



# SHEET METAL WORKERS LOCAL 292 FRINGE BENEFIT FUNDS

P.O. Box 189  
Troy, MI 48099-0189  
(248) 641-4992 (888) 646-6565

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October 7, 2022

## ***Re: Important Changes to the Sheet Metal Workers Local Union No. 292 Annuity Fund***

Dear Plan Participant:

Please read this letter in its entirety to review upcoming changes to your account held in the Annuity Fund ("Plan").

### ***Plan Administrative Fees and Expenses:***

Plan administrative fees may include recordkeeping, legal, accounting, trustee and other administrative fees and expenses associated with maintaining the Plan. Some plans may deduct these fees and expenses from individual accounts in the Plan while others rely on revenue sharing payments from mutual funds to cover the expenses or some combination of the two.

As provided in the July 2019 Notice, the Board of Trustees changed how administrative fees and expenses were charged to your accounts. At that time, it was projected that administrative expenses account for about 0.55% of the Plan's assets per year and the Board of Trustees decided that an amount equal to 0.55% per year be deducted from each Accrued Benefit Account to cover such expenses. However, the Board of Trustees continuously monitors the expenses and has determined that this fee can no longer cover the Fund's administrative expenses. As such, on October 17, 2022 a **one-time flat fee of \$225** will be deducted from your Accrued Benefit Account (unless your Accrued Benefit Account balance as of October 14, 2022 is under \$500, in which case, the one-time flat fee will be \$112.50. In addition, effective November 15, 2022 **0.95% per year** will be deducted from each Accrued Benefit Account to cover expenses going forward (instead of 0.55%). This amount will be deducted from each account proportionally based upon account balance. For example, if your account balance is \$10,000 you will have an estimated fee of \$95 per year. The actual amount charged will be deducted monthly and will appear on your quarterly statement. In other words, each month you will be charged a fee, which will be deducted from your account and reported to you quarterly, to cover your portion of the Plan's administrative fees as follows:  $[\text{account balance} \times (0.95\% / 12)]$ .

If you have any questions regarding these changes, contact the Fund Office at 888.646.6565.

Sincerely,

*Board of Trustees*  
*Sheet Metal Workers Local Union No. 292 Annuity Fund*





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TO: All Participants in the Sheet Metal Workers Local 292 Annuity Fund

RE: Change in Asset Allocation of Model Portfolios – Effective June 3, 2022

DATE: October 7, 2022

As a participant in the Sheet Metal Workers Local 292 Annuity Plan, you deserve a retirement plan that is well equipped to help you pursue your long-term financial goals. The Board of Trustees recently reviewed the investment options offered through the Plan and, upon the recommendation of the Fund's Investment Consultant, decided to make the following change:

The composition of the Asset Allocation portfolio models were revised effective June 3, 2022. These revisions were designed to enhance the level of diversification and expand the array of underlying funds included in the portfolio models.

- The Aggressive Portfolio Model directs 19% of its assets to bonds, 3% of its assets to cash or cash equivalent and 78% to stocks.
- The Moderate to Aggressive Portfolio Model was revised to direct 29% of its assets to bonds 6% of its assets to cash or cash equivalent and 65% to stocks.
- The Moderate Portfolio Model (the default) was revised to direct 37% of its assets to bonds, 10% of its assets to cash or cash equivalent and 53% to stocks.
- The Conservative to Moderate Portfolio Model was revised to direct 42% of its assets to bonds, 18% of its assets to cash or cash equivalent and 40% to stocks.
- The Conservative Portfolio Model was revised to direct 50% of its assets to bonds, 21% of its assets to cash or cash equivalent and 29% to stocks.

The investment fees for each Model Portfolio are calculated as a mathematical blend of the investment fees of the funds which make up the Model in proportion to the amount of each fund's assets invested in the Model. The retirement website has more detail on the exact composition of each Model Portfolio ([www.yourplanaccess.com/benesys](http://www.yourplanaccess.com/benesys)).

Regardless of whether your account is invested in a Model Portfolio or otherwise, you always have the opportunity to indicate which investment vehicles selected by the Board of Trustees you want to invest in and how much you want to invest in each of them.

You are able to change your investments, obtain your balances, find out the current price of the various mutual funds and, during regular business hours, speak to a customer representative by contacting the Fund Office directly either via the website, [www.yourplanaccess.com/benesys](http://www.yourplanaccess.com/benesys), by telephone, (248) 641-4992 or by mail P.O. Box 189, Troy, MI 48099-0189. The Fund Office's business hours are 7:30 a.m. to 4:30 p.m., Monday through Friday. If you have any questions about this change or any investment matters, you can also contact Timothy Brice from The Brice Group – the Fund's Investment Consultant – at (248) 593-2475.





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## Participant Fee Disclosure Statement

### Sheet Metal Workers Local Union No. 292 Annuity Fund October 2022

You are a participant or beneficiary in an individual account plan that allows you to direct the investment of your account balance. This disclosure is intended to provide you with information that will enable you to make informed decisions regarding the investment selections and ongoing management of your account. This document consists of three sections as follows:

1. General Plan Information – This section contains some basic information you may want to know as a participant of the plan.
2. Administrative Expenses – This section contains important information about the types of expenses that may be incurred by you and the plan in general.
3. Investment Comparative Chart – This section contains important information to help you compare the investment options under your retirement plan. Performance and expense information has been updated through April 30, 2022.

## General Plan Information

### Excessive Trading

While the Plan permits daily transactions, it's not designed or intended to be a brokerage account or trading account. Trading in and out of funds on a daily basis can disrupt appropriate management of the various funds and causes increased transactional costs and losses to participants who do not engage in such activity. In the event that a participant engages in excessive transfers or reallocations, the Plan may restrict the number of transactions that such a participant may engage in with respect to all funds or to a particular fund. Alternatively, the Plan or the mutual fund in which the participant elects to purchase may impose a fee for such transfers or reallocations or restrict daily transfers or reallocations.

### Plan Asset Fees

Several types of fees may be charged for mutual funds. Participants incur a fee for each particular fund. This fee includes all operating expenses of a mutual fund and is commonly referred to as the expense ratio. There are no account fees, actuarial risk charges, sales fees, front or back loads to the fund options in the Plan. The expense ratio is deducted from the return on a daily basis. Certain funds have a revenue sharing arrangement where a portion of the expense ratio is returned to the Plan. This is commonly referred to as revenue sharing. The revenue sharing dollars will be passed back to the participant accounts which hold assets in the funds on a monthly basis. Effective November 15, 2022, an annualized administrative fee of 0.95% of participant assets will be deducted from participants' accounts to offset Plan expenses. Each month your account balance will be multiplied by 0.95% and divided by 12 to compute that month's fee. The amount calculated will be deducted from your account. In addition, on October 17, 2022, a one-time fee of \$225 will be deducted from participants' accounts to offset current outstanding Plan expenses. Unless your account balance is less than \$500, in which case \$112.50 will be deducted from your account balance.

### Your Future Contributions

You elect how your contributions are invested among the plan's investment funds. In general, contributions purchase units in the investment funds available under the plan at their net asset value (NAV) per unit. This investment normally occurs using the NAV for each investment fund determined as of 4 p.m. Eastern Time or the close of the New York Stock Exchange, whichever is earlier. No participant-initiated transaction of any kind will be processed on a day that the New York Stock Exchange is closed.

### Investment Restrictions

There are no restrictions imposed by the Plan. Trade restrictions imposed by a Plan investment alternative will be listed in the Comparative Chart.

### Diversification

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Allocating your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals.

For more information about diversification go to <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/pension-protection-act/investing-and-diversification>.

### **Voting Rights**

The Plan sponsor will exercise any voting or other rights associated with ownership of investments held in designated investment alternatives offered within the plan.

### **Glossary of Terms**

Please visit [www.yourplanaccess.com/benesys](http://www.yourplanaccess.com/benesys) for a glossary of investment related terms you may be exposed to in relation to your status as a participant in a qualified retirement plan.

## **Administrative Expenses**

### **Administrative Expenses of the Plan**

The Plan pays expenses and fees for services such as investment management (and other charges described in any prospectuses for the investment funds), trusteeship, custodianship, brokerage, investment research, legal, accounting, auditing, consulting on Plan investments and administration, recordkeeping, government reporting, employee communications and assistance, bonding and other insurance, loans, personnel training, travel, mail, courier, telephone and other communications, and computer programming and processing. Such fees for services may include amounts for products delivered or used in connection with the delivery of services, such as office supplies and computer hardware and software. The fees are paid to the service providers. The Plan offsets such expenses to the extent possible. The Plan offsets such expenses by charging an annualized fee on a monthly basis totaling 0.95% of participant assets.

## **Individual Expenses**

### **Late Loan Payment Fee**

There is a \$10 charge for each loan payment that is not received by the date indicated on your Amortization Schedule and Approval Letter.

### **NSF Fee**

A fee of \$25 will be charged to the participant for any checks returned for Non-Sufficient Funds.

### **QDRO Review Fee**

There is a fee of \$150 for the review of a Qualified Domestic Relations Order. The fee will be charged to the participant and alternate payee accounts in equal parts unless stated differently in the QDRO.

### **Other information**

Fees and expenses are only one of several factors that participants and beneficiaries should consider when making investment decisions. The cumulative effect of fees and expenses can substantially reduce the growth of a participant's or beneficiary's retirement account. Participants and beneficiaries can visit the Employee Benefit Security Administration's Website at <https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/publications/understanding-your-retirement-plan-fees> for an example demonstrating the long-term effect of fees and expenses.

Please contact the Fund Office via telephone at (248) 641-4992, or via mail to: Fund Office, Sheet Metal Workers Local Union No. 292 Annuity Fund, P.O. Box 189, Troy, Michigan 48099-0189 with any questions regarding the Plan or this disclosure. You may also request copies of prospectuses, copies of financial statements and/or reports; a statement of the value of a share or unit of each investment alternative, and the date of the valuation and a list of assets in the portfolio of each designated investment alternative which are deemed plan assets at this same telephone number or mailing address. Additional investment-related information, including more current performance information, is available at [www.yourplanaccess.com/benesys](http://www.yourplanaccess.com/benesys) or the specific website listed in the following comparative chart for each investment option.



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October 2022

## **Important Information About Your Annuity Fund Account**

We wanted to take this opportunity to remind you of the Annuity Fund's automatic default investment and how to make changes in your account.

**You have the right to direct and control the investment of your account in a variety of mutual funds which are selected and monitored by the Board of Trustees.**

However, if you do not make an investment election, your account is invested in the Moderate Portfolio, which directs its assets as follows:

- 10% to cash or cash equivalents
- 37% to bond funds, and
- 53% to stock funds.

The Moderate Portfolio model balances risk and reward and seeks moderate growth. The investment fees for the Moderate Portfolio model are calculated as a mathematical blend of the investment fees of the funds which make up the Model in proportion to the amount of each fund's assets invested in the Model. The retirement website has more detail on the exact composition of the Moderate Portfolio model ([www.yourplanaccess.com/benesys](http://www.yourplanaccess.com/benesys)).

Regardless of whether your account is invested in the Moderate Portfolio or otherwise, you always have the opportunity to indicate which investment vehicles selected by the Board of Trustees you want to invest in and how much you want to invest in each of them. You are able to change your investments, obtain your balances, find out the current price of the various mutual funds and, during regular business hours, speak to a customer representative by contacting the Fund Office directly either via the website, [www.yourplanaccess.com/benesys](http://www.yourplanaccess.com/benesys), by telephone, (248) 641-4992 or by mail P.O. Box 189, Troy, MI 48099-0189. The Fund Office's business hours are 7:30 a.m. to 4:30 p.m., Monday through Friday.

Sincerely,

Board of Trustees  
Sheet Metal Workers' Local Union No. 292 Annuity Fund