

San Francisco Culinary, Bartenders & Service Employees Pension Fund

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STATEMENT OF MATERIAL PLAN MODIFICATIONS & NOTICE TO PARTICIPANTS REGARDING NEW BENEFITS

IMPORTANT CHANGES TO PENSION BENEFITS!

This Notice explains an important new pension benefit and revised benefits that may be available to persons who were working under a Local 2 contract on or after April 1, 2018 and who had not permanently retired before April 1, 2019. You may be eligible for a Window Benefit. Generally, you will only be eligible for such Window VII **Benefits if you retire or terminate employment from a Window VII employer by April 1, 2023**. However, if you work for an employer who agreed to a contract extension, you may be eligible for Window VII benefits **if you retire or terminate employment from a Window VII employer by April 1, 2025**. In addition, you may be eligible for Special Window VI Benefits if you retire or terminate employment from a Special Window VI employer by October 1, 2026. Finally, you may be eligible for pension restoration benefits due to the effects of the Covid 19 Pandemic.

If this applies to you, assistance is available if you need it to read and understand this Notice. The Notice will be translated for you and explained by contacting the Fund Administrator office at the phone number and address shown at the end of this Notice.

Important changes to the San Francisco Culinary, Bartenders and Service Employees Pension Plan were negotiated by Local 2 with many employers. The new pension benefits provide substantially improved benefits over the “Regular” retirement benefits, but these new benefits do not apply to everyone. Please read this Notice carefully as there are several things you must do to qualify for the improved benefits.

This Notice is intended to provide a summary of the 4-year \$50 Window VII benefits, 6-Year Window VII benefits, Permanent \$45 Level VII benefits, the Special Window VI benefits and Special Vesting Rules Due to the Covid 19 Pandemic. You may request a copy of the related amendments to the Pension Plan. To the extent this Notice conflicts with the Pension Plan, the terms of the Pension Plan shall apply. You may also request an estimate of your benefit, which will be provided to you with a comparison between your old and new pension benefits, if applicable. Contact the office of the Fund Administrator shown at the end of this notice.

Eligibility for “Regular” Pensions:

For many years, Pension Plan Participants have qualified for either a Normal, Early or Disability Pension. These “Regular” pension benefits are still available to all eligible participants.

To qualify for a “Normal Retirement” Pension at age 65, you need at least 5 years of Vesting Service if you worked in Covered Employment after April 1, 1988. If not, you need 10 years of Vesting Service. Early Retirement pensions require 10 years of Vesting Service. In either case, you have to retire. To “retire” in this industry and under the Pension Plan means that you have to formally resign and terminate your position with your employer.

In order to be eligible for Window VII pension benefits, Participants referred to temporary jobs through the Union hiring hall will be deemed to have “retired” when they give written notice of that fact to the Union and surrender their position on the Union’s hiring hall job-dispatch lists, subject to the resumption of certain hiring hall privileges in accordance with Union rules. Under the Pension Plan, you may later return to work and continue to receive Window VII pension benefits, but as stated above, “retirement” means the loss of your seniority status even if you return to employment. Please check with Local 2 regarding all hiring hall rules.

Retired Participants can qualify for an “Early Retirement” Pension at age 62 with 10 years of Vesting Service but your benefits are reduced by certain factors, taking into account your age. Totally Disabled Participants with a minimum of 15 years of Vesting Service can qualify for full benefits beginning as early as age 55.

THE NEW 4-YEAR \$50 WINDOW VII PENSION BENEFIT, 6-YEAR WINDOW VII PENSION BENEFIT AND \$45 LEVEL VII BENEFIT ARE AS FOLLOWS:

ELIGIBILITY FOR THE 4-YEAR \$50 WINDOW VII BENEFIT:

In order to increase the pension benefits of union members and employees, certain employers and Local 2 negotiated a “4-Year \$50 Window VII Benefit.” This benefit takes the place of Regular pension benefits for Participants who meet all three of the following eligibility rules:

- ◆ **You must have earned at least three months of pension credit in the Plan’s 2018-2019 “Plan Year” or any time thereafter with one or more employers who are paying for the “4-Year Window VII Benefit” (“4-Year \$50 Window VII Benefit Employer”). (The “Plan Year” runs from April 1 to March 31.)**
- ◆ **You must retire from active employment or Terminate from Covered Employment between April 1, 2019 and April 1, 2023. (A “Termination from Covered Employment” will occur in any Plan Year in which a Participant earns no Credited Service or Future Service Pension Credit.)**
- ◆ **You must qualify for one of the three types of “regular” retirement benefits described above (Normal, Early or Disability Pension).**

The 4-Year \$50 Window VII Benefit shall also be available to Participants who meet the following requirements:

- 1) The Participant had at least three months of Credited Service during the 2013-2014 Plan Year (April 1, 2013 through March 31, 2014) or anytime thereafter with one or more Level VI Window Benefit Employers;
- 2) The Participant suffered a Total Disability (as defined in the Pension Plan) prior to April 1, 2019 and was therefore unable to perform bargaining unit work at any time on or after April 1, 2019;
- 3) The Participant otherwise meets the requirements for a “Disability Retirement” Pension (as provided for in Section 4.07 of the Pension Plan); and
- 4) The Participant applies for a Disability Retirement and retires on or after April 1, 2019.

However, Participants will not be entitled to the 4-Year \$50 Window VII Benefit for periods of Credited Service earned through employment with a Contributing Employer who is not a 4-Year \$50 Window VII Benefit Employer for hours worked after their last date of employment with a 4-Year \$50 Window VII Benefit Employer.

For Participants returning to work after a Termination from Covered Employment, the 4-Year Window VII Benefit shall only apply to Credited Service earned with a 4-Year \$50 Window VII Benefit Employer during the period of re-employment if a subsequent Termination from Covered Employment occurs between April 1, 2019 and April 1, 2023) or if the Participant retires (for the first time) during such period. If the Participant returns to work and incurs a subsequent Termination from Covered Employment after April 1, 2023 or retires (for the first time) from a 4-Year \$50 Window VII Benefit Employer after April 1, 2023 or the period of Credited Service earned during re-employment is with an Employer other than a \$50 Window VII Benefit Employer, Credited Service earned during the period of re-employment shall be calculated in accordance with the applicable provisions of the Pension Plan other than for Window VII benefits.

ELIGIBILITY FOR THE 6-YEAR \$50 WINDOW VII BENEFIT:

In order to increase the pension benefits of union members and employees, certain employers and Local 2 also recently negotiated a “6-Year \$50 Window VII Benefit.” This benefit takes the place of Regular pension benefits for Participants who meet all three of the following eligibility rules:

- ◆ **You must have earned at least three months of pension credit in the Plan’s 2018-2019 “Plan Year” or any time thereafter with one or more employers who are paying for the “6-Year Window VII Benefit” (“6-Year Window VII Benefit Employer”). (The “Plan Year” runs from April 1 to March 31.)**
- ◆ **You must retire from active employment or Terminate from Covered Employment between April 1, 2019, and April 1, 2025 if you worked for a 4-Year Window VII Benefit Employer who negotiated a contract extending the Window to April 1, 2025. (“6-Year \$50 Window VII Benefit Employer”). (A “Termination from Covered Employment” will occur in any Plan Year in which a Participant earns no Credited Service or Future Service Pension Credit.)**
- ◆ **You must qualify for one of the three types of “regular” retirement benefits described above (Normal, Early or Disability Pension).**

The 6-Year \$50 Window VII benefit shall also be available to Participants who meet the following requirements:

- 1) The Participant had at least three months of Credited Service during the 2013-2014 Plan Year (April 1, 2013 through March 31, 2014) or anytime thereafter with one or more Level VI Window Benefit Employers;
- 2) The Participant suffered a Total Disability (as defined in the Pension Plan) prior to April 1, 2019 and was therefore unable to perform bargaining unit work at any time on or after April 1, 2019;
- 3) The Participant otherwise meets the requirements for a “Disability Retirement” Pension (as provided for in Section 4.07 of the Pension Plan); and
- 4) The Participant applies for a Disability Retirement and retires on or after April 1, 2019.

However, Participants will not be entitled to the 6-Year \$50 Window VII Benefit for periods of Credited Service earned through employment with a Contributing Employer who is not a 6-Year Level VII Window Benefit Employer for hours worked after their last date of employment with a 6-Year Level VII Window Benefit Employer.

For Participants returning to work after a Termination from Covered Employment, the 6-Year \$50 Window VII Benefit shall only apply to Credited Service earned with a 6-Year \$50 Window VII Benefit Employer during the period of re-employment if a subsequent Termination from Covered Employment occurs between April 1, 2019 and April 1, 2025 or if the Participant retires (for the first time) during such period. If the Participant returns to work and incurs a subsequent Termination from Covered Employment after April 1, 2025 or retires (for the first time) after April 1, 2025 from a 6-Year \$50 Window VII Benefit Employer or the period of Credited Service earned during re-employment is with an Employer other than a 6-Year \$50 Window VII Benefit Employer, Credited Service earned during the period of re-employment shall be calculated in accordance with the applicable provisions of the Pension Plan other than for Window VII benefits.

WINDOW BENEFIT EMPLOYERS

A “4-Year \$50 Window VII Benefit Employer” is a Contributing Employer who has adopted a collective bargaining agreement with UNITE HERE Local 2 between August 14, 2018 and March 31, 2023, which reflects a monthly contribution of at least \$558.12 in effect by no later than the end of the agreement.

A “6-Year \$50 Window VII Benefit Employer” is a “4-Year \$50 Window VII Benefit Employer” who has further adopted a collective bargaining agreement extension with UNITE HERE Local 2 between September 1, 2022 and March 31, 2025 which includes an additional monthly contribution of at least \$24.64 (\$0.16 hourly) in effect by no later than the end of the agreement.

A “Level VI Window Benefit Employer” is a Contributing Employer who has adopted a collective bargaining agreement with UNITE HERE Local 2 between August 14, 2013 and December 31, 2018 which reflects a monthly contribution of \$365.14 in effect by no later than the end of the agreement.

ELIGIBILITY FOR THE PERMANENT \$45 LEVEL VII BENEFIT:

In order to increase the pension benefits of union members and employees, certain employers and Local 2 also negotiated a Permanent “\$45 Level VII Benefit.” This benefit takes the place of the Regular pension benefits for Participants who meet all three of the following eligibility rules and do not otherwise qualify for the 4-Year \$50 Window VII Benefit or the 6-Year \$50 Window VII Benefit:

- ◆ **You must have earned at least three months of pension credit in the Plan’s 2018-2019 “Plan Year” or anytime thereafter with one or more 4-Year Window VII Benefit Employers. (The “Plan Year” runs from April 1 to March 31.)**
- ◆ **You must retire (for the first time) on or after April 1, 2019.**
- ◆ **You must qualify for one of the three types of Regular pension benefits described above (Normal, Early or Disability Pension).**

However, a Participant will not be entitled to the \$45 Level VII benefit level for periods of Credited Service earned through employment with a Contributing Employer who is not a 4-Year Level VII Window Benefit Employer for hours worked after his or her last date of employment with a Level VII Window Benefit Employer.

PLAN YOUR RETIREMENT TO QUALIFY FOR THE WINDOW BENEFIT!

VERY IMPORTANT: *Unlike the Regular pension benefits, you need to plan your retirement to qualify for the new Window Benefits.*

TO QUALIFY FOR THE NEW 4-YEAR \$50 WINDOW VII BENEFIT, YOU NEED TO RETIRE FROM COVERED EMPLOYMENT OR TERMINATE FROM COVERED EMPLOYMENT IN THE 4-YEAR “WINDOW,” THAT IS, ON OR AFTER APRIL 1, 2019 AND ON OR BEFORE APRIL 1, 2023.

TO QUALIFY FOR THE NEW 6-YEAR \$50 WINDOW VII BENEFIT, YOU NEED TO RETIRE FROM COVERED EMPLOYMENT OR TERMINATE FROM COVERED EMPLOYMENT IN THE 4-YEAR “WINDOW,” THAT IS, ON OR AFTER APRIL 1, 2019 AND ON OR BEFORE APRIL 1, 2025.

THE SPECIAL WINDOW VI BENEFITS ARE AS FOLLOWS:

In order to increase the pension benefits of union members and employees, effective October 1, 2021, certain employers and Local 2 negotiated a 5-Year Special Window VI Benefit and Special Permanent \$40 Benefit. This benefit takes the place of Regular pension benefits for Participants who meet all of the following eligibility rules:

“5-Year \$45 Special Window VI” Benefit.

You must have earned a minimum of three cumulative months of Pension Credit with a “Special Level VI Window Benefit Employer” over a period of two (2) Plan Years effective with the 2019-2020 Plan Year (April 1, 2019 through March 31, 2020) or any Plan Year thereafter.

You must either Terminate from Covered Employment (as defined below) or retire between October 1, 2021, and October 1, 2026.

You must qualify for one of the three types of Regular pension benefits described above (Normal, Early or Disability Pension).

If you meet the above requirements, you will be eligible for a 5-Year \$45 Special Window VI” Benefit in the amount of \$45.00 per year (\$3.75 per month) for all years of Credited Service, provided you meet the additional requirements set forth below. However, you will not be entitled to the “5-Year \$45 Special Window VI” Benefit for periods of Credited Service earned via employment with a Contributing Employer who is not a Special Level VI Window Benefit Employer for hours worked after their last date of employment with a Special Level VI Window Benefit Employer.

If you return to work after a Termination from Covered Employment, the “5-Year Special Window VI” Benefit shall only apply to Credited Service earned with a Special Level VI Employer during the period of re-employment if a subsequent Termination from Covered Employment occurs between October 1, 2021 and October 1, 2026 or if you retire (for the first time) during such period. If you return to work and incur a subsequent Termination from Covered Employment after October 1, 2026 or retire (for the first time) after October 1, 2026 or the period of Credited Service earned during re-employment is with an Employer other than a Special Level VI Window Benefit Employer, Credited Service earned during the period of re-employment shall be calculated in accordance with the applicable provisions of Article IV of the Pension Plan.

For the purpose of establishing eligibility for the “5-Year \$45 Special Window VI” Benefit, Participants referred to temporary jobs with Contributing Employers through the Union Hiring Hall must forfeit their position on all hiring hall job dispatch lists and must have given written notice of that fact to the Union and to the Plan.

A “Special Level VI Window Benefit Employer” is a Contributing Employer who did not adopt a collective bargaining agreement with UNITE HERE Local 2 between August 14, 2013 and December 31, 2018 which reflects a monthly contribution of \$365.14 in effect by no later than the end of the agreement but did adopt a collective bargaining agreement which reflects a monthly contribution of at least \$400.00 in effect by the earlier of a) April 1, 2024 or b) the end of the agreement.

“Terminate from Covered Employment”, “Termination from Covered Employment” or “Terminate Service” as utilized above means any Plan Year in which you earn no Credited Service or Future Service Pension Credit.

The “5-Year \$45 Special Window VI” Benefit will be reduced by the same actuarial factors that apply to Early Retirement Pensions, as provided for in the Pension Plan.

Participants receiving required minimum distributions (i.e., mandatory distributions due to age 70 1/2”), who did not Terminate Service during the “5-Year \$45 Special Window VI” Benefit period shall not be deemed eligible for the “5-Year \$45 Special Window VI” Benefit as a result of a mandatory distribution required pursuant to the Plan document and applicable law. However, Participants who did Terminate Service during the “5-Year \$45 Special Window VI” Benefit period and for which a benefit is commencing as a result of a mandatory distribution shall be entitled to a distribution, at the “5-Year \$45 Special Window VI” Benefit rate.

“Special Permanent \$40” Benefit.

You must have earned at least three months of Pension Credit with a Special Level VI Window Benefit Employer (as that term is defined above) over a period of two (2) Plan Years effective with the 2019-2020 Plan Year (April 1, 2019 through March 31, 2020) or any Plan Year thereafter.

You must retire (for the first time) on or after October 1, 2021.

You must qualify for one of the three types of Regular pension benefits described above (Normal, Early or Disability Pension).

If you meet the above requirements, you will be eligible for a benefit level of \$3.33 per month (\$40 annualized) for all years of Credited Service, except that you will not be entitled to the “Permanent \$40” benefit level for periods of Credited Service earned via employment with a Contributing Employer who is not a Special Level VI Window Benefit Employer or Level VI Benefit Employer (as defined below) for hours worked after your last date of employment with a Special Level VI Window Benefit Employer.

Also, if you retired prior to October 1, 2021 and are reemployed by a Contributing Employer on or after October 1, 2021, your pension benefit, upon re-retirement, shall be equal to the sum of your accrued pension benefit at the time of initial retirement plus any accrued benefit earned on or after October 1, 2021 (after any applicable adjustments based upon your age at retirement and/or form of payment). Specifically, the portion of your accrued benefit earned prior to your initial retirement (prior to October 1, 2021) shall not be subject to recalculation or benefit improvement based upon your reemployment on or after October 1, 2021.

SPECIAL VESTING RULES DUE TO COVID 19 PANDEMIC

If you were a Participant in the Plan as of April 1, 2020 (but not yet vested as of that date) or b) your first hour of service occurred on or after January 1, 2020 and on or prior to April 1, 2020 (if you first became a Participant on or after April 1, 2020) you shall receive a Year of Vesting Service for the Plan Year commencing April 1, 2020 and ending on March 31, 2021 regardless of whether the requisite Employer Contributions normally required were made, or required to be made, for this time period. However, you shall not be entitled to more than one (1) Year of Vesting Service for this time period. This section shall also apply for purposes of the Break in Service provisions under the Plan.

HELP IS AVAILABLE!

The Trustees understand these rules may seem complicated. Please contact the Fund Administrator at the address shown below if you need help understanding any of this or in determining whether your current or prospective employer is a Special Window VI, 4-Year \$50 Window VII Benefit Employer or 6-Year \$50 Window VII Benefit Employer.

Personnel are available in the Administrator’s Office to help you plan your retirement, answer questions about your Pension Credits and help you understand the new pension rules. Call or visit the office shown below.

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