

# 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 Enhanced Benefit Credit applied to certain Pensions described below

DATE: April 2024

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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.

The Trustees of the Plan have made the following change to the Plan **effective** January 1, 2024, and **terminating** effective December 31, 2026:

#### Enhanced Benefit Credit

Effective January 1, 2024 and terminating December 31, 2026, for those Employees who are eligible for certain Pensions identified below in item 1 but have not yet retired from the Plan, the Normal Retirement Benefit for Credited Service shall include an **additional \$0.05 (an increase from \$0.12 to \$0.17)** for each Hour of Credited Service (“Enhanced Benefit Credit”) in any Plan Year in which the Employee performed the then-effective minimum allowable Credited Service.

Please note the following exceptions and limitations:

1. The chart on the next page identifies the Pensions eligible for the Enhanced Benefit Credit. Once you meet any of the criteria described in the chart, then the Credited Hours you work in the 2024 through 2026 Plan Years will be eligible for the Enhanced Benefit Credit once you reach the then-effective minimum allowable Credited Service and as long as none of the exceptions apply.

Pensions Eligible for the Enhanced Benefit Credit	
For Employees First Working Under the Plan...	
... Prior To May 1, 2017	... On or After May 1, 2017
<b>Unreduced Early Retirement</b>	
Age 55 with 25 years of Benefit Credit	Age 60 with 25 years of Benefit Credit
<b>Career Construction Tradesman and/or Career Residential Employee Unreduced Early Retirement (Effective 3/20/2023)</b>	
Age 55 with 25 years of Vesting Credit	Age 60 with 25 years of Vesting Credit

2. The Enhanced Benefit Credit is not accrued until the first day of the Plan Year following the Plan Year in which you first become eligible.
3. The Enhanced Benefit Credit is not available to you if you work or have worked in the Plumbing and Pipefitting Industry on a non-union basis at any time.
  - Specifically, the Enhanced Benefit Credit is not payable to you if, at any time, you accepted employment in Industry Service in the Plumbing and Pipe Fitting Industry in any capacity by or with an employer, or as an employer, who was not signatory or otherwise party to a Collective Bargaining Agreement with the United Association or any of its affiliated Local Unions.
4. If you work hours in a position that does not require contributions into the Plan (such as hours worked as a residential plumber, MEST Service Tradesman, Plumbing Service Level 1, or Construction Tradesman Level 1), those hours are not entitled to the Enhanced Benefit Credit because they are not Credited Service.

Effective January 1, 2027, this Enhanced Benefit Credit will no longer be provided, unless this benefit is extended by the Board of Trustees. If extended, you will receive additional notification.

*Si desea recibir esta información en español, llame a la Oficina de Administración al (408) 588-3751.*

Please review the FAQ on the next page for more information on how the new Enhanced Benefit Credit may impact you.

If you have any further questions, please feel free to contact the Pension Department.

## **FAQ: How does the Enhanced Benefit Credit Work?**

**Q1: I was planning to retire from the Plan in 2024 (this year) because I turned 55 and reached 25 Benefit Credits in 2023. I have never worked in the Plumbing and Pipefitting Industry on a non-union basis. Can I earn this Enhanced Benefit Credit starting in 2024?**

A: Yes. Because you met the criteria for a Pension identified in item 1 above before the 2024 Plan Year start date, you are currently eligible, assuming you've already met the 100-Hour minimum allowable Credited Service for 2024. The below chart provides an example of how the Enhanced Benefit Credit could provide increases to your monthly pension once you retire. As you can see, the Enhanced Benefit Credit may make you reconsider the date you were planning to retire. Please note that the Enhanced Benefit Credit amount would be added to the Normal Retirement Benefit and would be subject to all of the same reductions for form of benefit selected, etc.

Year	Hours of Credited Service Worked	Monthly Benefit Accrual At 12 Cents per Hour	Enhanced Monthly Benefit Accrual At 5 Cents per Hour	Total Monthly Benefit Accrual At 17 Cents per Hour
2024	1,500	\$180	\$75	\$255
2025	1,500	\$180	\$75	\$255
2026	1,500	\$180	\$75	\$255

**Q2: I'll become eligible for a Pension identified in item 1 above at the beginning of a Plan Year – probably in February. Do I have to wait all year to get the Enhanced Benefit Credit?**

A: Yes, the accrual of the Enhanced Benefit Credit only begins with Credited Hours worked on or after the 1<sup>st</sup> of the Plan Year following the year in which you become eligible for a Pension identified in item 1 above. You must work at least 100 Credited Hours in a Plan Year to receive an Enhanced Benefit Credit.

**Q3. I hit the 55/25 criteria on April 8, 2024. When do I get the Enhanced Benefit Credit?**

A. You became eligible for a Pension identified in item 1 above in the 2024 Plan Year and you become eligible for the Enhanced Benefit Credit on January 1, 2025, when the 2025 Plan Year starts, assuming you work at least 100 Hours of Credited Service in 2025.

**Q4. I hit the 55/25 criteria on September 18, 2025. When do I get the Enhanced Benefit Credit?**

A. You become eligible for a Pension identified in item 1 above in the 2025 Plan Year and you become eligible for the Enhanced Benefit Credit on January 1, 2026, when the 2026 Plan Year starts, assuming you work at least 100 Hours of Credited Service in 2026.

**Q5: I'm a Career Construction Tradesman and/or Career Residential Employee as per item 1 above and, as of December 31, 2023, I am age 60 with 25 years of Vesting Credit. How can I benefit from this Enhanced Benefit Credit?**

A: If you are currently working as Residential, MEST Service Tradesman, Plumbing Service Level 1, or Construction Tradesman Level 1, then your hours do not count as Benefit Credit in this Plan, and you

will not receive the Enhanced Benefit Credit on any hours you work. However, if you move into a covered position in 2024 through 2026 where your employer pays contributions into this Plan and you earn at least 100 Hours of Credited Service in a Plan Year, then you may be eligible for the Enhanced Benefit Credit. Please note that any Hours worked at a Defined Benefit contribution rate other than the current commercial journeyman rate are prorated for purposes of benefit credit

**Q6: I'm a Construction Tradesman Level 5. My hourly contribution rate is lower than that of a commercial journeyman. How will the Enhanced Benefit Credit impact me?**

A: Your Hours worked will be prorated. Assuming you meet all eligibility criteria, the below example shows the proration calculation. The resulting prorated Hours would be multiplied by the 17 cents for the Enhanced Benefit Accrual.

- Tradesman Level 5 working 2,000 Hours in 2024:  $2000 \times \$2.25 / \$18.37 = 245$  hours

**Q7: I'm retired. Am I eligible?**

A: No.

**Q8: As a 25-year-old 3<sup>rd</sup> Year Apprentice, I don't qualify yet, and this benefit expires in 3 years. Does that mean I will never qualify for the Enhanced Benefit Credit?**

A: The Enhanced Benefit Credit is a new benefit the Board decided to roll out carefully. In 2026, the Board will review the results of the Enhanced Benefit Credit, along with other factors such as the Plan's financial performance and determine if the Enhanced Benefit Credit will be extended to future years. If the Enhanced Benefit Credit period is extended, you will receive additional notification.

**Q9: Is there a maximum Enhanced Benefit Credit I can earn?**

A: No.

**Q10: What if I work overtime or double time? How will that impact my Enhanced Benefit Credit?**

A: 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).

**Q11: What if I only work 80 Hours in the year that I am eligible for the Enhanced Benefit Credit?**

A: Since the minimum allowable Credited Service is 100 Credited Hours worked in a Plan Year, you would not earn an Enhanced Benefit Credit if you only worked 80 Credited Hours in the Plan Year.

**Q12: When and where will I see my Enhanced Benefit Credits?**

A: You will see your Enhanced Benefit Credit on your annual pension statement mailed in the Spring for Credited Hours and benefits accrued in the prior Plan Year.