

STA-ILA PENSION PLAN
IMPORTANT NOTICE OF CHANGES IN YOUR BENEFIT
(Modification #1 to October 1, 2021 SPD Restatement)

This notice explains a change with respect to the Surviving Beneficiary Payment Options offered under the **STA-ILA Pension Plan** (the “Plan”). You should:

- Read this notice carefully, and if you have any questions, contact the Plan Administrator at (410) 633-9311.
- Keep this notice with your Summary Plan Description.

When is the amendment effective? The amendment is effective October 1, 2021.

Who is affected by the amendment? Pensioners that have designated non-spouse Beneficiaries and whose non-spouse Beneficiaries die after October 1, 2021.

I. SURVIVING NON-SPOUSE BENEFICIARY OPTIONS

The 50%, 75% and 100% Surviving Beneficiary Options are forms of payment that provide the Participant with a lifetime pension and, after the Participant’s death, continued payments to a designated Beneficiary other than a spouse. (The rules for the Surviving Spouse Options are slightly different; see your SPD or contact the Co-Administrators for more information.) The Participant’s lifetime benefit amount is reduced because it is payable over the period of two lives (the Participant and the designated Beneficiary) instead of just the Participant’s life. The amount of the reduction is based on the life expectancies of the Participant and the designated Beneficiary. If the non-spouse designated Beneficiary is substantially younger than the Participant, federal law may require additional reduction. Please refer to your SPD or contact the Co-Administrators for details.

Generally, once a Participant has elected an optional form of payment and begun receiving monthly payments, that option cannot be changed or revoked. Previously, if a Participant elected a Surviving Beneficiary Option, began payments, and then the designated Beneficiary predeceased the Participant, the Participant would continue to receive the reduced lifetime benefit amount.

Under the new rule, if a Participant elects a Surviving Beneficiary Option, begins payments, and then the designated Beneficiary predeceases the Participant, the Participant’s monthly pension benefit will be increased to the unreduced monthly amount that would have been payable had the Participant elected the Single Life Annuity. This rule applies only if the Participant’s non-spouse Beneficiary dies on or after October 1, 2021.

For example, let’s say that at the time of your retirement, if you elect a Single Life Annuity, your monthly Pension Benefit would be \$3,000. Instead, you elect the 100% Surviving Beneficiary Option and designate your sister to be your Beneficiary. Under the 100% Surviving Beneficiary Option, you will receive \$2,700 every month for the duration of your life and, after your death, your sister will receive \$2,700 every month for the duration of her life.

Before October 1, 2021, if your sister died before you, your monthly benefit would remain \$2,700. No benefits are payable after your death. Effective for deaths on or after October 1, 2021, if your sister dies before you, your monthly benefit will be increased to \$3,000. No benefits are payable after your death.

This increase is not automatic; you must submit an application for the increased in your benefit. The increase takes effect as early as the first day of the month after you submit an application and provide proof of your designated Beneficiary's death.

Please place this in your SPD Booklet for handy reference and safekeeping.

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Sincerely,

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