IBEW LOCAL 540 PENSION PLAN

IMPORTANT NOTICE TO PARTICIPANTS

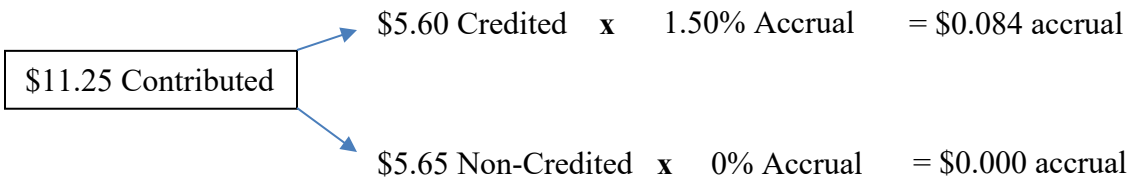
Section 204(h) of the Employee Retirement Income Security Act of 1974 (ERISA), Internal Revenue Code Section 4980F(e) and Section 54.4980F-1 of the Internal Revenue Regulations require the Board of Trustees to notify you of a change that will be made to the Pension Plan. This change was adopted by the Board of Trustees at its July 22, 2025 meeting and will become effective November 1, 2025.

Please keep this Notice with your current Summary Plan Description for future reference. If you have questions after reading this Notice, please contact the Fund Office.

The Board of Trustees took action to amend the Plan by changing how reciprocity contributions are credited and how benefit increases are handled after retirement.

Accrual Rate Currently

The IBEW Local 540 Pension Plan currently has credited and non-credited contributions. Through October 31, 2025, participants accrue a benefit equal to 1.50% of all **credited** contributions made to the Fund on their behalf. Reciprocity contributions which come into the IBEW 540 Pension Plan are also subject to this credited vs. non-credited split.



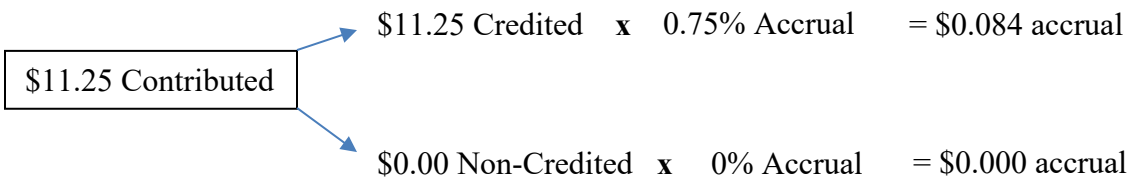
So, if $11.25 is contributed, the participant accrues a benefit just on the credited portion, and that accrual equals $0.084.

This will be changing effective for work performed on or after November 1, 2025. The important thing is the amount of the accrual will **not** change. This is described in more detail on the next page.

Effective November 1, 2025

Effective for work performed on or after November 1, 2025, participants will accrue a benefit equal to 0.75% of **all** contributions made to the Fund on their behalf. In other words, there will no longer be a portion that is non-credited. The **entire** contribution amount will be credited. The accrual rate will be lower, but because the entire amount is credited, the accrual amount will end up the same.

In other words, while this may appear to be a decrease, the actual accrual rate is staying the same. Prior to November 1, 2025, participants were only getting credit on a portion of the contributions. Effective November 1, 2025, participants will receive credit for the entire contribution at a rate of 0.75%.



As you can see, starting November 1, 2025, if $11.25 is contributed, a participant will continue to receive an accrual of $0.084. This $0.084 is the same as the accrual amount under the credited/non-credited approach.

Please note that the benefits you have accrued as of November 1, 2025 will not change. This is not a reduction in the amount of benefits you have already accrued. This change will affect only contributions for work on or after November 1, 2025.

Please contact the Plan Office with any questions or concerns.

Sincerely,
Board of Trustees