



# United Brotherhood of Carpenters Pension Plan

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## SUMMARY OF MATERIAL MODIFICATIONS

**DATE:** April 2021

**TO:** Active Participants in the United Brotherhood of Carpenters Pension Plan

**FROM:** Board of Trustees

**RE:** **Change in Salary Increase Cap**

The purpose of this Summary of Material Modifications (“SMM”) is to inform you of an exception to the 3% cap on yearly increases to compensation used to determine Final Compensation effective for pensions provided by the United Brotherhood of Carpenters Pension Fund (the “Fund” or “Plan”) on or after March 1, 2021.

Please keep this SMM with your copy of the Plan’s Summary Plan Description (“SPD”) for future reference. If you have lost or misplaced your copy of the SPD, you can contact the Fund Office for another copy.

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The change described below was approved by a resolution of the Board of Trustees to adopt Amendment No. 2021-1 to the United Brotherhood of Carpenters Pension Fund.

By way of background, the monthly amount of a Regular Pension payable under Part A of the Pension Plan is 2.0% of your Final Compensation (2.5% of Final Compensation for Participants who commenced employment prior to January 1, 2011) multiplied by your Years of Credited Service and then divided by 12. Your Final Compensation is the greater of:

- The annualized average of your highest 36 consecutive months of Compensation within the five consecutive years of your participation that produces the highest annual amount;

or

- The average of your highest three calendar years of Compensation within the five consecutive calendar years of participation that produces the highest annual amount.

For this purpose, Compensation cannot increase by more than 3% from any previous 12 months or any previous calendar year during the five consecutive years of your participation that is used to determine your Final Compensation. This prevents artificially inflating Final Compensation in order to receive a larger pension.

**Effective for retirements occurring on and after March 1, 2021, the 3% cap on yearly increases to Compensation that are used to determine Final Compensation is waived where the increase in**

**Compensation occurs because a Participant has been promoted to a higher position that has greater responsibilities.**

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