



United Brotherhood of Carpenters Pension Plan

April 2023

TO: Participants and Beneficiaries

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

SUBJECT: Notice of change to the definition of Required Beginning Date and to the Rules on Recovery of Benefit Overpayments

The Board of Trustees is pleased to announce the adoption of benefit modifications made by Amendment No. 2023-1 to the Pension Plan. Following is a brief description of these changes.

Delay in Required Beginning Date for Participants who Attain Age 72 after 2022

The Trustees changed the definition of Required Beginning Date to comply with the SECURE 2.0 Act of 2022 which was signed into law on December 29, 2022 as part of the Consolidated Appropriations Act, 2023.

Under federal law, all Plan Participants must receive Required Minimum Distributions upon attainment of their “Required Beginning Date.”

Effective for Participants who reach age 72 after December 31, 2022, the Required Beginning Date is April 1 of the calendar year following the calendar year in which they reach age 73 or retire, if later; in other words, this change affects those born January 1, 1951 to December 31, 1959, inclusive of those dates. Effective for Participants who reach age 74 after December 31, 2032, the Required Beginning Date will be April 1 of the calendar year following the calendar year in which they reach age 75 or retire, if later; in other words, this change affects those born on or after January 1, 1959. Due to an oversight in the new law, the Required Beginning Date for individuals born in 1959 is both age 73 and age 75. We expect a technical correction to the law will be made to fix this oversight.

Reduction of IRS Penalty for Late Payment of Required Minimum Distributions

Effective for the plan year beginning January 1, 2023, the IRS penalty tax for failure to take required minimum distributions is reduced from 50% of the amount of the Required Minimum Distribution to 25%.

Recovery of Benefit Overpayments

The Plan has been amended to modify the rules on recovery of benefit overpayments to participants or beneficiaries. Effective as of December 29, 2022, the SECURE 2.0 Act imposed conditions on the recovery of inadvertent benefit overpayments. Where the overpayment is inadvertent and not due to fraud, misrepresentations or omissions that led to the overpayment, efforts to recover the overpayment are limited by the following conditions:

- Efforts to recover overpayments may not threaten litigation unless it is reasonably likely that the Plan will recover more than the cost of recovery.
- Collection agencies generally may not be used.
- Interest and costs of collection, including attorneys' fees, may not be recovered.
- Participants and beneficiaries from whom an overpayment is sought may appeal under the plan's claims procedures.
- Recoupment of past overpayments to a Participant may not be sought from any beneficiary including a spouse, surviving spouse, former spouse or other beneficiary.
- Recoupment may not be sought if the first overpayment occurred more than 3 years before the Participant or Beneficiary is first notified in writing of the error.
- The inadvertent overpayment may be recouped from future benefit payments subject to the following conditions:
 - The amount recouped each calendar year by reducing annuity payments may not exceed 10% of the full amount of the overpayment.
 - The benefit may not be reduced below 90% of the periodic payment and the reduction must stop as soon as the full amount of the overpayment has been recovered.

* * * *

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.

A copy of this notice is also located on the participant website www.UBCbenefits.org.