



United Brotherhood of Carpenters Pension Plan

SUMMARY OF MATERIAL MODIFICATIONS

DATE: April 2024

TO: Participants, Beneficiaries, and Alternate Payees

FROM: Board of Trustees, United Brotherhood of Carpenters Pension Trust

RE: Notice of (1) end of Rule of 65 Pension Benefit type for new accrued benefits, (2) end of Level Income Option benefit for new accrued benefits, (3) increase in the threshold for lump sum payouts, and (4) credit for certain UBC employees for whom contributions were made to an OPEIU-sponsored plan

The Board of Trustees have adopted a few benefit modifications in Amendment Nos. 2024-1 and 2024-2 to the Pension Plan. The following is a brief description of these changes:

Rule of 65 Pension Benefit

The Trustees have amended the Plan to end the Rule of 65 Pension Benefit type effective for accrued benefits earned on or after January 1, 2025.

This type of pension benefit became available for Annuity Starting Dates on or after January 1, 2022. If you are currently receiving this form of pension, you will continue to receive it.

If you retire in the future and are a Part A Participant, the Rule of 65 Pension Benefit will be available only for the portion of your pension that was accrued before January 1, 2025. Thus, if the total of your pension credits plus your age at the time of retirement equal at least 65, you will qualify for the Rule of 65 Pension Benefit for the portion of your pension that was accrued before January 1, 2025. The monthly amount of a Rule of 65 Pension Benefit is equal to the Regular Pension benefit earned, without reduction for age.

For the accrued benefit earned on or after January 1, 2025, the Rule of 65 Pension Benefit will be no longer available. Any benefits accrued after December 31, 2024, will be paid out when the Part A Participant becomes eligible for the Rule of 70 Pension Benefit or becomes otherwise eligible for Regular Retirement. The Rule of 70 Pension Benefit is similar to the Rule of 65 Pension Benefit, except that the sum of the pension credits accrued and the age at the time of retirement must equal 70, not 65. The benefit amount is also equal to the Regular Pension benefit earned, without reduction for age.

The following is an example to illustrate what a Part A Participant would receive if they earn benefits before and after 2025:

Example: Suppose a Participant has accrued a monthly benefit of \$2,000 before 2025 and \$3,000 afterwards for a total monthly benefit of \$5,000. The Participant has 15 years of pension credits and decides to retire at the age of 50. The Participant would initially only get \$2,000 per month because they qualify for the Rule of 65, but not for the Rule of 70. They would be entitled to receive their benefits accrued before 2025, but for the benefits accrued after, they would have to wait until they become eligible for the Rule of 70. At age 55, they would become eligible for the Rule of 70 and would start receiving \$3,000 more each month, for a total monthly payment of \$5,000.

Level Income Option

The Trustees have amended the Plan to end the Level Income Option benefit form effective for accrued benefits earned on or after January 1, 2025.

If you are currently receiving this form of pension, you will continue to receive it. If you retire in the future and are a Part A Participant, the Level Income Option will be available only for accrued benefits earned before January 1, 2025.

To be eligible for the Level Income Option for accrued benefits earned before January 1, 2025, the Part A Participant must retire on an Early Retirement Pension. The goal of the Level Income Option is for your overall retirement amount (the pension from this Plan plus Social Security) to be approximately the same before you receive your reduced Social Security benefit at age 62 as after you receive it. After the month you turn 62, the amount that had been used as your estimated reduced Social Security benefit at the time of your retirement gets subtracted from the monthly Plan pension. If you elect this option, the monthly amount does not get adjusted if it turns out you never receive a reduced Social Security benefit and instead wait to reach full retirement age for Social Security.

If you select this benefit form for your accrued benefits before January 1, 2025, you must select an alternative benefit form for the benefits earned on or after January 1, 2025. These options include a single life annuity with a 36-month guarantee, a 50% Joint and Survivor Pension, a 75% Joint and Survivor Option, or a 100% Joint and Survivor Option.

Lump Sum Payouts

The Trustees have amended the Plan to provide that for Annuity Starting Dates on or after January 1, 2024, a single lump sum distribution is required if the actuarial value of the vested benefit is \$7,000 or less. For Annuity Starting Dates before January 1, 2024, a single lump sum distribution was required if the actuarial value of the vested benefit was \$5,000 or less. Thus, if you retire on or after January 1, 2024, and the actuarial value of your vested benefit is \$7,000 or less, you will be paid with one check rather than a small monthly benefit over your lifetime.

Credit for Certain UBC Employees for Whom Contributions Were Made to an OPEIU-Sponsored Plan

The Trustees have amended the Plan to provide vesting and benefit credit for certain UBC employees for whom UBC made contributions to an OPEIU-sponsored plan. To qualify for this vesting and benefit credit, you must meet the following requirements:

- 1) You retire on or after January 1, 2024;
- 2) You're a Part A participant;
- 3) You commenced employment with the UBC before 2005;
- 4) The employment initially was in a classification that excluded you from this Plan;
- 5) Sometime before 2007, you were transferred or promoted to a position that qualifies you as a participant in this Plan.

If you meet these requirements, you will be given vesting and pension credits for the service while you were covered by a retirement plan to which the UBC contributed and which was sponsored by the OPEIU.

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We encourage you to read this material carefully, so that you will be familiar with your rights under the Plan. You should also keep this announcement with your copy of the Pension Plan summary for future reference. If you have any questions about the information in this announcement, please write or call the Administrative Office. They have up-to-date information regarding your pension plan benefits.

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A copy of the SMM is also located on the participant website www.UBCbenefits.org. If you have any questions, please contact the pension department at 855-550-1696.