

# U.A. Local No. 393 Benefit Funds

## HEALTH & WELFARE, SUB, DEFINED BENEFIT PENSION AND DEFINED CONTRIBUTION

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### NOTICE OF MATERIAL MODIFICATIONS

to the

### U.A. LOCAL NO. 393 DEFINED BENEFIT PENSION Plan

(As restated November 1, 2021)

**TO:** All Participants and Beneficiaries of the U.A. Local No. 393 Defined Benefit Pension Plan

**FROM:** The Trustees of the Plan

**RE:** New Bonus Benefit Accrual for the 2025 Plan Year only

**DATE:** February 2025

This document is a Summary of Material Modifications (“Summary”) intended to notify you of an important change made to the U.A. Local No. 393 Defined Benefit Pension Plan (“Pension Plan”) since the Summary Plan Description was last distributed to you. Please note that, in the event of conflict between this Summary and the terms of the Plan, the terms of the Plan will govern.

#### Bonus Benefit Accrual

The Trustees of the Plan are pleased to announce a new **Bonus Benefit Accrual for the 2025 Plan Year only**. The Trustees were able to provide this Bonus Benefit Accrual for the 2025 Plan Year because the Plan is very healthy at this time. Some indicators of the Plan’s health include:

- the Plan met or exceeded the assumed investment return of 6%,
- the Plan received over \$50 million in employer contributions, net of reciprocity,
- and the Plan was over 105% funded as of December 31, 2024.

The Trustees are committed to keeping the Plan healthy. The U.S. and global economic environment and the local construction industry economy can change quickly. Whether and to what extent the Trustees provide an increased accrual in future years will depend on how the Trustees evaluate the overall health of the Plan and projected contributions and investment income.

Effective January 1, 2025 and terminating December 31, 2025, the Normal Retirement Benefit for Credited Service shall be **\$0.14 for each Hour of Credited Service in the 2025 Plan Year** in which the Employee performed at least 100 Hours of Credited Service in 2025. For those eligible for the Enhanced Benefit Credit\*, the Normal Retirement Benefit for Credited Service shall be **\$0.19 for each Hour of Credited Service in the 2025 Plan Year**.

*Please review the FAQ on the next page for more information on how you may benefit from the new Bonus Benefit Accrual. If you have any further questions, please feel free to contact the Pension Department. Si desea recibir esta información en español, llame a la Oficina de Administración al (408) 588-3751.*

*These changes are made pursuant to Amendment 11 to the Formal Plan Rules, which can be found on the member portal – [www.ualocal393benefits.org](http://www.ualocal393benefits.org) (in the documents tab). Please contact the Plan’s Administration Office at (408) 588-3751 if you have any questions concerning this Summary, the Pension Plan or your benefits.*

*\*For information about the Enhanced Benefit Credit, see the Notice regarding Amendment 9 on the member portal.*

## **Bonus Benefit Accrual FAQs**

### **What's in it for me?**

The Plan will use the benefit rate of \$0.14 per credited hour instead of \$0.12 per credited hour to calculate your benefit accrual for the 2025 Plan Year only. As an example, if you work 1,500 credited hours in 2025 as a commercial journeyperson, then your accrued benefit for the year would be \$210 instead of \$180. This equates to an additional \$30 per month in retirement.

### **How can I make the most of this “bonus”?**

While it is not necessarily within your control, working more hours in 2025 will increase your future pension payments.

### **Is this a permanent change?**

No, this is a one-time change that applies only to the 2025 Plan Year.

### **I'm also eligible for the Enhanced Benefit Credit as per Amendment 9. How much will I get for 2025?**

The Plan will use the benefit rate of \$0.19 per credited hour to calculate your benefit accrual for the 2025 Plan Year.

### **I'm a Level 5 Construction Tradesman. My hourly contribution rate is lower than that of a commercial journeyman. How will the Bonus Benefit Accrual impact me?**

Any hours worked at a Defined Benefit contribution rate other than the current commercial journeyman rate are prorated for purposes of Credited Service. As an example, your hours worked in March 2025 will be multiplied by 0.1117% ( $=$2.25/\$19.22$ ) to determine your credited hours. This equates to 117 credited hours for 1,000 hours worked as a Construction Tradesman Level 5. These adjusted hours would be credited at the \$0.14 benefit rate for 2025.

### **I'm retired. Am I eligible to get this Bonus?**

No.

### **What if I work overtime or double time? How will that impact my Bonus Benefit Accrual?**

Nothing is changing with respect to how overtime and double time hours affect your benefit accrual. Pension Benefit Accrual is based on credited hours (i.e. 160 straight time credited hours + 20 overtime credited hours = 180 credited hours).

### **What if I only work 80 Credited Hours in 2025?**

Since the minimum allowable Credited Service is 100 credited hours worked in a Plan Year, you would not earn any benefit accruals or Bonus Benefit Accruals for the Plan Year.

### **When and where will I see my 2025 Bonus Benefit Accrual?**

You will see your Bonus Benefit Accrual on your annual pension statement mailed in the Spring of 2026 for the 2025 Plan Year. It will also be reflected in pension estimates on the participant portal.

### **What will happen in 2026?**

In 2026, the Plan's benefit accrual reverts to \$0.12 unless further action by the Trustees.