ARIZONA PIPE TRADES

ADMINISTRATIVE OFFICES

HEALTH & WELFARE, PENSION AND DEFINED CONTRIBUTION

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June 2024

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).

Amount of Regular Pension Increased

The monthly amount of the Regular Pension for Annuity Starting Dates on and after June 1, 2024, will generally be equal to the sum of:

(1) $40.00 for each full year of Past Service Credit earned before June 1, 1963;

(2) $85.00 for each full year (and proportionately less or more for fractions of years) of Future Service Credit earned since June 1, 1963 but before June 1, 2024; and

(3) $100.00 for each full year (and proportionately less or more for fractions of years) of Future Service Credit earned on and after June 1, 2024.

Required Beginning Date

The Trustees changed the definition of Required Beginning Date to comply with the Setting Every Community Up for Retirement Enhancement Act 2.0 (SECURE Act 2.0), which was passed by Congress in 2022.

Your Required Beginning Date is the date as of which Federal law requires that you must commence your benefits under the Plan. Participants may be subject to an excise tax penalty for failing to not timely commence benefits and the Plan may face risks to its qualified status for failure to distribute benefits on time.
Effective January 1, 2023, for Participants (other than 5% owners), Required Beginning Date is the April 1 of the calendar year following the later of:

(i) age 75 if the Participant was born on or after January 1, 1960;

(ii) age 73 if the Participant was born after December 31, 1950, and before January 1, 1960;

(iii) age 72 for Participants born on or after July 1, 1949, and before January 1, 1951; and

(iv) age 70½ for Participants born before July 1, 1949; or

(v) the calendar year in which the Participant ceases work in Covered Employment.

For 5% owners, a Participant's Required Beginning Date is April 1 of the calendar year following the calendar year in which the Participant reaches age 75 if the Participant was born on or after January 1, 1960; age 73 if the Participant was born after December 31, 1950, and before January 1, 1960; age 72 if the Participant was born on or after July 1, 1949, and before January 1, 1951; and age 70½ for Participants born before July 1, 1949.

For Participants who reached age 70½ prior to January 1, 2001, Required Beginning Date was April 1 of the calendar year following the calendar year in which the Participant reached age 70½.

Payment of Benefits After Retirement

Additional accruals on and after Required Beginning Date will be payable as of January 1, following the Plan Year in which they accrued,

To be considered retired and entitled to a pension under this Plan after you attain Normal Retirement Age but have not yet reached the April 1 following age 70½, you must withdraw from and refrain from employment for wages or profit in excess of 40 hours in a calendar month, including hours paid but not worked, in the same industry, in the same trade or craft, and in the same geographic area covered by the Plan.

Definition of Employee

The Trustees modified the definition of "Employee" to include the following:

Any individual regularly employed by the *Arizona* Building and Construction Trades Council, the Piping Industry Progress and Education Fund, or the Arizona State AFL-CIO or Northern California and Northern Nevada Pipe Trades District Council 51, who has a record of prior participation in the Plan as an Employee (emphasis added).

Benefit Payments

If at the time a monthly pension has been applied for and is payable to a Participant or a Beneficiary, the actuarial present value of the pension is $7,000 or less, the Trustees will pay to the Participant or Beneficiary the lump-sum amount of that benefit instead of the monthly pension otherwise payable.

The previous threshold for these lump-sum payments was $5,000.

Credit for Non-Working Periods (Disability)

In order to secure credit toward Vesting Service for a period of disability, a Participant must give written notice of disability to the Board and furnish, in writing, information and proof concerning the disability. For Annuity Starting Dates on and after June 1, 2023, the Plan will no longer require that notice to be given to the Fund Office within one year following the beginning of the disability in order to get credit.

Ad Hoc Payments

The Trustees approved the following Ad Hoc Payments:

In December 2023, the Trustees approved a one-time 13th check which was distributed to all eligible recipients in the amount of their current monthly benefit. The class of eligible recipients was defined as all Pensioners and Beneficiaries in pay status as of September 1, 2023. If a QDRO was in effect, this benefit was apportioned between the Pensioner and the Alternate Payee in accordance with the terms under which retirement benefits were assigned by the QDRO.

In June 2024, the Trustees directed a 12.14% increase to be applied to the monthly benefit amount otherwise payable to eligible recipients. The class of eligible recipients is limited to individuals who (1) are a Pensioner, Beneficiary, or Alternate Payee under the Plan, and (2) have an Annuity Starting Date on or before May 1, 2024, or are receiving death benefits payable on behalf of a Participant whose Annuity Starting Date was on or before May 1, 2024. This 12.14% increase will take effect on June 1, 2024.

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Please contact the Administrative Office if you have any questions about the benefit changes described in this notice.

Sincerely,

BOARD OF TRUSTEES

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This document has been uploaded and is available on the participant website at www.ourbenefitoffice.com/AZpipe