SUMMARY OF MATERIAL MODIFICATIONS TO THE
SAN FRANCISCO BRICKLAYERS LOCAL NO. 7 PENSION PLAN
EFFECTIVE JANUARY 1, 2020

To: Plan Participants and Beneficiaries
From: Board of Trustees of the San Francisco Bricklayers Local No. 7 Pension Plan

The purpose of this notice is to advise you of important changes to certain benefits you receive as a Participant in the San Francisco Bricklayers Local No. 7 Pension Plan (the “BAC 7 Plan”). Capitalized terms in this Notice have the same meaning as in the Plan Document and its updates.

The San Francisco Bricklayers Local No. 7 Pension Plan has merged into the B.A.C. Local No. 3 Pension Plan (the “BAC 3 Plan”). The effective date of the merger is December 31, 2019.

The merger will not adversely affect your accrued benefits earned as of December 31, 2019; that is, the value of your accrued benefit earned as of December 31, 2019 will not be any lower after the merger than your accrued benefit immediately before the merger.

Due to the merger, the following plan provisions were changed effective January 1, 2020.

Plan Year
Prior to the merger, the term "Plan Year" meant the twelve-month period from January 1 through December 31.

Effective January 1, 2020, "Plan Year" means the twelve-month period from July 1 through June 30.

Normal Retirement Eligibility
If you earned credit under the BAC 7 Plan you are entitled to a Normal Retirement Pension at the earlier of 1) age 62 if you have earned ten (10) years of Credited Service and five (5) years of Pension Credit or, 2) the later of age 65 or the 5th anniversary of participation.

If you work at least one hour on or after January 1, 2020 under the BAC 3 Plan, you will be entitled to a Normal Retirement Benefit at age 62 if you have earned at least five (5) Vesting Credits.

This is a more valuable benefit since you may be eligible to receive your Normal Retirement Benefit at age 62 with only five (5) Vesting Credits, compared with ten (10) years of Credited Service and five (5) years of Pension Credits.

Normal Form of Payment for Unmarried Participants
If you earned credit under the BAC 7 Plan and you are not married when you commence benefits under either an Early or Normal Retirement, the normal form of benefit is a single Life Annuity with a ten-year certain guarantee of the benefit.
For benefits that are accrued on or after January 1, 2020 under the BAC 3 Plan, the normal form of benefit, if you are not married when you commence an Early or Normal Retirement, is a Single Life Annuity with a three-year certain guarantee of the benefit.

This change will not impact benefits earned prior to January 1, 2020. For benefits accrued prior to January 1, 2020, the normal form of benefit for a non-married Participant will continue to be a Single Life Annuity with a ten-year certain guarantee of the benefit.

**Optional Forms of Payment**

If you earned credit under the BAC 7 Plan, the optional forms of payment available to you are: 50%, 75%, and 100% joint and survivor annuity, with and without pop-up; 10-year certain and life annuity.

If you work at least one hour on or after January 1, 2020 under the BAC 3 Plan, the optional forms of payment available are expanded to include the 66 2/3% joint and survivor annuity, with and without pop-up and a 3-year certain and life annuity.

This is a more valuable benefit since more options may be available to you when you retire.

**Early Retirement Eligibility**

If you earned credit under the BAC 7 Plan, you will be eligible to retire on an Early Retirement Pension at age 55 or older if, at the time of your retirement, you have accumulated ten (10) years of Pension Credit since any permanent Break-in-Service.

If you work at least one hour on or after January 1, 2020 under the BAC 3 Plan, you will be eligible to retire on an Early Retirement Pension at age 55 or older if, at the time of your retirement, you have earned at least eight (8) years of Vesting Credit since any permanent Break-in-Service.

This is a more valuable benefit since you may be eligible to retire early with only eight (8) years of Vesting Credit, compared with ten (10) years of Pension Credit.

**Early Retirement Pension**

If you earned credit under the BAC 7 Plan, the Early Retirement Pension is determined by reducing the Normal Pension by 5/9th of one percent (1%) for each month the Early Retirement Date precedes the Normal Retirement Date (or, age 60 if certain criteria are met).

If you work at least one hour on or after January 1, 2020 under the BAC 3 Plan, the Early Retirement Pension is determined by reducing the Normal Pension by 1/2 of one percent (0.5%) for each month the Early Retirement Date precedes the Normal Retirement Date (or Unreduced Retirement Date, if eligible).

This is a more valuable benefit since you may be eligible to receive an early retirement benefit with a smaller reduction.

**Unreduced Retirement Eligibility**

If you earned credit under the BAC 7 Plan, you will be eligible to receive an unreduced retirement pension at age 60 if you have earned at least ten (10) years of Credited Service and five (5) years of Pension Credit.

If you earn benefits on or after January 1, 2020 under the BAC 3 Plan you will be eligible to receive post-merger accruals as an Unreduced Retirement pension at age 60 if you have earned at least five (5) years of Vesting Credit.

This is a more valuable benefit since you may be eligible to receive an unreduced retirement benefit as early as age 60 with only five (5) years of Vesting Credit, compared with ten (10) years of Credited Service and five (5) years of Pension Credit.
This change will not impact benefits earned prior to January 1, 2020. For benefits accrued prior to January 1, 2020, the unreduced retirement eligibility is still at least ten (10) years of Credited Service and five (5) years of Pension Credit.

Disability Retirement

If you earned credit under the BAC 7 Plan, you are eligible to receive a Disability Pension if you (a) become totally and permanently disabled; (b) at the time of the commencement of such permanent and total disability you have accumulated at least eight (8) years of Pension Credit since any permanent Break-in-Service; and (c) you have earned at least one-half of a year of Pension Credit in the three (3) Calendar Years immediately preceding the Calendar Year in which you became disabled.

If you work at least one hour on or after January 1, 2020 under the BAC 3 Plan, you are eligible to receive a Disability Pension if you (a) becomes totally and permanently disabled; (b) at the time of the commencement of such permanent and total disability you have accumulated at least five (5) years of Vesting Credit since any permanent Break-in-Service; and (c) you worked at least three hundred (300) hours in Covered Employment within the Plan Year or the immediately preceding Plan Year in which the disability occurs.

This is a more valuable benefit since you may be eligible to receive a disability pension after accumulating five (5) years of Vesting Credit compared with eight (8) years of Pension Credit.

Pre-Retirement Death Benefit – Single Participants

Under the BAC 7 Plan, the beneficiary of a single, vested participant who died prior to retiring, is entitled to a lump sum equal to one thousand dollars ($1,000) per year for each year of Future Service Pension Credit to a maximum of ten thousand dollars ($10,000).

Effective January 1, 2020, under the BAC 3 Plan, the beneficiary of a single, vested participant who dies prior to retiring, is entitled to a lump sum equal to his or her accrued benefit as of the date of death, multiplied by thirty-six (36).

Pre-Retirement Death Benefit – Married Participants

Under the BAC 7 Plan, the spouse of a married, vested participant who dies prior to retiring, is entitled to either 1) the survivor portion of a 50% Joint and Survivor benefit payable at the later of the participant’s date of death or Earliest Retirement Age, or 2) a lump sum equal to one thousand dollars ($1,000) per year for each year of Future Service Pension Credit to a maximum of ten thousand dollars ($10,000).

The spouse of a married, vested participant that worked at least one hour on or after January 1, 2020 under the BAC 3 Plan, who dies prior to retiring, is entitled to either 1) the survivor portion of a 100% Joint and Survivor benefit payable as of the participant’s date of death, or 2) a lump sum equal to the participant’s accrued benefit as of his date of death multiplied by thirty-six (36).

This is a more valuable benefit since the 100% Joint and Survivor benefit pays more than the 50% Joint and Survivor benefit to a surviving spouse.

Vesting Credit

Under the BAC 7 Plan, you earned ¼ year of vesting credit for each 250 hours up to a maximum of 1 year of vesting credit per Plan Year, through December 31, 2019.

Effective July 1, 2019, you will earn 0.3 year of vesting credit for each 300 hours plus 0.1 year for each additional 100 hours up to a maximum of 1 year of vesting credit per Plan Year.

The hours worked between July 1, 2019 and December 31, 2019 count for vesting credit under both the Local 7 Plan and the Local 3 Plan.
Vesting Credit for twelve (12) month period ending June 30, 2020

If you earn at least one thousand (1,000) hours as defined in either the BAC 7 Plan or the BAC 3 Plan during the twelve (12) month period ending June 30, 2020, you shall receive one (1) year of Vesting Credit under the BAC 3 Plan. If you worked more than three hundred (300) hours but less than one thousand (1,000) hours during the twelve (12) month period ending June 30, 2020, you shall receive partial credit under the Local 3 Plan in accordance with the schedule in Section 3.1 of the Local 3 Plan Document, whether or not you worked more than two hundred fifty (250) hours during the twelve (12) month period ending December 31, 2019 and therefore may have received full or partial credit in accordance with the terms of the Local 7 Pension Plan.

Break-in-Service

Under the BAC 7 Plan if you were not vested, you incurred a one-year Break-in-Service if, in a Plan Year, you worked less than 250 hours for which contributions are required.

If you have incurred one or more consecutive one-year Breaks-in-Service as of December 31, 2019 under the BAC 7 Plan, you shall have the same number of such consecutive one-year Breaks-in-Service as of December 31, 2019, under the BAC 3 Plan.

Effective July 1, 2020, if you are not vested, you shall incur a one-year Break-in-Service if, in a Plan Year, you work less than 300 hours for which contributions are required.

The 6 months between January 1, 2020 and June 30, 2020 are not taken into account when determining a Breaks-in-Service.

This Notice shall serve as a Summary of Material Modifications to your Plan and should be kept with your current Summary Plan Description for future reference. This Summary is intended to provide you with an easy-to-understand description of certain changes to the Plan. While every effort has been made to make this description as complete and accurate as possible, this Summary cannot contain a full restatement of the terms and provisions of the Plan. If any conflict should arise between this Summary and the Plan, or if any point is not discussed in this Summary or is only partially discussed, the terms of the Plan will govern in all cases.

The Board of Trustees of the B.A.C. Local No. 3 Pension Plan will assume plan administrative duties over the BAC 7 Plan. The administrative office will continue to be BeneSys Administrators, P.O. Box 1607, San Ramon, CA 94583 and you may continue to direct your benefits questions to this office at (925) 208-9995. If you have any questions about the plan merger, please contact the Administrative Office.

The Trustees of the Plan reserve the right, in their sole and absolute discretion, to interpret, amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the Plan and the Trust agreement establishing the Plan.

This document has been uploaded and is available on the participant website at: www.BAC3-brickbenefits.org