



SHEET METAL WORKERS LOCAL 292

FRINGE BENEFIT FUNDS

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July 9, 2025

IMPORTANT NOTICE

TO ALL ACTIVE PARTICIPANTS, SEPARATED PARTICIPANTS, SURVIVING SPOUSES AND ALTERNATE PAYEES OF THE SHEET METAL WORKERS LOCAL NO. 292 PENSION FUND

This Notice is to inform you of an important update regarding your pension benefits under the Sheet Metal Workers Local No. 292 Pension Fund ("Fund").

As part of the Board of Trustees' ongoing efforts to strengthen the long-term security of the Fund and ensure stable benefit delivery, the Fund is pleased to announce that it has purchased a **group annuity contract** for you from The Prudential Insurance Company of America ("Prudential"), a leading provider of retirement solutions for all vested benefits that you have accrued with the Fund as of March 31, 2024. Once you are eligible to retire, Prudential will assume the responsibility for paying the portion of your retirement benefits accrued as of March 31, 2024, in accordance with the terms of the contract.

What This Means for You?

- **New Payment Administrator:** Once you are eligible to retire and you request to commence your benefit, the portion of your benefit accrued as of March 31, 2024 will be paid to you by Prudential. If you accrue any additional benefits after April 1, 2024, that portion will be paid by the Fund.
- **No Change in the Accrued Benefit Amount:** The amount of your benefit that you accrued based on work performed as of March 31, 2024 will not change, and you will be eligible to elect the same forms of payment that are currently available under the Fund.
- **Medical Premiums:** If, when you retire, you elect to have your Health Fund self-payment deducted from your pension check, you will be able to elect to deduct that amount from your monthly benefit payment made by Prudential or from your monthly benefit from the Fund, if the amount of your monthly benefit is enough to cover the deduction.
- **Continued Security:** Prudential is highly rated and subject to regulatory oversight to help ensure the ongoing payment of annuity benefits. The portion of your pension accrued as of March 31, 2024 will no longer be guaranteed by the Fund or the federal government; instead, it is covered by Prudential and (up to certain coverage limits) by state life and health insurance guaranty associations.
- **Future Communications:** A Welcome Kit from Prudential will be mailed to you no later than August 1, 2025. This Welcome Kit will include details on how they will administer your benefit and provide customer service.
- **Disability Benefits:** If you become eligible for Disability Benefits from the Pension Fund, the Fund will pay all of the Disability Benefits to you until you retire and become eligible for benefits from Prudential,

at which point the portion of your benefit accrued as of March 31, 2024 will be paid to you by Prudential and any additional benefits you accrue after March 31, 2024 will be paid to you by the Fund.

This transfer does not require any action on your part at this time. We understand that you may have questions about this transition. The **Frequently Asked Questions** that follow provide some more detail regarding this change. If you have additional questions, please contact the Fund Office at 248-641-4992.

The Board of Trustees remains committed to protecting your retirement income and ensuring a smooth transition to Prudential.

FREQUENTLY ASKED QUESTIONS

What happens when the responsibility for paying my benefits is transferred to Prudential?

When you retire, for the portion of your benefit accrued as of March 31, 2024, instead of receiving your pension benefits from the Fund, benefits will be paid by Prudential under a group annuity contract. Like the pension provided by the Fund, the annuity provided by Prudential offers protection from the risk that you could run out of money before you and your spouse die.

Will this transfer change the amount of my pension benefit I have earned or continue to earn?

No. Your accrued benefit will not be affected by the transfer to Prudential. The only change that will happen is that the portion of your benefit accrued based on work you performed as of March 31, 2024 will be paid by Prudential and the portion of your benefit accrued based on work performed after March 31, 2024, if any, will be paid by the Fund.

Will I continue to receive an annual pension statement?

If you are actively working, you will continue to receive annual pension statements from the Fund Office that estimate the amount of your pension benefit at normal retirement, but those future pension statements will only reflect the benefit you accrued after April 1, 2024.

Who do I contact for an estimate of my pension benefits?

You can contact Prudential for an estimate of the benefit you accrued up to March 31, 2024. You should contact the Fund Office to request a pension estimate for the benefit you accrued after April 1, 2024.

How can I apply to commence my retirement?

When you are ready to retire, you will have to contact Prudential to commence your benefit earned based on work as of March 31, 2024. More detail on how to accomplish that will be provided in the Welcome Kit and future communications you will receive from Prudential. If, at the time of your retirement you have accrued additional benefits based on work you performed after March 31, 2024, you will need to submit an Application to the Fund Office.

Will the portion of my pension paid by Prudential continue to be protected?

Yes, but those protections will change. Your benefits will no longer be protected by the assets in Fund or by the federal pension insurance program, the Pension Benefit Guaranty Corporation. Instead, insurance companies

are regulated at the state level to make sure they have sufficient funds to pay their obligations. Additionally, state guaranty associations provide protection in the event that insurance companies fail.

What state level protection exists?

Every state, the District of Columbia, and Puerto Rico, has a Life and Health Insurance Guaranty Association, a nonprofit institution established to protect insurance policyholders who live in that state in the event that an insurance company becomes insolvent. All insurance companies licensed to write life and health insurance or annuities in a state participate in that state's Life and Health Insurance Guaranty Association. You will be covered by the Life and Health Insurance Guaranty Association in the state where you reside, assuming the insurance company is licensed in that state. If the insurance company is not licensed in the state where you reside, you should be covered by the guaranty association of the state of domicile of the insurance company. You can contact your state insurance department to find out if the insurance company paying your annuity is licensed to operate in your state. You can get more information about your state Life and Health Insurance Guaranty Association via links on the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) website www.nolhga.com.

Did my defined contribution benefit transfer to Prudential?

No. Your defined contribution benefits, if any, were not impacted by the change to Prudential.

Did my health insurance change?

No. If you are a participant in the Sheet Metal Workers Local 292 Health Fund, your enrollment and eligibility has not changed.

Board of Trustees,
Sheet Metal Workers' Local No. 292 Pension Fund