

Indiana State Council of Carpenters Pension Fund

c/o BeneSys Administrators
P.O. Box 969
Troy, MI 48099-0969
March 16, 2023

IMPORTANT NOTICE TO PARTICIPANTS INDIANA STATE COUNCIL OF CARPENTERS PENSION FUND

Notice of Benefit Changes Effective April 1, 2023

The Board of Trustees is pleased to inform you that the Indiana Carpenters Pension Fund will merge into the Indiana State Council of Carpenters Pension Fund (“Fund”), effective as of April 1, 2023. After the merger, the Fund will continue to be the Indiana State Council of Carpenters Pension Fund, but it is referred to as the “Merged Fund” for purposes of this Notice.

Prior to approving the merger, the Trustees and Fund professionals conducted a thorough investigation into the merits of a merger compared with maintaining the Fund as a separate plan. After this investigation, the Trustees have determined that the merger is in the best interests of Fund participants and beneficiaries. Relevant factors included: the Merged Fund will be twice as large as the Fund alone (approximately \$1.2 billion), which will simplify administration and reduce related costs; the Merged Fund will cover a larger and more diversified geographic area, which should provide for greater stability. The Merged Fund also features a slightly higher benefit accrual rate.

This Notice is intended to notify you of certain changes to your participation in the Merged Fund relative to the Fund, which generally will take effect April 1, 2023. This Notice is being issued to you pursuant to section 204(h) of a federal law known as the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). Because this Notice is required pursuant to federal law, the Notice can be very complex and technical in nature. For that reason, also enclosed is a summary chart that highlights a number of key provisions under the Fund prior to the merger as compared to the Merged Fund following the merger. As illustrated in these charts, virtually all of the Fund’s provisions have either remained the same or improved for the benefit of participants. Note that the enclosures are only summaries and, if there are any inconsistencies, the terms of the actual plan documents control.

Please further note that a separate Summary Plan Description (“SPD”) for the Merged Fund will be mailed to you in the future. You should place this Notice with your Merged Fund SPD and Fund SPD, and save those documents for future reference. It is important to note that any vested benefits that you earned prior to April 1, 2023 will continue to be subject to the terms of the Fund.

**BOARD OF TRUSTEES OF THE
INDIANA STATE COUNCIL OF
CARPENTERS PENSION FUND**

INCREASED MONTHLY PENSION BENEFIT ACCRUALS

Pre-Merger: For hours worked before April 1, 2023 under the Fund, the amount of benefit you earned for each plan year (April 1 to March 31) in which you worked at least 200 hours of service in Covered Employment is based on a percentage (currently **0.5%**) of the amount of contributions that were required to be made to the Fund on your behalf for that plan year.

Post-Merger: For hours worked after March 31, 2023 under the Merged Fund, the amount of benefit you earn for each plan year in which you worked at least 200 hours of service in Covered Employment will equal **0.6%** (increased from 0.5%) of the amount of contributions that were required to be made to the Merged Fund on your behalf for that plan year.

OPTIONAL FORMS OF BENEFIT PAYMENTS

For all benefits earned before April 1, 2023 under the Fund and after March 31, 2023 under the Merged Fund, the normal form of payment for a single participant is the Single Life Annuity and the normal form for a married participant is the 50% Joint and Survivor Annuity.

As described below, the optional forms of benefit payments that will be available after the merger depends on when your pension benefit payments begin.

Pension Payments Beginning Before July 1, 2023. If you retire and begin your pension benefit payments before July 1, 2023, the Merged Fund will continue to offer the following optional forms of benefit payments that are currently available under the Fund:

- 66-2/3%, 75% or 100% Joint and Survivor Annuity options (available only for married Participants);
- Single Life Annuity; and
- 5-Year, 10-Year, 15-Year or 20-Year Certain and Life Annuity options.

Pension Payments Beginning After June 30, 2023. Effective for pension benefits that begin payment after June 30, 2023, you may continue to elect from the optional forms of benefit payments noted above, except that the 66-2/3% Joint and Survivor Annuity option will no longer be available for married Participants.

IMPORTANT: Please note that this rule does not change any other terms of the Merged Fund or the Fund. For example, the eligibility criteria for a Normal Pension has not changed. Also, all available forms of benefit payment will continue to be actuarially adjusted to reflect their value compared to the Single Life Annuity. Thus, this rule will not affect the actuarially adjusted amount of payments provided under any of the optional payment forms.

PAYMENT OF PENSION BENEFITS AFTER RETIREMENT

If you were a Participant in the Fund and you earned a benefit under the Merged Fund for periods after March 31, 2023, your pension benefit will be based on the rules of both the Fund and the Merged Fund. That is, the portion of your pension benefit that you earned before April 1, 2023 will be determined under the rules of the Fund, and the portion of your pension benefit that you earned after March 31, 2023 will be determined under the Merged Fund.

If no contributions are required to be paid to the Merged Fund on your behalf for periods after March 31, 2023, your pension benefit will be based entirely on the rules of the Fund.

At the time you retire and become eligible for a pension benefit, the amount of your monthly pension benefit earned after March 31, 2023 under the Merged Fund will be added to the monthly pension benefit that you earned before April 1, 2023 under the Fund. You will receive payments for this combined monthly pension benefit from the Merged Fund.

Questions?

This Notice is intended only as a summary of the plan changes and does not cover all details or operations of the Fund or the Merged Fund. The official plan documents of the Fund and the Merged Fund will govern your rights. In the event of a discrepancy between the information contained in this Notice and the plan documents, the terms of the plan documents of the Fund and the Merged Fund will always govern.

If you have any questions regarding this Notice or your benefits under the Fund or the Merged Fund, please contact the Fund Office by telephone at (800) 700-6756 or by mail at the following address:

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INDIANA STATE COUNCIL OF CARPENTERS PENSION FUND

COMPARISON TO MERGED PLAN OF BENEFITS

Plan Provision	Benefits Accrued Pre-Merger under the Indiana State Council of Carpenters Fund (State Plan)	Benefits Accrued Post-Merger under the Merged Plan
1. Plan Year	April 1 to March 31	No Change
2. Eligibility for Participation	For Plan Years before the merger, an individual is eligible to participate in the Plan beginning April 1 of the first Plan Year during which the individual completed at least 200 hours of Covered Employment.	No Change. Note that currently active Participants in the State Plan will become Participants in the Merged Plan immediately following the merger (April 1, 2023).
3. Normal Retirement Age (NRA)	Age 65	No Change
4. Reduced Early Retirement Age (ERA)	Age 55 with at least 5 years of Credited Service, but with fewer than 30 years of Credited Service.	No Change
5. Reduction at ERA	Reduction of 1/2% for each month (or 6% per year) that the participant's retirement age precedes Age 65.	No Change
6. Unreduced ERA	Age 55 with 30 years of Service.	Age 62 with 20 years of Credited Service; or Age 55 with 30 years of Credited Service.
7. Benefit Formula at NRA	Benefits for work performed after September 30, 2017, and before April 1, 2023: 0.50% of the total contributions paid on behalf of the participant.	Benefits for work performed after March 31, 2023: 0.60% of the total contributions paid to the Merged Fund on behalf of the participant.
<u>Hurdle Rate</u>	5.0%	No Change
<u>Max Investment Return for Variable Adjustment</u>	10.0%	No Change
8. Stabilization Reserve	Individual Stabilization Reserve Accounts (State Plan maintains an individual account for each participant).	Plan Wide Stabilization Reserve Accounts: <ul style="list-style-type: none"> • Convert individual participant's stabilization reserve accounts into a single (pooled) account that applies to all participants. • State Plan and Central Plan stabilization reserve accounts merged into a single account. • Apply the Merged Plan's stabilization reserve account to all pensioners post-merger, regardless of when benefits were accrued.
<u>High Water Mark</u>	Stabilization Reserve applied to support adjusting pension benefit payments up to a given pensioner's highest benefit previously paid under the Plan's variable formula.	No Change

Plan Provision	Benefits Accrued Pre-Merger under the Indiana State Council of Carpenters Fund (State Plan)	Benefits Accrued Post-Merger under the Merged Plan
9. Disability Pension Eligibility	<p>Participant is eligible for a Disability Pension if:</p> <ul style="list-style-type: none"> • Is Disabled; and • Has at least 5 years of Credited Service; and • Earned at least 200 hours of Covered Employment in the Plan Year in which the participant became Disabled or the immediately preceding Plan Year. <p>A participant is deemed to be “Disabled” upon a finding by the Social Security Administration (or determination by the medical consultant retained by the Fund) that the participant is entitled to total disability benefits under the Social Security Act.</p>	No Change
10. Vesting Service & Vested Status	<p>Five years of Vesting Service is required be vested under the State Plan.</p> <p>For Plan Years before the merger, a participant earns one year of Vesting Service if he or she works 200 hours of Covered Employment in a Plan Year (or 1,000 hours of contiguous non-Covered Employment in a Plan Year for the same employer).</p>	No Change
11. Credited Service (Benefit Service)	<p>For Plan Years before the merger, a participant earns one year of Credited Service if he or she works at least 200 hours of Covered Employment in a Plan Year.</p>	No Change
12. Normal Form of Benefit Payment	<p>Unmarried Participant: Single Life Annuity</p> <p>Married Participant: Joint and 50% Survivor Annuity.</p>	No Change
13. Optional Forms of Benefit Payment	<ul style="list-style-type: none"> • Single Life Annuity • Joint and 66-2/3% Survivor Spouse Annuity (<i>note: eliminated post-merger</i>) • Joint and 75% Survivor Spouse Annuity • Joint and 100% Survivor Spouse Annuity • 5-Year Certain Annuity • 10-Year Certain Annuity • 15-Year Certain Annuity • 20-Year Certain Annuity 	<ul style="list-style-type: none"> • Single Life Annuity • Joint and 75% Survivor Spouse Annuity • Joint and 100% Survivor Spouse Annuity • 5-Year Certain Annuity • 10-Year Certain Annuity • 15-Year Certain Annuity • 20-Year Certain Annuity <p>Optional Forms apply to all benefits earned both pre-merger and post-merger.</p>

Plan Provision	Benefits Accrued Pre-Merger under the Indiana State Council of Carpenters Fund (State Plan)	Benefits Accrued Post-Merger under the Merged Plan
14. Pre-Retire Death Benefit <u>Eligibility for Spouse Death Benefit</u>	Participant must have earned 5 Years of Vesting Service and must have been married for at least one year prior to death.	No Change
<u>Commencing Spouse Death Benefit</u>	Pre-retirement death benefit to a surviving spouse shall commence immediately following the death of the participant.	No Change
<u>Amount of Spouse Death Benefit</u>	<p>If the participant dies on or after attaining age 55: the benefit is equal to 50% of the Joint and 50% Survivor Annuity which would have been payable to the participant, had he or she retired the day prior to death.</p> <p>If the participant dies prior to attaining age 55: the benefit is equal to the present value of the Joint and 50% Survivor Annuity which would have been payable to the participant, had he or she retired at age 55 with an Early Pension.</p> <p>The Plan currently charges for this benefit by reducing the Spouse's benefit to reflect the cost of the benefit.</p>	<p>No Change, except as provided below.</p> <p>The Preretirement Surviving Spouse Death Benefit, referred to as a Qualified Preretirement Survivor Annuity ("QPSA"), provides for a pension payable to a participant's surviving spouse, provided certain conditions are met, if the participant dies before retirement. Effective for a participant who dies on or after April 1, 2023, there will no longer be a cost for the QPSA benefit (i.e., no reduction to the pension benefit for each month the spouse is covered by this benefit).</p>
<u>Form of Spouse Death Benefit</u>	Annuity paid over the Spouse's life.	No Change
<u>Non-Spouse Death Benefit</u>	None	No Change
15. Exception to Prohibited Employment	A participant may exceed the normal monthly Prohibited Employment limit on hours worked (40 or more hours) by up to 1,000 hours during the 2023 calendar year. After reaching the 1,000-hour temporary exception, the 40-hour rule applies.	No Change

**INDIANA/KENTUCKY/OHIO REGIONAL COUNCIL
OF CARPENTERS' PENSION FUND
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TROY, MICHIGAN 48099-0969**



Important Fund Information

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