



# CEMENT MASONS & PLASTERERS LOCAL UNION #518 DEFINED CONTRIBUTION PLAN

Administered by: Wilson-McShane Corporation  
PO Box 909500 Kansas City, MO 64190-9500  
(877) 518-0518 www.kcmasonsbenefits.org

## DEFINED CONTRIBUTION PLAN – LOAN APPLICATION

### ➤ APPLICATION INSTRUCTIONS

Please print in only blue or black ink. Complete all sections and return the original application to the Fund Office at the address above. Only the original application can be accepted – no faxed or e-mailed copies will be allowed. **Be sure to include all proper documentation and sign where indicated.** If married, your spouse must complete the *Spousal Consent* section. Incomplete applications will be returned to the Participant. An eligible Participant is permitted to have only one (1) outstanding loan at any one (1) time.

### ➤ PARTICIPANT INFORMATION

Participant's Name: \_\_\_\_\_ (provide copy of Driver's License)

Spouse's Name: \_\_\_\_\_ (provide copy of Driver's License)

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

Social Security Number: \_\_\_\_\_ Date of Birth (provide copy of birth certificate): \_\_\_\_\_

Home Phone Number: \_\_\_\_\_ Cell Phone Number: \_\_\_\_\_ Work Phone Number: \_\_\_\_\_

Marital Status:  Married (provide copy of Marriage Certificate)  Never Married  
 Widowed (provide copy of Death Certificate)  Divorced (provide copy of Divorce Decree/Property Settlement)

### ➤ LOAN AMOUNT

Please select a Loan amount below. Review the *Important Tax Information* section of this application carefully.

- Maximum allowable amount is. (The lesser of 30% of the vested account balance or \$40,000. Minimum Loan amount is \$1,000)
- Specific dollar amount: \$\_\_\_\_\_ The Plan will withhold additional amounts to cover the appropriate penalties and/or fees. (Minimum Loan amount is \$1,000).

### ➤ LOAN TERMS AND INTEREST RATES

Please select the term of your Loan.

- 36 Month Term – This term is subject to an interest rate of **Prime Rate + 3.00%**
- 48 Month Term – This term is subject to an interest rate of **Prime Rate + 3.25%**
- 60 Month Term – This term is subject to an interest rate of **Prime Rate + 3.50%**

The interest rate shall remain constant for the term of each individual loan. The Prime Interest Rate will be reviewed annually by the Trustees on January 1<sup>st</sup>, and will apply for all new loans in that year.

### ➤ LOAN REPAYMENT

Repayment of interest and principal shall commence on the 20th day of the month following the month in which the loan was issued, but in no event shall the first payment be due in less than thirty (30) days. Repayment of interest and principal shall be made according to a substantially level amortization schedule of monthly payments over the term of the loan. Loan balance statements will be mailed to each Participant on a monthly basis.

A Participant/borrower may make additional payments towards the principal without incurring penalty or charge. These payments may be made at any time and will be applied to the outstanding principal balance. Additional payments do not relieve the Participant of the obligation to remit regular future monthly payments. All additional amounts paid will be treated as additional principal payments unless designated as prepayments of monthly loan installment payments, as described below. Interest will be adjusted at the time that the note is fully paid.

Participants will be allowed to make prepayments of principal and interest by remitting a sum equal to one (1) or more additional monthly payments. The payment must be clearly designated as a *prepayment* by the Participant.

### ➤ DISTRIBUTION

If the Participant's self-directed account is allocated to more than one investment account, the Loan will be taken from all the investment accounts on a pro-rata basis, based upon the market value of each account balance as of the date of the distribution.

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➤ **LOAN FEES**

All loans are subject to the following fees:

All loans are subject to a one-time administration fee. The amount of the fee is \$100.00. The loan processing fee will be deducted from the loan proceeds at the time the loan amount is paid to the Participant by the Fund. The Participant, if divorced, also will be charged any applicable fee for the review of divorce decrees and domestic relations orders in connection with the processing of the Participant's loan application.

A ten dollar (\$10) late charge will be assessed for any loan in the event that any payment is not received within fifteen (15) days after the due date. Late charges will continue to be assessed each month until unpaid amounts are received by the Fund or until Default.

A fifty dollar (\$50) charge will be assessed for any payment that is returned for non-sufficient funds (NSF).

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➤ **DEFAULT**

If a Participant/borrower fails to make any loan payment within 15 days of the due date, the loan will be in default. The Trustees may then act upon the collateral assigned by the Participant to secure the loan, and the Fund will report to the Internal Revenue Service that the Participant/borrower received a deemed distribution of all outstanding principal and interest accrued on the Defaulted loan. As such, an IRS Form 1099-R will be sent to the IRS and to the Participant and the funds must be reported as regular income by the Participant and a ten percent (10%) additional tax may be due to the IRS. The participant/borrower has the right to cure a default by contacting the fund office to make arrangements to remit the past due payment(s). However, in no event can the right to cure a default extend beyond the last day of the calendar quarter following the calendar quarter in which the monthly installment is originally due. The participant/borrower should contact the Fund Office to make arrangements to cure a default. If the participant/borrower fails to cure the default before the time period discussed above, the Fund Office will not accept any more payments and the fund will be required by law to issue a Form 1099.

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➤ **SPOUSAL CONSENT**

*If married, the following must be signed by your spouse and the spouse's signature must be notarized by a Notary Public.*

By signing below, I hereby certify that I am the spouse of the above named Participant and that I consent to the loan from the Plan as indicated above. I also understand that by consenting to this loan, I waive all rights to any other payment I would have been entitled to upon the Participant's death, with respect to the loan as described above. I further understand that this election is irrevocable.

\_\_\_\_\_  
Spouse's Signature

\_\_\_\_\_  
Date Signed

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

Notary Seal

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

On the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, before me came \_\_\_\_\_, to me known to me to be the person described in and who executed the foregoing Statement and (s)he duly acknowledged to me that (s)he executed the same.

Notary Public Signature \_\_\_\_\_ My Commission Expires \_\_\_\_\_

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➤ **LOAN REGULATIONS**

The Plan reserves the right to request additional documents from the Participant to prove the need for and/or the amount of the loan from the Plan.

The Plan's assets are to be divided under a current or pending Qualified Domestic Relations Order (QDRO) can not be requested as a Loan from the Plan.

If you are MARRIED, your spouse must sign this application in front of a Notary Public. If you are SEPARATED, you are still considered married for the purposes of the Loan Application.

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➤ **IMPORTANT TAX INFORMATION**

If you default on your loan, the loan amount will be reported by the Cement Masons & Plasterers Local 518 Defined Contribution Plan to the IRS on Tax Form 1099-R. The Participant is responsible for paying any Federal, state and/or local income taxes. If the Participant is not 59 ½ at the time of the Loan, the IRS will impose a 10% tax **PENALTY** for an early distribution. Consult a tax professional for any questions regarding how a Loan will impact your tax situation.

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➤ **AUTHORIZATION**

By signing below, I verify that I have read and understand the Loan Application. I hereby confirm that if the Loan is not paid as outlined in the Loan Repayment section of this application, the full balance of my Loan will be considered a deemed distribution and will be subject to Federal and state income taxes.

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*Participant's Signature*

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*Date Signed*



4940 Washington Blvd.  
St. Louis, Missouri 63108

t: 314.367.6555  
toll free: 866.871.6356  
f: 314.367.7982

[ekonbenefits.com](http://ekonbenefits.com)

**DIRECT DEPOSIT AUTHORIZATION AGREEMENT (ACH CREDITS)**

COMPANY NAME: the401kstore.com, Inc. dba Ekon Benefits

I hereby authorize the401kstore.com, Inc. dba Ekon Benefits to initiate credit entries and to initiate if necessary, debit entries and adjustments for any credit entries in error to my [ ] Checking or [ ] Savings Account indicated below and the depository named below to credit and/or debit the same to such account.

**\*\*PRIMARY DIRECT DEPOSIT ACCOUNT**

Bank Name: \_\_\_\_\_

Branch: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Routing #: \_\_\_\_\_

Account #: \_\_\_\_\_

This authorization is to remain in full force and effect until Ekon Benefits has received written notification from me of its termination in such time and manner as to afford Ekon Benefits a reasonable opportunity to act on it.

Name: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Plan: \_\_\_\_\_

**( ATTACH A VOIDED CHECK FOR EACH CHECKING ACCOUNT LISTED )**



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St. Louis, Missouri 63108  
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toll free: 866.871.6356  
f: 314.367.7982  
ekonbenefits.com

**ACH DEBIT AUTHORIZATION AGREEMENT**

COMPANY NAME: the401kstore.com, Inc. dba Ekon Benefits (herein referred to as "COMPANY")  
Address 4940 Washington Blvd. , St. Louis, MO 63108

I (we) hereby authorize the401kstore.com, Inc. dba Ekon Benefits to initiate debit entries and to initiate if necessary, credit entries and adjustments for any debit entries in error to my (our) account indicated below and depository financial institution, herein referred to as "DEPOSITORY" named below. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Depository Name: \_\_\_\_\_

Branch: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Routing #: \_\_\_\_\_

Account #: \_\_\_\_\_

Checking     Savings Account    (select one)

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Company: \_\_\_\_\_

Name of Plan: \_\_\_\_\_

**( ATTACH A VOIDED CHECK FOR EACH ACCOUNT LISTED )**



# CEMENT MASONS & PLASTERERS LOCAL UNION #518 FRINGE BENEFIT FUNDS

## CEMENT MASONS AND PLASTERERS LOCAL 518 DEFINED CONTRIBUTION PLAN

### STATEMENT OF LOAN POLICY

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#### **Loan Availability**

Loans will be made available to Participants on a reasonably equivalent basis in a maximum amount not to exceed the lesser of thirty percent (30%) of their vested account balance or forty thousand dollars (\$40,000). The minimum loan amount is \$1,000. Under no circumstances, however, will any loan amount exceed the amount permitted by Section 72(p) of the Internal Revenue Code of 1986, as amended and applicable regulations. All loans shall be subject to the Trustees' approval, which shall investigate each loan application. Subject to such uniform and nondiscriminatory rules as the Trustees may periodically adopt, the Trustees, upon application by a Participant, may make a loan or loans to such Participants.

#### **Eligibility**

Vested Participants with at least five thousand dollars (\$5,000) in Defined Contribution balances in their account are eligible to apply for a loan, but only if they meet the following qualifications:

- Retired Participants and Alternate Payees under Qualified Domestic Relations Orders are not eligible to receive loans.
- No Participant can have more than one (1) outstanding loan at any one time.
- Participants may not apply for a new loan any more frequently than every twelve (12) months.
- Participants are not eligible for loans if they have defaulted on a prior loan.

#### **Application**

A Participant may apply for a loan in writing to the Trustees, on an application form prescribed by the Trustees. The Trustees' decision with respect to such application shall be final and binding.

A Participant applying for a loan also shall provide the following:

- Promissory Note - The loan shall be evidenced by a Promissory Note which documents the loan terms. The Promissory Note must be executed by the Participant prior to the establishment of the loan;

- Spousal Consent - The Participant's spouse must consent to the use of any portion of the Participant's vested account being assigned as collateral to secure a loan from the Plan. The Spousal Consent form must be notarized;
- Copy of the Participant's Driver's License;
- Copy of the Participant's Spouse's Driver's License;
- Marriage Certificate or equivalent proof of marriage;
- Any and all completed Divorce Decrees and all attachments (all decrees must be sent to Legal Counsel for the Fund to determine how much of the Participant's account balance is available for loan) and copies of any outstanding Federal Tax liens.

### **Term of Loan**

The period of repayment for any loan shall be arrived at by mutual agreement between the Trustees and the borrower. The participant may elect a loan term of 36, 48, or 60 months, but in no event will the terms of the loan be more than 60 months. Repayment of interest and principal shall commence on the 20th day of the month following the month in which the loan was issued, but in no event shall the first payment be due in less than thirty (30) days. Repayment of interest and principal shall be made according to a substantially level amortization schedule of monthly payments over the term of the loan.

### **Interest Rate**

Each loan shall bear interest at a rate to be fixed by the Trustees as follows:

- 36 Month Loan Term: Prime Interest Rate + 3.00%
- 48 Month Loan Term: Prime Interest Rate + 3.25%
- 60 Month Loan Term: Prime Interest Rate + 3.50%

The interest rate shall remain constant for the term of each individual loan. The Prime Interest Rate will be reviewed annually by the Trustees on January 1<sup>st</sup>, and will apply for all new loans in that year.

The Trustees shall not discriminate among Participants in the matter of interest rates, but loans granted at different times may bear different interest rates if, in the opinion of the Trustees the difference in rates is justified by a change in general economic conditions. In any event, each loan shall bear a reasonable rate of return.

Repayment of principal and interest shall be credited to the Participant's segregated account.

### **Collateral**

Each loan shall be secured by the assignment by the borrower of the borrower's right, title and interest in and to the Trust Fund to the extent of the borrowed amount, as evidenced by the borrower's

collateral promissory note for the amount of loan, including interest, payable to the order of the Trustees.

No portion of a Participant's account may be used as collateral for a loan unless at the time a security agreement is entered into, the Participant's spouse, if any (on the date the security agreement is entered), consents in writing to the use of the account as security for the loan.

### **Prepayment**

A Participant/borrower may make additional payments towards the principal without incurring penalty or charge. These payments may be made at any time and will be applied to the outstanding principal balance. Additional payments do not relieve the Participant/borrower of the obligation to remit regular future monthly payments. All additional amounts paid will be treated as additional principal payments unless designated as prepayments of monthly loan installment payments, as described below. Interest will be adjusted at the time that the note is fully paid.

Participants will be allowed to make prepayments of principal and interest by remitting a sum equal to one (1) or more additional monthly payments. The payment must be clearly designated as a prepayment by the Participant.

### **Late Payments**

A ten dollar (\$10) late charge will be assessed for any month that a payment is not received within fifteen (15) days from the due date.

### **Non-Sufficient Funds**

A fifty dollar (\$50) charge will be assessed for any payment that is returned for non-sufficient funds (NSF).

### **Default**

If a Participant/borrower fails to make any loan payment within fifteen (15) days of the due date, the loan will be in default. The Trustees may act upon the collateral assigned by the Participant to secure the loan (if any), and the Fund will report to the Internal Revenue Service that the Participant/borrower received a deemed distribution of all outstanding principal and interest accrued on the Defaulted loan.

As such, an IRS Form 1099 will be sent to the IRS and to the Participant and must be reported as regular income by the Participant and a ten percent (10%) additional tax may be due to the IRS. The participant/borrower has the right to cure a default by contacting the Fund Office to make arrangements to remit the past due payment(s). However, in no event can the right to cure a default extend beyond the last day of the calendar quarter following the calendar quarter in which the monthly installment is originally due. The participant/borrower should contact the Fund Office to make arrangements to cure a default. If the participant/borrower fails to cure the default before the time period discussed above, the Fund Office will not accept any more payments and the Fund will be required by law to issue a Form 1099.



### **Statements**

Loan balance statements will be mailed to each Participant on a monthly basis.

### **Appeals**

Any appeals with respect to loan administration must be made to the Fund Office in writing. All appeals will be presented to the Trustees for consideration at their next meeting.

### **Processing Fee**

All loans are subject to a one-time administration fee. The amount of the fee is \$100.00.

The loan processing fee will be deducted from the loan proceeds at the time the loan amount is paid to the Participant by the Fund. The Participant, if divorced, also will be charged any applicable fee for the review of divorce decrees and domestic relations orders in connection with the processing of the Participant's loan application.