephone No.: \_\_\_\_\_

Address: \_\_\_\_\_  
                    Number            Street                                    City                                    State            Zip Code

- Marital Status:  Single  
 Married  
 Divorced (attach copy of QDRO and Divorce Decree)  
 Widowed (attach copy of death certificate)

**PART II**  
**Purpose of Loan**

Check one or more of the following reason(s) for your loan request:

- (1)  **Medical Expenses:** Out-of-pocket expenses for sickness or injury of a Participant or of a member of the Participant's immediate family which have not been reimbursed by benefits from the National Elevator Industry Health Benefit Plan or any other welfare program, of at least \$100 for each period of illness. (Attach proof of expenses, such as itemized doctors' bills, hospital bills, pharmacists' receipts, etc. and a copy of the explanation of benefits from the National Elevator Industry Health Benefit Fund.) A loan for medical expenses may be granted only to cover expenses incurred within six (6) months of the date of the loan application.
- (2)  **Funeral Expenses:** Funeral expenses incurred as a result of the death of a spouse, dependent child, parent, parent-in-law, brother or sister. A loan for funeral expenses may be granted only to cover expenses incurred within six (6) months of the date of the loan application. (Attach a copy of death certificate and itemized bills from funeral director, church, etc.)
- Name of Deceased: \_\_\_\_\_
- Relationship to Participant: \_\_\_\_\_
- (3)  **Educational Expenses:** Expenses incurred for payment of tuition and/or room and board for secondary or post-secondary education for the Participant or the Participant's spouse or dependent children or grandchildren. A loan for a grandchild's expenses can be obtained only if the Participant has legal custody of the grandchild, the grandchild lives with the Participant and the Participant is financially responsible for the grandchild. (Attach

itemized bills from school, etc. If the expenses are for a grandchild, attach proof of legal custody, that the grandchild lives with the Participant and that the Participant is financially responsible for the grandchild). A loan for educational expenses may be granted only to cover expenses incurred within twelve (12) months of the date of the loan application.

Check appropriate box(es):  Tuition       Room and Board

Name and Address of Educational Institution:

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Name of Student: \_\_\_\_\_

Student's Date of Birth: \_\_\_\_\_

Relationship to Participant: \_\_\_\_\_

- (4)  **Purchase of Primary Residence:** Down payment, title and/or mortgage fee expenses to purchase a home or a cooperative or condominium apartment for use as the Participant's primary place of residence. A Participant may have only one outstanding loan at any time for the purchase of a primary residence. (Attach proof of expense; signed and dated contract by both parties, mortgage commitment letter, and Good Faith Estimate showing closing costs). A loan related to the purchase of a primary residence may be granted only to cover expenses incurred within six (6) months of the date of the loan application. If the Participant is unmarried and two names appear on the mortgage, the Participant must submit a written explanation of his/her financial responsibility.

I hereby affirm that the dwelling for which this loan is made will be my primary place of residence.

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Date

- (5)  **Purchase or Lease of Automobile or Motorcycle:** Expense related to the purchase of an automobile or motorcycle needed for the Participant's transportation to and from work. A loan for the purchase or lease of an automobile or motorcycle may be granted only to cover expenses incurred within six (6) months of the date of the loan application. (Attach proof of expense, such as bill of sale from dealership. Bill of Sale must be signed and dated by both parties.) If a Participant finances or leases a vehicle, only the down payment may be approved.

If Participant purchases a vehicle from a private party, the Participant must furnish a copy of the current registration for the vehicle, a notarized letter from the seller indicating he/she is selling the automobile to the Participant, including make, model, year, mileage, purchase price and VIN Number, and a non-notarized letter with the same information from Participant indicating that he/she is purchasing the vehicle.

Name and Address of Employer: \_\_\_\_\_  
\_\_\_\_\_

How have you been previously commuting to work? \_\_\_\_\_  
\_\_\_\_\_

Why do you need a new vehicle to commute to work? \_\_\_\_\_  
\_\_\_\_\_

- (6)  **Household Improvement or Repairs:** Major household improvements or repairs to be made to the Participant's primary place of residence. A loan for major household improvements or repairs may be granted only to cover expenses incurred within six (6) months of the date of the loan application. (Attach proof of expense, i.e. dated and signed contract by both parties).

Address of dwelling: \_\_\_\_\_  
Number Street

City State Zip Code

Nature of Repairs: \_\_\_\_\_

I hereby affirm that the dwelling for which this loan is made is my primary place of residence. If this is your first time applying for a home repair loan, include tax bill or copy of deed as proof of residency.

\_\_\_\_\_  
Participant's Signature Date

- (7)  **Natural Disaster Losses:** Losses incurred by a Participant because of a natural disaster. Subject to the applicable provision set forth in the Plan, a Participant may be reimbursed for amounts for which he/she furnishes proof of loss, and for no more than \$7,500 per Participant plus an additional \$2,500 for each dependent under the age of 18 without furnishing any receipts. A loan for natural disaster losses may be granted only to cover losses incurred within six (6) months of the date of the loan application.

**PART III**  
**Amount Requested**

I hereby apply for a loan in the amount of \$ \_\_\_\_\_, under the Rules and Regulations of the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund. I understand that the loan (together with any other outstanding loans) may not exceed the lesser of (1) 50% of the present value of my Individual Annuity Account or (2) \$50,000 (reduced by the excess, if any, of the highest outstanding balance of loans from the Plan to me during the 12-month period ending on the day before the loan is

made, over the current outstanding balance of loans from the Plan to me on the day on which the loan is made).

I understand that in order to receive the loan, I must execute a promissory note to the Trustees of the Plan and that the repayment of the loan is subject to the terms of such promissory note. I understand that, as collateral security for the repayment of the loan, the Trustees will have a lien upon my Annuity Share for the amount of any outstanding loan(s) and accrued interest, and in the event of default, the Trustees will have the right to enforce their lien upon my Annuity Share for the amount of such outstanding loan(s) and accrued interest, plus any court costs and reasonable attorney's fees in any action to collect the debt, prior to any distribution from my Individual Annuity Account. Further, I understand that if I fail to timely repay the loan and any accrued interest on a quarterly basis by the applicable due date and grace period, I will be considered to be in default, and at the time of default, the entire outstanding loan balance and all accrued interest will become immediately due and payable without any demand or notice and subject to income tax (and penalty taxes, if applicable).

I understand that the loan and accrued interest are to be repaid entirely within a maximum of five (5) years from the date of making the loan, in quarterly installments of not less than 5% of the initial sum of the loan plus interest. I understand that my failure to repay the loan in accordance with the terms of the promissory note may result in my being unable to receive any further loans from the Plan until such time as proper repayment has been made. I agree to abide by the terms and conditions of the loan as set forth above and within the Plan document and promissory note.

**IMPORTANT NOTICE REGARDING INCOME TAXES: Loan amounts may be subject to federal, state and local income taxes and penalties as follows:**

If you fail to timely repay the loan and any accrued interest as billed on a quarterly basis by the applicable due date and your loan is defaulted, the entire outstanding loan balance and accrued interest will be "deemed" distributed for tax purposes and will be reported to the IRS on Form 1099-R and subject to income taxes. In addition, if your Annuity Share is reduced ("offset") to repay any outstanding loan balance, the loan offset amount will be treated as an actual distribution to you at the time of the offset and will be taxed unless you rollover the amount of the loan offset within 60 days of the distribution. An additional 10% penalty tax will apply if you have not attained age 59½ at the time of the default.

I hereby attest that each of the statements made or selected above is true and correct.

Participant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Send this form with all supporting documentation and form(s) to: Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund, 140 Sylvan Avenue, Suite 303, Englewood Cliffs, NJ 07632.

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CERTIFICATION OF MARITAL STATUS  
APPLICATION FOR ANNUITY ACCOUNT LOAN (OTHER THAN DISABILITY OR UNEMPLOYMENT)  
(SINGLE PARTICIPANT ONLY)

State of \_\_\_\_\_ )

ss:

County of \_\_\_\_\_ )

\_\_\_\_\_, being duly sworn, deposes and says:  
(Name of Participant)

1. My name is \_\_\_\_\_  
Last First Middle Initial

My address is \_\_\_\_\_  
Number/Street City State Zip Code

2. I understand that under federal law and the rules of the Fund, a spouse of a Participant in the Fund has certain rights and that a Participant may not, without his or her spouse's written consent, withdraw funds from the participant's account from the Annuity Fund or make a loan against the Participant's account. I understand that the Fund will rely upon the accuracy of this certification concerning my marital status. I agree that, if any of the information set forth in this certification is inaccurate, I shall reimburse the Fund for any loss the Fund may suffer by acting in reliance upon such inaccurate information.

3. I hereby swear that I am not now married to any living person.

4. I hereby swear that [check one]  there are no qualified or pending domestic relations orders that may relate to the Fund, OR  I have submitted to the Fund one or more qualified or pending domestic relations order(s) that may relate to the Fund.

\_\_\_\_\_  
Signature of Participant

State of \_\_\_\_\_ )

ss:

County of \_\_\_\_\_ )

On the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_, personally known to me to be, or proved to me on the basis of satisfactory evidence to be, the person who executed the foregoing Certification of Marital Status as a Participant in the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund, who acknowledged that he/she executed same, and being duly sworn by me, made oath that the statements in the foregoing Certification of Marital Status are true to the best of his/her knowledge and belief.

\_\_\_\_\_  
Notary Public





I understand that my spouse is a Participant in the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund. I have been informed that my spouse's Individual Annuity Account under the Fund is now approximately \$\_\_\_\_\_. I understand that my spouse has applied for a loan from his/her Individual Annuity Account in the amount of \$\_\_\_\_\_ in order to pay expenses in connection with \_\_\_\_\_.

state reason for loan<sup>1\*</sup>

I understand that my spouse will not be able to receive the loan he/she is applying for unless I consent to it. I understand that if this loan is granted, the loan will be a lien against my spouse's Individual Annuity Account until the loan, including all accrued interest, is paid in full.

I understand that if I do not consent to the loan, nor later consent to another form of payment for my spouse's Individual Annuity Account benefits under the Fund, the amount my spouse would like to receive now as a loan, along with my spouse's other benefits in his/her Individual Annuity Account under the Fund would be paid as a monthly annuity for my spouse's life and, if my spouse dies before I do, with payments equal to 50% of the payments my spouse was receiving being paid to me for the rest of my life. This is called a Qualified Joint and Survivor Annuity or "QJSA." The amount of these QJSA payments will depend upon the amount in my spouse's Individual Annuity Account in the Fund, less the amount of any outstanding loans (including accrued interest) against my spouse's Individual Annuity Account immediately prior to the start of distribution of my spouse's Individual Annuity Account benefits. I understand that this means that if my spouse takes a loan against the Individual Annuity Account and does not repay in full to the Fund the amount of the loan and accrued interest immediately prior to the time my spouse begins to receive his/her Individual Annuity Account benefits, the amount of the monthly QJSA payment which would otherwise be payable to my spouse and/or me will be reduced or even entirely eliminated.

I also understand that if I do not consent to the loan, nor later consent (or have previously consented) to the designation of a beneficiary for all or part of my spouse's Individual Annuity Account benefits under the Fund other than me, the amount that my spouse would like to receive now as a loan, along with my spouse's other benefits in his/her Individual Annuity Account under the Fund, would be paid to me as a death benefit in the event my spouse dies before commencing payment and a death benefit is payable under the terms of the Plan, with payments being in the form of a monthly annuity for the rest of my life or in some other form permitted under the Fund which I might elect. I also understand that, because the loan is a lien against my spouse's Individual Annuity Account, any such lien will also reduce or eliminate the amount payable to me or, if I consent to the designation of a beneficiary for all or part of my spouse's benefits under the Fund other than me, such beneficiary, in the event that my spouse dies before beginning to receive benefits from the Fund. I understand that the amount of the reduction may be substantial, depending upon the amount of the loan, the accrued interest upon the loan, and the extent to which the loan has not been repaid prior to my spouse's death.

I understand that loan amounts may be subject to federal, state and local income taxes and penalties. I also understand that if my spouse is not 59½ or older when my spouse receives a loan-related distribution, there may also be an additional 10% penalty tax.

I understand that under federal law and the rules of the Fund, I have at least 30 days from the date I receive this Consent to decide whether to consent to my spouse's loan. I understand that I may waive my right to the 30-day period by checking the appropriate box below, and if I do so, the withdrawal may not be made earlier than 7 days after I receive this Consent form.

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<sup>1\*</sup> Reasons for a loan are listed at the end of this Consent.

I HEREBY WAIVE my right to take the full 30 days to make my decision, and I HEREBY CONSENT to the loan before the end of the 30 days. I understand that I may revoke my waiver and consent at any time during the 7-day period which began when I received this form.

I do not wish to waive the 30-day waiting period and am returning this form after 30 days.

As the legal spouse of the above-named participant, I have read and understand the information on this form. I HEREBY AGREE that the Fund may make the loan to my spouse in the amount indicated above. I realize that by signing this Consent, I am waiving my statutory right under the Internal Revenue Code of 1986, as amended, to have my spouse receive benefits under the Fund as a Qualified Joint and Survivor Annuity and my right to a 50% survivor annuity with respect to such benefits to the extent my spouse does not repay in full the amount of any outstanding loan and accrued interest prior to the commencement of distribution of my spouse's Individual Annuity Account benefits under the Fund in the form of a QJSA. Furthermore, by signing this Consent, I am waiving my statutory right to receive the amount of any outstanding loan (including accrued interest) as a death benefit in the form of an annuity or another permitted form that I may elect in the event my spouse dies before I do and prior to commencing to receive his annuity account benefits under the Fund to the extent of the amount of outstanding loan and accrued interest at the time of my spouse's death. I understand that I do not have to sign this agreement. I am signing this agreement voluntarily.

\_\_\_\_\_  
Signature of Spouse

\_\_\_\_\_  
Date

State of \_\_\_\_\_ )  
  ) ss:  
County of \_\_\_\_\_ )

On the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, before me personally appeared

\_\_\_\_\_, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person who executed the foregoing Consent as the spouse of \_\_\_\_\_, who acknowledged to me that he/she executed the same, and being duly sworn by me, made oath that the statements in the foregoing Consent are true to the best of his/her knowledge and belief.

\_\_\_\_\_  
Notary Public

### Reasons for Loan

- (1) Medical Expenses not covered by National Elevator Industry Health Benefit Plan or other welfare program
- (2) Funeral Expenses for spouse, dependent child, parent, parent-in-law, brother or sister
- (3) Educational Expenses for participant, participant's spouse or dependent children or grandchildren for high school level and beyond
- (4) Purchase of Primary Residence
- (5) Purchase or Lease of Automobile or Motorcycle
- (6) Major Household Improvement or Repairs
- (7) Natural Disaster Losses

**To The Spouse of the Participant Requesting a Withdrawal:** Please read carefully.

### **Information About the Qualified Joint & Survivor Annuity**

#### **1. What is a Qualified Joint and Survivor Annuity (QJSA)?**

Federal law requires the Elevator Constructors Union Local No. 1 Annuity and 401(k) Fund to pay retirement benefits in a special payment form unless your spouse chooses a different payment form and you agree to that choice. This special payment form is often called a "qualified joint and survivor annuity" or "QJSA" payment form. The QJSA payment form gives your spouse a monthly retirement payment for the rest of his or her life. This is often called an "annuity." Under the QJSA payment form, after your spouse dies, each month the plan will pay you 50 percent of the retirement benefit that was paid to your spouse. The benefit paid to you after your spouse dies is often called a "survivor annuity" or a "survivor benefit." You will receive this survivor benefit for the rest of your life.

#### ***Example***

Pat Doe and Pat's spouse, Robin, receive payments from the plan under the QJSA payment form. Beginning after Pat retires, Pat receives \$600 each month from the plan. Pat then dies. The plan will pay Robin \$300 a month for the rest of Robin's life.

#### **2. How Can Your Spouse Change the Way Benefits Are Paid?**

Your spouse and you will receive benefits from the plan in the special QJSA payment form required by federal law unless your spouse chooses a different payment form and you agree to the choice. If you agree to change the way the plan's retirement benefits are paid, you give up your right to the special QJSA payments.

#### **3. Do You Have to Give Up Your Right to the QJSA Benefit?**

Your choice must be voluntary. It is your personal decision whether you want to give up your right to the special QJSA payment form.

#### **4. What Other Benefit Forms Can My Spouse Choose?**

If you agree, your spouse can choose to have the retirement benefits paid in a different form. Other payment forms may give your spouse larger retirement benefits while he or she is alive, but might not pay you any benefits after your spouse dies. Your spouse may, with your consent, choose one of the following optional forms of benefits:

- *Qualified Optional Survivor Annuity:* This form gives your spouse a monthly annuity payment for the rest of his or her life. After your spouse dies, each month the plan will pay you 75 percent of the retirement benefit that was paid to your spouse. You will receive this survivor benefit for the rest of your life; or
- any of the forms available to an unmarried Participant as described in Section 3.3(A) of the Plan. These payment forms include, among others, a lump sum, and a monthly life annuity with or without a guarantee certain.

#### **5. Can Your Spouse Make Future Changes if You Sign this Agreement?**

If you sign this Consent form, you agree that benefits under the Fund will be paid in the form stated in this Consent form. Your spouse cannot change the payment form unless you agree to the change by

signing a new Consent form. However, your spouse can change to the special QJSA payment form without getting your consent.

#### **6. Can You Change Your Mind After You Sign this Agreement?**

You cannot change this Consent after you sign it. Your decision is final.

#### **7. What Happens to this Agreement if You Become Separated or Divorced?**

Legal separation or divorce may end your right to survivor benefits from the plan even if you do not sign this Consent. However, if you become legally separated or divorced, you might be able to get a special court order (which is called a qualified domestic relations order or "QDRO") that would give you rights to receive retirement benefits even if you sign this Consent. If you are thinking about separating or getting a divorce, you should get legal advice on your rights to benefits from the plan.

#### **8. What Should You Know Before Signing this Agreement?**

This is a very important decision. You should think very carefully about whether you want to sign this Consent. Before signing, be sure that you understand what retirement benefits you may get and what benefits you will no longer be able to receive. Your spouse should have received information on the types of retirement benefits available from the plan. If you have not seen this information, you should get it and read it before you sign this agreement. For additional information, you can contact the Fund Office.