

HAGERSTOWN MOTOR CARRIERS AND TEAMSTERS
Pension Fund
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Hagerstown, MD 21740
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April 2025

SUMMARY OF MATERIAL MODIFICATIONS #5

The Board of Trustees (“Trustees”) of the Hagerstown Motor Carriers and Teamsters Pension Fund (the “Fund” or “Plan”) has amended the Plan to improve your pension benefits as summarized in this notice. Please read this notice carefully.

As a reminder, to calculate your pension benefit, the Fund multiplies the number of years of your covered employment with a contributing employer to the Fund, known as “Credited Service,” by a pre-determined dollar figure, known as the “Unit Multiplier.” The product of the calculation is used to determine the amount of your monthly Normal Retirement Pension benefit. Adjustments are then made if you retire with an Early Retirement, Deferred Vested, or Disability pension benefit, as well as based on your elected form of payment.

Benefit Improvement #1
Increases in Unit Multipliers

For Credited Service on or after January 1, 2024

Effective for all Participants with Credited Service earned on or after January 1, 2024, the Unit Multipliers are as follows:

Employer	Before this Amendment	After this Amendment
UPS or Local 992	\$90 / \$120 ¹	\$150
ABF Freight	\$73 / \$113 / \$97 ²	\$121

The improved Unit Multipliers will be credited to all participants with Credited Service after January 1, 2024, including those who terminated from Covered Employment or retired on or after January 1, 2024.

For Credited Service between February 1, 2011 and January 1, 2024

In 2024, the Unit Multipliers were increased for participants who a) were working in covered employment as of February 1, 2011 and b) remained working in covered employment as of July 1, 2024.

Now, these same increases in Unit Multipliers are being provided to all participants who were working in covered employment as of January 1, 2024. Specifically, the Unit Multipliers are retroactively increased for Credited Service between February 1, 2011 and January 1, 2024 as follows:

Employer	Before this Amendment	After this Amendment
UPS or Local 992	\$90	\$120
ABF Freight	\$90 / \$73 ²	\$113

¹ Prior to this amendment, Unit Multiplier was \$90 or \$120 for certain participants, starting January 1, 2024.

² For ABF Freight participants active as of Feb 1, 2011 and Jul 1, 2024, the Unit Multiplier was \$113 from Feb 1, 2011 to June 30, 2024, and \$97 starting Jul 1, 2024. For ABF Freight participants that were not active as of either Feb 1, 2011 or Jul 1, 2024, the Unit Multiplier was \$90 from Feb 1, 2011 to Jan 31, 2023, and \$73 from Feb 1, 2023 to Jun 30, 2024, and \$97 starting Jul 1, 2024.

SUMMARY OF MATERIAL MODIFICATIONS #5

March 2025

If you had Credited Service on or after January 1, 2024 and have since begun receiving your pension, your pension benefit will be recalculated based on the improved Unit Multipliers. You will also receive a one-time lump sum payment for the increases owed to you since January 1, 2024. You will receive this one-time lump sum payment within the next few months.

The improved Unit Multipliers **do not** apply to participants who terminated from Covered Employment prior to January 1, 2024.

Summary of Historic Unit Multipliers

The tables below summarize the historic Unit Multipliers for participants who were or were not working in Covered Employment as of January 1, 2024.

Table A summarizes the Unit Multipliers for participants who were working in Covered Employment as of January 1, 2024.

Table A --- If Active as of January 1, 2024			
For each year of Credited Service		The Unit Multiplier is	
on or after	and before	UPS, or Local 992	ABF Freight
--	Feb 1, 2011	\$120	\$120
Feb 1, 2011	Jan 1, 2024	\$120	\$113
Jan 1, 2024	--	\$150	\$121

Table B summarizes the Unit Multipliers for participants who terminated from covered employment prior to January 1, 2024³.

Table B --- If Terminated Prior to January 1, 2024 ³			
For each year of Credited Service		The Unit Multiplier is	
on or after	and before	UPS, or Local 992	ABF Freight
--	Feb 1, 2011	\$120	\$120
Feb 1, 2011	Feb 1, 2023	\$90	\$90
Feb 1, 2023	Jan 1, 2024	\$90	\$73

Example #1: Table A - UPS or Local 992 Participant

Ursula begins earning Credited Service on January 1, 2008 with UPS, works continuously and earns 25 years of Credited Service through her termination date of December 31, 2032, at her Normal Retirement Age.

Because Ursula was working in Covered Employment as of January 1, 2024, her monthly pension benefit⁴ is calculated as follows:

³ The Unit Multipliers in this table apply only to participants who were working in covered employment on or after Jan 1, 2000.

⁴ Monthly pension amount shown is payable at Normal Retirement Age in the form of a Level Monthly Pension. Pension amount subject to adjustments for early retirement and other elected forms of payment.

SUMMARY OF MATERIAL MODIFICATIONS #5

March 2025

For each year of Credited Service		Years of Credited Service	Before amendment		After Amendment	
			Unit Multiplier	Monthly Benefit	Unit Multiplier	Monthly Benefit
1/1/08	1/1/24	16.0	\$120	\$1,920	\$120	\$1,920
1/1/24	1/1/33	9.0	\$120	\$1,080	\$150	\$1,350
			Total	\$3,000	Total	\$3,270

Example #2: Table A - ABF Freight Participant

Adam begins earning Credited Service on January 1, 2008 with ABF Freight, works continuously and earns 25 years of Credited Service through his termination date of December 31, 2032, at his Normal Retirement Age.

Because Adam was working in Covered Employment as of January 1, 2024, his monthly pension benefit is calculated as follows:

For each year of Credited Service		Years of Credited Service	Before amendment		After Amendment	
			Unit Multiplier	Monthly Benefit	Unit Multiplier	Monthly Benefit
1/1/08	2/1/11	3.08	\$120	\$369.60	\$120	\$369.60
2/1/11	1/1/24	12.92	\$113	\$1,459.96	\$113	\$1,459.96
1/1/24	7/1/24	0.5	\$113	\$56.50	\$121	\$60.50
7/1/24	1/1/33	8.5	\$97	\$824.50	\$121	\$1,028.50
			Total	\$2,710.56	Total	\$2,918.56

Example #3: Table C - UPS or Local 992 Participant

Louis begins earning Credited Service on January 1, 2015 with UPS, works continuously and earns 25 years of Credited Service through his termination date of December 31, 2039, at his Normal Retirement Age.

Because Louis was working in Covered Employment as of January 1, 2024, his monthly pension benefit is calculated as follows:

For each year of Credited Service		Years of Credited Service	Before amendment		After Amendment	
			Unit Multiplier	Monthly Benefit	Unit Multiplier	Monthly Benefit
1/1/15	1/1/24	9.0	\$90	\$810	\$120	\$1,080
1/1/24	7/1/24	0.5	\$90	\$45	\$150	\$75
7/1/24	1/1/40	15.5	\$120	\$1,440	\$150	\$2,325
			Total	\$2,715	Total	\$3,480

SUMMARY OF MATERIAL MODIFICATIONS #5

March 2025

Benefit Improvement #2 Unreduced Early Retirement Pension Benefit

A participant is generally eligible for a full unreduced pension upon reaching Normal Retirement Age, which is defined as age 65 with at least 5 years of plan participation.

Pension benefits are generally reduced when participants elect to begin receiving their pension prior to reaching their Normal Retirement Age. The reduction is made because by retiring early, participants will begin receiving payments sooner than they would have had they waited until Normal Retirement Age and will likely receive more payments during their retirement. For active participants with Credited Service only after February 1, 2011, the Fund's regular early retirement reduction is 0.5% per month for every month that their retirement precedes age 62.

However, certain participants can receive a full unreduced pension even if they retire prior to reaching their Normal Retirement Age. Under current plan provisions, a participant who terminates from Covered Employment on or after being eligible for regular early retirement is eligible for an unreduced pension in the following situations:

- At age 62,
- At age 57, if the February 1, 2011 early retirement benefit is greater than the current early retirement benefit, or
- At any age, if participant had 30 years of Credited Service as of February 1, 2011.

Following this amendment, participants will also be eligible for an unreduced pension if they leave Covered Employment a) on or after January 1, 2024, b) after having completed thirty (30) years of Credited Service, and c) on or after age 57. Participants that satisfy all three requirements can begin receiving an unreduced pension starting at age 57 or any later age, regardless of whether they retire immediately following termination from Covered Employment or if they delay their retirement.

Participants who leave Covered Employment on or after January 1, 2024 with thirty (30) years of Credited Service, but prior to age 57, will not be eligible for this unreduced pension benefit, even if they delay starting their pension benefit to age 57 or later.

Example #4 – Unreduced Pension Benefit:

Sebastian began earning Credited Service on January 1, 2012 with UPS. He worked continuously and earned 30 years of Credited Service through his termination date of December 31, 2041, at which time he was 57 years old. He retired on January 1, 2042. Sebastian's accrued benefit payable at Normal Retirement (age 65) is \$4,140 per month, which reflects Benefit Improvement #1.

The following table shows the calculation of Sebastian's early retirement pension payable as of January 1, 2042 at age 57, reflecting the improved Unit Multipliers outlined earlier in this document. The calculations are shown before and after reflecting the new unreduced pension benefit.

	Before Benefit Improvement #2	After Benefit Improvement #2
Pension benefit payable at Normal Retirement Age	\$4,140	\$4,140
Early retirement reduction factor	30%	0%
Early Retirement Pension	\$2,898 = \$4,140 x [1 – 30%]	\$4,140

SUMMARY OF MATERIAL MODIFICATIONS #5

March 2025

Prior to this amendment, Sebastian's normal retirement pension would have been reduced by 30%, or 0.5% per month from age 62 to age 57, to reflect his early retirement at age 57.

Following this amendment, Sebastian is eligible for an unreduced pension at age 57, since he left Covered Employment a) on or after January 1, 2024, b) after having completed thirty (30) years of Credited Service, and c) on or after age 57.

Benefit Improvement #3

Benefit Increase for Retirees and Surviving Spouses

Participants and Beneficiaries who commenced their pension or a survivor's benefit with an effective date on or prior to January 1, 2025 and were still living and receiving a benefit as of January 1, 2025 are entitled to a 3.00% increase in their future monthly benefit. This increased benefit will continue to be payable according to the elected form of payment.

Such Participants and Beneficiaries will also receive a one-time lump sum payment for the 3.00% monthly increase starting from the later of January 1, 2024 or their effective retirement date. This one-time lump sum payment will be processed within the next few months.

Additionally, under pre-existing plan rules, married participants who a) began receiving their pensions before February 1, 2011, b) elected the 50% Joint and Survivor form of payment⁵, and c) whose spouses pass away first, are eligible for a Pop-Up benefit. The Pop-Up feature increases the Participant's 50% Joint and Survivor benefit amount to the Level Pension benefit amount, if the spouse passes away prior to the participant. The 3.00% increase will not apply to a Pop-Up benefit if a spouse predeceases a Participant on or after January 1, 2025. In such situations, the Participant's benefit will increase (or Pop-Up) to 100% (not 103%) of the Level Pension amount.

Example #5 – 3% Retiree Benefit Increase:

Suppose Max retired on July 1, 2024, began receiving a monthly pension of \$1,500 and was still living as of January 1, 2025. His future monthly pension will be increased by 3% from \$1,500 to \$1,545, or by \$45 per month. Assuming Max's monthly benefit will be increased starting May 2025, he will also receive a one-time lump sum payment of \$450, which is equal to \$45 times 10, which is the number of months from July 2024 to April 2025.

Example #6 – 3% Surviving Spouse Benefit Increase:

Suppose Eric retired on January 1, 2010 with a monthly pension benefit of \$1,500, payable in the 50% Joint and Survivor form. Eric passed away on July 15, 2024 and his spouse Ariel began receiving a survivor benefit of \$750 starting August 1, 2024. Ariel was still living as of January 1, 2025. Her future monthly benefit will be increased by 3% from \$750 to \$772.50, or by \$22.50 per month.

Assuming Ariel's monthly benefit will be increased starting May 2025, she will also receive a one-time lump sum payment of \$202.50, which is equal to \$22.50 times 9, which is the number of months from August 2024 to April 2025. Ariel will not receive any additional payments for the period when Eric was still alive during 2024.

⁵ At retirement, married participants are offered a few benefit options including a Level Pension and a 50% Joint and Survivor pension. The Level Pension pays a benefit while the participant is living and no benefit after the participant's death. The 50% Joint and Survivor pension is a reduced amount (as compared to the Level Pension) since it pays a benefit while either the participant or the spouse is living.

SUMMARY OF MATERIAL MODIFICATIONS #5

March 2025

Example #7 – 3% Pop-Up Pension Benefit Increase:

Suppose Eric was a married participant who retired on January 1, 2010 (e.g., before February 1, 2011). At retirement, Eric was offered a few benefit options including a Level Pension and a 50% Joint and Survivor pension. The Level Pension would have paid Eric \$1,650 per month while Eric was living and \$0 following his death. The 50% Joint and Survivor pension would have paid Eric \$1,500 per month while Eric and his spouse Ariel were both living, \$750 (50%) per month to Ariel if Eric passed away first, and \$1,650 per month to Eric if Ariel passed away first (this \$1,650 payment is called the “Pop-Up” benefit). Eric and his spouse elected the 50% Joint & Survivor option of \$1,500 per month.

Suppose Eric and Ariel were both still living as of January 1, 2025. Due to the 3% benefit improvement, Eric’s future monthly pension will be increased by 3% from \$1,500 to \$1,545, or by \$45 per month. A few years later, Ariel passes away on March 15, 2028. In accordance with pre-existing plan rules, Eric’s monthly pension benefit will increase or pop-up to \$1,650, since Ariel passed away first. This pop-up amount will not be increased by 3%.

* * *

The current Board of Trustees are as follows:

Tom W. Krause, Chairman Teamsters Local Union No. 992 10312 Remington Drive Hagerstown, MD 21740	Robert Cowie, Secretary c/o Fund Office 10312 Remington Drive Hagerstown, MD 21740
Ron Fischer Teamsters Local Union No. 992 10312 Remington Drive Hagerstown, MD 21740	Daniel Schmidt c/o Fund Office 10312 Remington Drive Hagerstown, MD 21740
Richard Blume Teamsters Local Union No. 992 10312 Remington Drive Hagerstown, MD 21740	Gregory Hill, Alternate c/o Fund Office 10312 Remington Drive Hagerstown, MD 21740

This notice is intended to explain the changes to the Plan in non-technical terms. If there are any discrepancies or conflicts between the information provided in this Notice and the Plan Document, the terms of the Plan Document will prevail. If you have any questions, you may contact the Fund Office at (301) 733-2602.