

## UA LOCAL 190 PENSION PLAN

### SUMMARY OF MATERIAL MODIFICATIONS

#### NOTICE OF PLAN CHANGES

**IMPORTANT NOTICE:** Effective June 1, 2018, there is a change in the “denominator” of the fraction used to calculate the amount of Benefit Credits you earn under the UA Local 190 Pension Plan (“Plan”), as described below.

This summary of material modifications explains the changes in the Plan and supplements the Summary Plan Description (“SPD”) for the Plan. Please attach this document to your SPD for future reference. If you have any questions, please contact the Plan Administrator at the address or phone number listed at the end of the SPD.

#### Changes in Contribution Rates

Effective May 1, 2018 for some classifications and effective June 1, 2018 for other classifications, the amount contributed by Employers for each hour worked are increased.

This means that for most participants, more money will be contributed for each hour worked.

#### Change in Denominator Used for Determining Years of Benefit Credit.

The denominator of the fraction used to calculate the amount of Benefit Credits you earn in any Plan Year is changing effective June 1, 2018. Often an increase in the denominator of this fraction will result in a reduction in your rate of future pension benefit accrual. Because the contribution rates are also changing as described below, **there is no reduction in your rate of future pension benefit accrual.**

The denominator is determined by multiplying the highest rate of hourly contribution that was in effect during each calendar month on behalf of any Participant working under a CBA with the Union by 150 and adding them together. In recent years, the denominator was based on the highest contribution rate being \$9.89, and was determined as follows:

$$150 \times 12 \text{ months} = 1,800 \text{ hours}$$

$$1,800 \text{ hours} \times \$9.89 = \$17,802$$

#### What is Changing?

Effective June 1, 2018, the highest contribution rate used for this calculation is changing from \$9.89 to \$10.14. Therefore, the denominator is determined as follows, effective June 1, 2018:

$$150 \times 12 \text{ months} = 1,800 \text{ hours}$$

$$1,800 \text{ hours} \times \$10.14 = \$18,252$$

Under the SPD section entitled “WHAT THE PLAN IS WORTH TO YOU,” subsection C “Years of Benefit Credit” is replaced by the following:

**Years of Benefit Credit.** In order to determine the amount of Benefit Credits earned in any Plan Year in which you have at least three hundred seventy-five (375) Hours of Work, you are credited with a Benefit Credit or fraction thereof in tenths of a year determined in the following steps:

- (1) Determine the total dollar amount of contributions required to be made on your behalf during the Plan Year;
- (2) Multiply the highest rate of hourly contribution that was in effect during each calendar month on behalf of any participant working under a CBA with the Union by 150 and add them together. This is the “divisor;” and
- (3) Divide the number in (1) by the number in (2). The result will be rounded to the nearest one-tenth (1/10) of a year. The following table shows the divisor for each of the Plan years from the year ending May 31, 1994 through the year ending May 31, 2019:

Plan Year Ending May 31	Rate	Hours	Divisor Amount
1994	\$2.00	1500	\$3,000
1995	\$2.27	1500	\$3,405
1996	\$2.60	1500	\$3,900
1997	\$2.80	1500	\$4,200
1998	\$3.25	1500	\$4,875
1999	\$3.65	1500	\$5,475
2000	\$3.90	1500	\$5,850
2001	\$4.15	1500	\$6,225
2002	\$4.90	1500	\$7,350
2003	\$5.40	1500	\$8,100
2004	\$5.83	1500	\$8,745
2005	\$6.33	1500	\$9,495
2006	\$7.01	1500	\$10,526.50
2007	\$7.36	1500	\$11,032.50
2008	\$7.84	1500	\$11,757.50
2009	\$8.30	1500	\$12,445
2010	\$8.94	1500	\$13,413.75

2011	\$9.55	1800	\$17,184
2012	\$9.83	1800	\$17,685
2013	\$9.89	1800	\$17,802
2014	\$9.89	1800	\$17,802
2015	\$9.89	1800	\$17,802
2016	\$9.89	1800	\$17,802
2017	\$9.89	1800	\$17,802
2018	\$9.89	1800	\$17,802
2019	\$10.14	1800	\$18,252

The current (as of June 1, 2018) contribution rates for each classification of Employee and the amount of Benefit Credit earned if the Employee worked exactly 1,800 hours in a Plan Year are:

Classification	Contribution Rate	Rounded Credit for 1800 Hours
Building Trades Journeyman, Building Trades Apprentice, Service Journeyman	\$10.14 per hour	1.0
Michigan Distribution Journeyman Welder	\$10.14 per hour	1.0
Ohio Distribution Journeyman Welder	\$10.14 per hour	1.0
Michigan Distribution Journeyman Installer Zone 1	\$3.62 per hour	.4
Michigan Distribution Journeyman Installer Zone 2	\$3.80 per hour	.4
Michigan Distribution Apprentice Helper Zone 1	\$4.66 per hour	.5
Michigan Distribution Apprentice Helper Zone 2	\$4.43 per hour	.4

Ohio Distribution Apprentice Helper Zone 1	\$2.72 per hour	.3
Ohio Distribution Apprentice Helper Zone 2	\$2.89 per hour	.3
Ohio Distribution Apprentice Helper Zone 3	\$2.60 per hour	.3
Commercial Metal Trades, Mechanical Equipment Service Tradesman	\$1.51 (for employees who have worked in this classification for one year or more)	.1
Cook Nuclear Power Plant	10.14 per hour	1

If amounts are required to be contributed on your behalf under a reciprocal agreement, these amounts are treated the same as Employer contributions made to the Fund on your behalf. You receive credit for required contributions from your Employer even if the contribution cannot be collected by the Trustees.

Under the SPD section entitled “Adjustments for Different Contribution Rates,” the examples are replaced by the following:

**Examples:**

Each of the following examples is based on the highest hourly contribution rate under UA Local 190's Bargaining Agreement for the Plan Year beginning June 1, 2018, which was \$ 10.14 per hour for the entire year.

- Participant A, who has contributions made to the Fund at the rate of \$10.14 per hour, has 2,000 Hours of Work during the Plan Year beginning June 1, 2018.

$$\begin{aligned} 2,000 \text{ hours} \times \$10.14 &= \$20,280 = 1.1111 \\ 1,800 \text{ hours} \times \$10.14 &= \$18,252 \end{aligned}$$

rounded to nearest 1/10 = 1.1 Years of Benefit Credit

- Participant B, who has contributions made to the Fund at the rate of \$3.62 per hour, works during the Plan Year beginning June 1, 2018, 1,250 Hours of Work for the Employer and 400 Hours of Work while working for another Employer in another jurisdiction who contributes to the Fund for this Participant at \$3.80 per hour under a reciprocal agreement.

$$\frac{(1,250 \text{ hours} \times \$3.62) + (400 \text{ hours} \times \$3.80)}{1,800 \text{ hours} \times \$10.14} = \$6,045$$

= .3311; after rounding,

= .3 Years of Benefit Credit

- Participant C, who has contributions made to the Fund at the rate of \$1.51 per hour, works 2000 Hours of Work.

$$\frac{2000 \times \$1.51}{1,800 \times 10.14} = \$3,020$$

= .1654; after rounding,

= .2 Year of Benefit Credit

Note that Participants B and C, if Vested, can make Voluntary Contributions up to the amount necessary, when added to the Benefit Credit that each Participant actually accrued, to give each Participant one full Year of Benefit Credit. This is further explained in the next section entitled **PURCHASING BENEFIT CREDITS THROUGH VOLUNTARY CONTRIBUTIONS.**