ARIZONA PIPE TRADES

ADMINISTRATIVE OFFICES
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**PENSION PLAN FOR THE ARIZONA PIPE TRADES
PENSION TRUST FUND**

To All Participants:

This summary of material modifications (SMM) describes changes recently approved by the Trustees. You should read this notice carefully and keep it together with your copy of the Summary Plan Description (SPD).

Pension Multiplier Temporarily Increased for Certain Delayed Service Pensions

If you have never commenced your pension benefit and are eligible for a Service Pension, your Future Service Credit earned on or after the later of June 1, 2026, or the date you become eligible for a Service Pension and through May 31, 2031 (or your Annuity Starting Date, if earlier), will be valued at four thirds of the applicable value of a Future Service Credit (currently, $100.00) for each full year (and proportionately less or more for fractions of years) rounded down to the nearest $0.50 increment.

To be eligible for this temporary increase, the following must apply:

1) As of June 1, 2026, or at any subsequent date through May 31, 2031, the sum of your full years of attained age and your full years of Pension Credit is at least eighty (80); and

2) You have never incurred a Separation from Covered Employment as defined in Section 3.19 of the Plan, including a Separation from Covered Employment that was cured in accordance with Section 3.19(d) of the Plan. Generally, you have a Separation from Covered Employment 1) at the end of a period of 5 consecutive One-year Breaks in which you work at least 1,600 hours in non-covered employment in the kind of work covered by the Plan or 2) at the end of Plan Year in which you work in Arizona in the type of work covered by the Collective Bargaining Agreement for a noncontributing employer or on a self-employed basis without first becoming a contributing Employer; and

3) You earn Future Service Credit during the period from June 1, 2026, and May 31, 2031, after becoming eligible for a Service Pension; and

4) You delay commencing your benefit to a date that is both after June 1, 2026, and later than the first date you become eligible for a Service Pension.

Future Service Credits that do not qualify for this increase, including all credits earned after May 31, 2031, will be determined under Section 3.03(b) of the Plan (currently, $100 per credit).

Examples:

John is actively working in Covered Employment and is 53 with 27 Years of Pension Credit as of June 1, 2027. Based on his age and Pension Credit, he first becomes eligible to commence a Service Pension, commonly referred to as an "80 and Out" pension, as of June 1, 2027.

1) Choosing to delay benefits: If John decides to not apply for a pension benefit and continues to work through May 31, 2031, his Future Service Credits earned from June 1, 2027, through May 31, 2031, will be valued at four thirds of the applicable value of a Future Service Credit. If he retires on June 1, 2031, his benefit will be calculated as follows:

> For the period through May 31, 2027, during which he earned 27 years of Pension Credit, his benefit will be $2,340.00 per month (24 credits multiplied by $85.00 plus 3 credits multiplied by $100.00) calculated as a single life benefit.
>
> For the period from June 1, 2027 (when he first became eligible for an "80 and Out" pension but elected <u>not</u> to retire) through May 31, 2031, during which he earned additional Pension Credits, assuming he earns 1.0 Future Service Credit in each of the first two years, .80 credits in the third year, and 1.5 credits in the fourth year, his benefit will be $572.50, calculated as a single life benefit. This benefit is calculated as follows:
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> Y1 $100 x 4/3 = $133.33… x 1.0 = $133.33, rounded down to $133.00
> Y2 $100 x 4/3 = $133.33… x 1.0 = $133.33, rounded down to $133.00
> Y3 $100 x 4/3 = $133.33… x .80 = $106.67, rounded down to $106.50
> Y4 $100 x 4/3 = $133.33… x 1.5 = $200.00
>
> $133 + $133 + $106.50 + $200 = $572.50
>
> His total monthly benefit will be $2,912.50 ($2,340 plus $572.50) calculated as a single life benefit.

2) Choosing not to delay benefits: If John stops working as of May 31, 2027, and applies for his benefit, his benefit will be $2,340.00 per month (24 credits multiplied by $85.00 plus 3 credits multiplied by $100.00) calculated as a single life benefit. If, after retiring, he decides to return to work, he will not be eligible for the four-thirds multiplier for any additional credits he earns. Instead, any additional credits earned after he commences benefits will be determined under Section 3.03(b) of the Plan (currently, $100 per credit). So if, for example, he earned 3 additional credits through May 31, 2031, his monthly benefit for that period would be $300.00 (3 credits multiplied by $100.00), resulting in a total monthly benefit of $2,640.00 calculated as a single life benefit.

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Please contact the Administrative Office if you have any questions about the benefit changes described in this notice or your eligibility for a Service Pension.

Sincerely,
BOARD OF TRUSTEES