

OHIO CARPENTERS' PENSION PLAN

NOTICE OF REDUCTION IN ADJUSTABLE BENEFITS UNDER SECTION 432 OF THE INTERNAL REVENUE CODE

Previously, you were notified that the Ohio Carpenters' Pension Plan (the "Plan") was certified to be in "critical status." As required by Federal law, the Plan's Board of Trustees adopted a Rehabilitation Plan designed to improve the Plan's funding status. The notice of critical status listed those benefits considered "adjustable benefits" that were subject to reduction or elimination as part of the Rehabilitation Plan, including early retirement benefits.

In September of 2016, the Trustees approved an amendment to the Plan which changes the manner in which early retirement benefits will be calculated for certain participants. Because this change results in a reduction to an "adjustable benefit," Federal law requires the Plan to provide this Notice to affected participants, beneficiaries, contributing employers, and the Union.

THIS CHANGE WILL NOT AFFECT YOUR BENEFIT IF:

- **YOU ARE CURRENTLY RECEIVING A PENSION, OR**
- **YOU HAVE 30 OR MORE YEARS OF CREDITED SERVICE AT RETIREMENT**

WHAT CHANGED?

The Plan amendment changes the way that the Plan calculates early retirement benefits for "Terminated Vested Participants" who have fewer than thirty (30) years of Future Credited Service (Benefits) as of the date of their initial retirement. Once this change becomes effective, the Plan will apply "actuarial equivalent early factors" to calculate the monthly payments for affected Terminated Vested Participants who apply for early retirement benefits. The application of these factors will result in a monthly payment amount that is lower than the amount that would be calculated for Active Participants under the Plan's early retirement provisions.

A Terminated Vested Participant is any participant who:

1. Has not earned a year of Future Credited Service (Benefits) in the current or preceding Plan Year (a year of Future Credited Service (Benefits) is earned by working 200 hours or more in Covered Employment during the Plan Year);
2. Has at least five (5) years of Credited Service (Vesting);
3. Has terminated employment in Covered Employment for any reason other than death; and
4. Has not begun receiving a Normal or Early Retirement benefit.

If you are not sure whether you are a Terminated Vested Participant, you can find out whether you are affected by calling the Fund Office.

The new reduction factors are illustrated by the following table:

Percent of Your Accrued Benefit Payable at a Given Retirement Age				
Age	New Actuarial Equivalent Early Factors for Terminated Vested Participants	Pre-4/1/90 Benefit	Post-4/1/90 Benefit	Benefit at Age 55 & 30 Years of Service
55	49.85%	83.20%	74.80%	93.00%
56	54.75%	85.60%	78.40%	94.00%
57	60.24%	88.00%	82.00%	95.00%
58	66.40%	90.40%	85.60%	96.00%
59	73.33%	92.80%	89.20%	97.00%
60	81.14%	95.20%	92.80%	98.00%
61	89.97%	97.60%	96.40%	99.00%
62	100.00%	100.00%	100.00%	100.00%

Example: Jason has an accrued benefit of \$3,400.00 and has accrued 20 years of service. He decides to retire effective July 1, 2017, the first of the month after he attains age 58. He has not worked 200 hours since May 1, 2017 nor did he work 200 hours during the 12 calendar months ending April 30, 2017. He is, therefore, considered to be a “Terminated Vested Participant” at the time of his retirement.

His benefit would be actuarially reduced for each complete calendar month he is under age 62. His actuarial reduction would be 33.60% and his vested benefit commencing July 1, 2017 would be **\$2,257.60** (= \$3,400.00 x 66.40%).

Before this change took effect, or if Jason had worked at least 200 hours in the current or previous Plan Year, Jason’s reduction factor would have been 14.40% (0.3% x 48 months) and his benefit commencing July 1, 2017 would have been **\$2,910.40** (\$3,400.00 x 85.60%).

WHEN DOES THIS CHANGE BECOME EFFECTIVE?

This change is effective for early benefits with an Annuity Starting Date on or after May 1, 2017.

Please keep this notice with your Summary Plan Description (“SPD”) for future reference. If you have questions after reading this Notice, please contact the Fund Office.

RIGHTS AND REMEDIES FOR PARTICIPANTS AND BENEFICIARIES

Federal law requires that this Notice contain information as to the rights and remedies of Participants and Beneficiaries. For a complete statement of the rights of Participants and Beneficiaries under the Employee Retirement Income Security Act (“ERISA”), including the right to examine or receive certain Plan documents or to file suit under ERISA, consult your SPD. In addition, the SPD describes your right to file an appeal should you experience a denial of benefits under the Plan, the Plan’s procedures governing such appeals, and your right to file

suit in a federal court once your appeals under the Plan are exhausted. A copy of the SPD is available by contacting the Fund Office at:

Ohio Carpenters' Pension Plan
P.O. Box 31580
Independence, Ohio 44131

Phone: 855.837.3528
Fax: 216.539.3221

If you need further assistance understanding your rights under ERISA, you can contact the U.S. Department of Labor at either of the following addresses:

U.S. Department of Labor
Employee Benefits Security Administration
1730 K Street, Suite 556
Washington, DC 20006

Telephone: 202.254.7013

U.S. Department of Labor
Employee Benefits Security Administration
1885 Dixie Highway, Suite 210
Ft. Wright, Kentucky 41011-2664

Telephone: 606.578.4680

Or you may contact the Division of Technical Assistance & Inquiries at:

Division of Technical Assistance & Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Ave. NW
Washington, DC 20210

Sincerely,

Board of Trustees

