IAM NATIONAL
PENSION FUND

Notice of Reduction in Adjustable Benefits under Section 305(e) of ERISA,
Notice of Reduction in Future Benefit Accruals under Section 204(h) of ERISA
and
Summary of Material Modifications

This notice contains important information about your future benefits from the IAM National Pension Fund (the "Fund"). Please read it carefully and keep it with a copy of your Summary Plan Description ("SPD").

Introduction

Beginning with the 2008 Plan Year, the Pension Protection Act of 2006 ("PPA") requires the actuary for each multiemployer defined benefit pension plan, including the Fund, to certify the plan's funded status each year. The certification classifies a plan as being in: neither endangered nor critical status ("Green Zone"); endangered status ("Yellow Zone"); seriously endangered status ("Orange Zone"); critical status ("Red Zone"); or critical and declining status ("Deep Red Zone"). Each year from 2008 through 2018, the Fund's actuary has certified the Fund as being in the Green Zone.

In the Notice of Critical Status that is included in these materials, you are notified that the Fund's actuary certified the Fund as being in endangered status (Yellow Zone) for the 2019 Plan Year and that it is projected to be in critical status in one of the succeeding five plan years. The Board of Trustees voluntarily elected to place the Fund in critical status (Red Zone) effective for the 2019 Plan Year to improve the financial health of the Fund, as permitted under the Multiemployer Pension Reform Act of 2014.

As required by law for plans that are in critical status, the Board of Trustees also adopted a Rehabilitation Plan ("RP"). The RP includes two alternative schedules (Preferred Schedule and Default Schedule) (collectively, "RP Schedules"), either of which may be adopted by the union and participating employers (the "bargaining parties"). The RP Schedule adopted by the bargaining parties will apply to the participants covered under the bargaining parties' collective bargaining agreement(s). Absent circumstances unique to the bargaining parties, and understanding that individual situations may dictate otherwise, generally, the Trustees believe that the Preferred Schedule will be a more desirable option for the bargaining parties.

Both RP Schedules reduce benefits, and the Default Schedule also reduces future benefit accruals. The RP also includes additional benefit reductions that will apply to all participants not yet in pay status.

The purpose of this notice is to explain these benefit reductions. Not all participants will have the same benefit reductions, but all participants who are not currently receiving a benefit will likely be affected by at least some of the benefit reductions described in this notice.

The Fund is required to notify affected participants, beneficiaries, contributing employers and the union at least 30 days prior to the effective date of these adjustable benefit changes. In addition, this notice is required to be furnished to you pursuant to Section 204(h) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 4980F of the Internal Revenue Code. This notice also constitutes a summary of material modifications under Sections 102(a) and 104(b) of ERISA. All capitalized terms in this notice not otherwise defined have the meaning set forth in the SPD and the official plan document.

- **NO CHANGES WILL BE MADE TO ANY BENEFITS THAT ARE CURRENTLY BEING PAID.**
- **In addition, no changes will be made to any benefits paid to participants from whom the Fund receives a completed application before the participant's RP Schedule Effective Date (defined in this notice), unless the participant later returns to work in covered employment.**

Required Changes Effective April 26, 2019

Beginning on the date a plan sends the notice of critical status for the initial year that it is in critical status, the law generally prohibits the plan from making any payment in excess of the monthly amount paid under a single life annuity after the date the notice is sent. As a result, the following benefits are being eliminated effective April 26, 2019:

Disability Pension – Auxiliary Benefit: As described on page 18 of the SPD, a participant whose effective date for a Disability Pension is after the first day of the seventh month of total and permanent disability receives a payment for the first month equal to the monthly benefit amount plus an additional auxiliary amount equal to the monthly benefit times the number of months (to a maximum of 12) between the effective date of the Disability Pension and such first day of the seventh month. On or after April 26, 2019, the auxiliary amount increasing the first Disability Pension payment will not be paid.

Preretirement Lump Sum Death Benefit: As described on page 30 of the SPD, the Plan pays a preretirement lump sum death benefit to designated beneficiaries of eligible participants equal to $200 x full years of Future Service Credit. On or after April 26, 2019, no Preretirement Lump Sum Death Benefit will be paid.

Social Security Option: As described on page 27 of the SPD, eligible participants may elect to have their monthly benefits actuarially adjusted, so that they receive a higher amount payable to age 62 and a reduced amount thereafter. Participants may not elect this optional form of payment on or after April 26, 2019.

Partial Lump Sum Option: As described on page 25 of the SPD, eligible participants may elect to have the amount of their monthly benefit reduced by not more than 10% in return for the payment of a lump sum. Participants may not elect this optional form of payment on or after April 26, 2019.

Small Pensions: As described on page 28 of the SPD, if the Actuarial Present Value of a pension exceeds $5,000 but is not greater than $10,000, a benefit recipient may elect to receive it in a single sum. Participants may not elect this optional form of payment on or after April 26, 2019.

<u>Return to Employment – Lump Sum:</u> As described on page 33 of the SPD, a participant who retires before Normal Retirement Age and then returns to Covered Employment and earns additional benefits with an Actuarial Present Value of $7,500 or less may elect to receive such additional benefits in a lump sum payment. Participants may not elect this optional form of payment on or after April 26, 2019.

As described on page 28 of the SPD, a benefit is automatically paid in a single lump sum if the Actuarial Present Value of a pension is $5,000 or less. The Fund will continue to make such lump sum payments, along with any makeup payments in the case of a retroactive annuity starting date and any similar payment of benefits owed with respect to a prior period.

Changes Under the Preferred Schedule and the Default Schedule

Which RP Schedule Will Apply?

The RP Schedule that will apply to a participant will in most cases depend on which RP Schedule the bargaining parties agree to adopt: the RP Schedule adopted by the bargaining parties will apply to the participants covered under the bargaining parties' collective bargaining agreements.

There are some exceptions:

- If the bargaining parties do not adopt an RP Schedule within 180 days after their collective bargaining agreement in effect on September 1, 2019 expires, the Default Schedule will be imposed upon the bargaining parties.
- For participants not covered under a collective bargaining agreement, benefits will be determined as if the participant were covered under the first to expire of the employer's collective bargaining agreements in effect on September 1, 2019 or, if the employer does not contribute on behalf of any collectively bargained employees, the employer's participation agreement with the Fund is treated as if it were a collective bargaining agreement with a term ending on January 1, 2020.
- Deferred vested participants will be covered by the RP Schedule elected by (or imposed on) their last covered employer of record.
- Orphaned deferred vested participants (whose employers no longer contribute to the Fund) will be covered by the Preferred Schedule beginning September 1, 2019.

When Will the RP Schedule Apply?

- Changes under the Preferred Schedule will become effective for participants from whom the Fund receives a completed application on or after the date that a participant's employer and union incorporate the Preferred Schedule into their collective bargaining agreement (or, if later, January 1, 2022).
- Changes under the Default Schedule will become effective for participants from whom the Fund receives a completed application on or after on the date that a participant's employer and union incorporate the Default Schedule into their collective bargaining agreement or the Default Schedule is imposed on them (or, if later, September 1, 2019).

The date on which changes under the Preferred Schedule or Default Schedule will become effective for any particular participant is referred to as the participant's **RP Schedule Effective Date**. The date on which the Fund receives a completed application is referred to as the **Completed Application Date.**

Changes Under the Preferred Schedule

Reduction of Early Retirement Pension

Current Plan: As described on page 15 of the SPD, participants may retire with an Early Retirement Pension if they have reached age 55 and have earned at least 5 Years of Credited Service (including certain hours requirements). The amount of the Early Retirement Pension is reduced to account for the additional years over which benefits are expected be paid (because the benefit is being received prior to age 65). The Fund does not currently fully reduce benefit payments to reflect the early receipt of those payments, in effect "subsidizing" the Early Retirement Pension. Specifically, the Early Retirement Pension equals the Normal Pension to which a participant would have been entitled if he or she were then 65 years of age, reduced by four tenths of one percent (.004) for each month by which the participant is younger than age 65 on the pension effective date.

Preferred Schedule: Under the Preferred Schedule, the early retirement reduction will be increased to more truly reflect the actuarial cost of the earlier monthly benefits to be paid. For participants with a Completed Application Date on or after the RP Schedule Effective Date, the Early Retirement Pension will equal the Normal Pension to which a participant would have been entitled if he or she were then 65 years of age, reduced for the years, or portion of years, by which the participant is younger than age 65 on the pension effective date by applying an actuarially equivalent factor ("Early Retirement Reduction Factor"). The Early Retirement Reduction Factors are set forth in Appendix I.

Example: Steve stops working at age 55 with 15 years of Credited Service and submits his completed pension application. The amount of his monthly Normal Pension if Steve starts receiving payments at age 65 is $1,000.

> *Under the current Plan*, Steve's Early Retirement Pension is calculated as follows: $1,000, reduced by 48% (.004 * 120 months) = **$520**. Steve would receive an Early Retirement Pension of $520 per month if he retires and starts his pension immediately at age 55 under the current Plan.
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> *Under the Preferred Schedule*, if Steve's Completed Application Date is on or after his RP Schedule Effective Date, his Early Retirement Pension is calculated by applying the Early Retirement Reduction Factor at age 55 (.366) to his $1,000 benefit, resulting in a 63.4% reduction and a monthly benefit of **$366**. Steve would receive an Early Retirement Pension of $366 per month if he retires and starts his pension immediately at age 55 under the Preferred Schedule.

Elimination of Unreduced Age/Service Pensions; 20 and Age 62 Pension and 30 and Out Pension

Current Plan: As described on page 16 of the SPD, participants are eligible to receive their full normal retirement age benefit (not reduced for early retirement) if they retire with (i) 20 Years of Credited Service and have reached age 62 ("20 and Age 62 Pension") or (ii) 30 Years of Credited Service regardless of age ("30 and Out Pension").

Preferred Schedule: For a participant with a Completed Application Date on or after the RP Schedule Effective Date, subsidies resulting in unreduced benefits under the 20 and Age 62 Pension and 30 and Out Pension are eliminated. This means that as of a participant's RP Schedule Effective Date, a participant will not be eligible to receive his full retirement benefit until age 65 when he is eligible to receive a Normal Pension. The participant may still receive a benefit before age 65, but it will be a reduced benefit based on the Early Retirement Reduction Factors.

<u>Example 1</u>: <u>Michael stops working at age 52 with 30 Years of Credited Service and submits his completed pension application. The amount of his monthly Normal Pension if Michael starts receiving payments at age 65 is $1,000 per month.</u>

Under the current Plan, since Michael meets the requirements for a 30 and Out Pension, he will receive a benefit of **$1,000** per month, beginning at age 52. The value of this subsidization from age 52 to age 65 is $156,000 ($1,000 * 12 months * 13 years) plus interest.

If subsidized unreduced Pensions such as the 30 and Out Pension were not available under the Plan, Michael could retire at age 55 with a reduced Early Retirement Pension equal to $1,000, reduced by 48% (.004 * 120 months) = $520 per month. From ages 55 to 65, Michael would receive $62,400 ($520 * 12 months * 10 years). Using the unsubsidized Early Retirement Reduction Factors, he would receive $280 per month (as shown in the following paragraph). From ages 55 to 65, he would receive $33,600 ($280 * 12 months * 10 years).

Under the Preferred Schedule, if Michael retires at age 52 with a Completed Application Date on or after his RP Schedule Effective Date, he will not be eligible for a subsidized, unreduced 30 and Out Pension. However, he may receive a reduced retirement benefit, calculated by applying the Early Retirement Reduction Factor at age 52 (.280) to his $1,000 benefit, resulting in a 72% reduction and a monthly benefit of **$280**. Michael would be eligible to receive his full retirement benefit of $1,000 per month only if he delays commencement of his benefit until age 65.

<u>Example 2</u>: <u>Michelle stops working at age 62 with 25 years of Credited Service. If she were to retire at age 65, she would receive a Normal Pension benefit of $1,000 per month.</u>

Under the current Plan, since Michelle meets the requirements for a 20 and Age 62 Pension, she will receive a benefit of **$1,000** per month, beginning at age 62.

Under the Preferred Schedule, if Michelle retires at age 62 with a Completed Application Date on or after her RP Schedule Effective Date, she will not be eligible for a subsidized unreduced 20 and Age 62 Pension. However, she will be eligible to collect her reduced retirement benefit, calculated by applying the Early Retirement Reduction Factor at age 62 (.723) to her $1,000 benefit, resulting in a 27.7% reduction and a monthly benefit of **$723**. Michelle would be eligible to receive her full retirement benefit of $1,000 per month only if she delays commencement of her benefit until age 65.

Elimination of Unreduced Disability Pension

<u>Current Plan</u>: As described on page 17 of the SPD, participants who have not reached age 65 are entitled to a Disability Pension at any age if they become totally and permanently disabled in covered employment or within 12 months after leaving covered employment and have at least 5 Years of Credited Service or Vesting Service (including certain hours requirements). The Disability Pension is equal to the unreduced Normal Retirement Age Pension benefit.

<u>Preferred Schedule</u>: For participants with a Completed Application Date on or after the RP Schedule Effective Date, a subsidized unreduced Disability Pension benefit is eliminated. An eligible participant may receive a benefit due to a disability before age 65, but it is a reduced benefit based on the Early Retirement Reduction Factors.

<u>Example</u>: <u>Andrea becomes totally and permanently disabled while in covered employment at age 50 with 15 years of Credited Service. If she were to retire at age 65, she would receive a Normal Pension benefit of $1,000 per month</u>.

Under the current Plan, Andrea will receive a subsidized unreduced Disability Pension of **$1,000** per month, beginning immediately at age 50.

Under the Preferred Schedule, if Andrea applies for a Disability Pension at age 50 with a Completed Application Date on or after her RP Schedule Effective Date, she will not be eligible for a subsidized unreduced benefit. She will be eligible to retire at age 50 with a benefit that is calculated by applying the Early Retirement Reduction Factor at age 50 (.235) to her $1,000 benefit, resulting in a 76.5% reduction and a monthly benefit of **$235**.

Change in Normal Form of Payment for Unmarried Participants

Current Plan: As described on page 21 of the SPD, the Plan's normal form of payment for unmarried participants is 60 Certain Payments. This form provides a participant with equal monthly pension benefits for his or her lifetime and, if the participant dies before receiving 60 payments, the participant's designated beneficiary(ies) will receive the balance of the 60 payments.

Preferred Schedule: Under the law, for participants with a Completed Application Date on or after the participant's RP Schedule Effective Date, the Plan's normal form of payment for unmarried participants will be a single life annuity providing equal monthly payments for life, with no benefit payable after the participant's death.

Example: Bob is an unmarried participant who retires under a Normal Pension with a benefit of $1,000 per month at normal retirement age (65).

Under the current Plan, Bob will receive equal monthly payments of $1,000 for life and, if he dies before receiving 60 monthly payments, his beneficiary(ies) will receive the balance of the 60 payments of $1,000 per month.

Under the Preferred Schedule, if Bob retires with a Completed Application Date on or after his RP Schedule Effective Date, he will receive equal monthly payments of $1,000 for life. No benefit will be payable to his beneficiary(ies) following his death, whether or not he dies before receiving 60 monthly payments.

Changes Under the Default Schedule

Under the Default Schedule, certain features are removed, but they are only removed *prospectively.* As explained in more detail below, this means that any benefit that you have earned as of your RP Schedule Effective Date will not change. What will change are any benefits you earn on or after your RP Schedule Effective Date. As a result, if you are covered under the Default Schedule, and your Completed Application Date is on or after your RP Schedule Effective Date, your pension will equal:

(A) the benefit you earned prior to your RP Schedule Effective Date, determined under the rules of the current Plan
plus
(B) the benefit that you earn on or after your RP Schedule Effective Date, determined under the rules of the Default Schedule.

Reduction in Future Benefit Accruals *Prospectively*

Current Plan: As described on pages 12-14 of the SPD, future service benefits are based upon years of Future Service Credit and calculated at the negotiated contribution rate for each of those years in. accordance with a schedule that appears in pages 47-64 of the SPD.

Default Schedule: Beginning with Covered Employment performed on or after a participant's RP Schedule Effective Date, benefits will accrue at a rate of 1% of contributions.

Example: Ed retires in 2030 at age 65 with 20 years of future service credit. Ed worked 1,800 hours each year and is credited with employer contributions at a rate of $1.00 per hour for 2010-2019 (with Schedule B as the applicable benefit schedule), and $2.00 per hour for 2020-2029. Ed's RP Schedule Effective Date is January 1, 2020.

Under the current Plan, Ed's benefit is calculated as follows:

2010-2019 10 years of future service at $1.00 rate = $469.80 (10 x $46.98)

2020-2029 10 years of future service at $2.00 rate = $854.60 (10 x $85.46)

His total monthly benefit = **$1,324.40** ($469.80 + $854.60).

Under the Default Schedule, Ed's benefit is calculated as follows:

2010-2019 10 years of future service at $1.00 rate = $469.80 (10 x $46.98)

2020-2029 10 years of future service at 1% of contributions
10 years at $2.00 per hour * 1,800 hours per year = $36,000 in contributions
$36,000 * 1% = $360.00

His total monthly benefit = **$829.80** ($469.80 + $360.00).

Reduction of Early Retirement Pension *Prospectively*

Current Plan: As described on page 15 of the SPD, participants may retire with an Early Retirement Pension if they have reached age 55 and have earned at least 5 Years of Credited Service (including certain hours requirements). The amount of the Early Retirement Pension is reduced to account for the additional years over which benefits will be paid (because the benefit is being received prior to age 65). Specifically, the Early Retirement Pension equals the Normal Pension to which a participant would have been entitled if he or she were then 65 years of age, reduced by four tenths of one percent (.004) for each month by which the participant is younger than age 65 on the pension effective date.

Default Schedule: Under the Default Schedule, the early retirement reduction for benefits earned on and after a participant's RP Schedule Effective Date will be increased to more truly reflect the actuarial cost of the earlier monthly benefits to be paid. For participants with a Completed Application Date on or after the participant's RP Schedule Effective Date, the Early Retirement Pension will equal: (A) for benefits earned prior to the RP Schedule Effective Date, the Normal Pension to which a participant would have been entitled if he or she were then 65 years of age, reduced by four tenths of one percent (.004) for each month by which the participant is younger than age 65 on the Effective Date of the pension, *plus* (B) for benefits earned on or after the RP Schedule Effective Date, the Normal Pension to which a participant would have been entitled if he or she were then 65 years of age, reduced for the years, or portion of years, by which the participant is younger than age 65 on the pension effective date by applying the applicable Early Retirement Reduction Factor set forth in Appendix I.

Example: Steve starts earning benefits under the Fund in 2010 at the age of 40, earns benefits continually under the Fund until 2025, and stops working in 2025 at age 55 with 15 years of Credited Service. Steve worked 1,800 hours each year and is credited with employer contributions at a rate of $1.00 per hour for 2010-2019 (with Schedule B as the applicable benefit schedule), and $2.00 per hour for 2020-2024. Steve's RP Schedule Effective Date is January 1, 2020.

Under the current Plan, if he were to retire at age 65, he would receive a Normal Pension benefit of $897.10 per month calculated as follows:

2010-2019	10 years of future service at $1.00 rate = $469.80 (10 x $46.98)
2020-2024	5 years of future service at $2.00 rate = $427.30 (5 x $85.46)

His total monthly Normal Pension benefit = **$897.10** ($469.80 + $427.30).

Under the current Plan, if Steve retires in 2025 at age 55, his Early Retirement Pension is calculated as follows: $897.10 (his monthly Normal Pension), reduced by 48% (four tenths of one percent (.004) for each month by which Steve is younger than age 65) = **$466.49**. Steve would receive an Early Retirement Pension of $466.49 per month if he retires and starts his pension immediately at age 55 under the current Plan.

Under the Default Schedule, if he were to retire at age 65, he would receive a Normal Pension benefit of $649.80 per month calculated as follows:

2010-2019	10 years of future service at $1.00 rate = $469.80 (10 x $46.98)
2020-2024	5 years of future service at 1% of contributions 5 years at $2.00 per hour * 1,800 hours per year = $18,000 in contributions $18,000 * 1% = $180.00

His total monthly Normal Pension benefit = **$649.80** ($469.80 + $180.00).

Under the Default Schedule, if Steve retires in 2025 at age 55, his Early Retirement Pension is calculated as follows:

(A) $469.80 (the portion of his monthly Normal Pension earned before his RP Schedule Effective Date) reduced by 48% (four tenths of one percent (.004) for each month by which Steve is younger than age 65) which equals $244.30,

plus

(B) $180.00 (the portion of his monthly Normal Pension earned on and after his RP Schedule Effective Date), reduced by 63.4% by applying the Early Retirement Reduction Factor at age 55 (.366), for a monthly benefit of $65.88.

As a result, Steve's total monthly Early Retirement Pension benefit would equal **$310.18** ($244.30 + $65.88).

Elimination of Unreduced Age/Service Pensions; 20 and Age 62 Pension and 30 and Out Pension *Prospectively*

Current Plan: As described on page 16 of the SPD, participants are eligible to receive their full normal retirement age benefit (not reduced for early retirement) if they retire with (i) 20 Years of Credited Service and have reached age 62 ("20 and Age 62 Pension") or (ii) 30 Years of Credited Service regardless of age ("30 and Out Pension").

Default Schedule: For participants with a Completed Application Date on or after the RP Schedule Effective Date, subsidies resulting in unreduced benefits under the 20 and Age 62 Pension and 30 and Out Pension are eliminated *prospectively*. This means that a participant with a Completed Application

Date after his RP Schedule Effective Date will not be eligible to receive his or her full retirement benefit until age 65 when he is eligible to receive a Normal Pension. The participant may receive a benefit before age 65 equal to: (A) for benefits earned prior to the RP Schedule Effective Date, the Normal Pension to which a participant would have been entitled if he were then 65 years of age, subsidized unreduced *plus* (B) for benefits earned on or after the RP Schedule Effective Date, a reduced benefit based on the Early Retirement Reduction Factors.

Example 1: Michael starts earning benefits under the Fund in 2005 at the age of 22, earns benefits continually under the Fund until 2035 and stops working in 2035 at age 52 with 30 Years of Credited Service (with Schedule B as the applicable benefit schedule). Michael worked 1,800 hours each year and is credited with employer contributions at a rate of $1.00 per hour for 2005-2019, and $2.00 per hour for 2020-2034. Michael's RP Schedule Effective Date is January 1, 2020.

Under the current Plan, if he were to retire at age 65, he would receive a Normal Pension benefit of $1,986.60 per month calculated as follows:

2005-2019	15 years of future service at $1.00 rate = $704.70 (15 x $46.98)
2020-2034	15 years of future service at $2.00 rate = $1,281.90 (15 x $85.46)

His total monthly Normal Pension benefit = **$1,986.60** ($704.70 + $1,281.90).

Under the current Plan, he meets the requirements for a 30 and Out Pension because he has 30 years of Credited Service and therefore he will receive a subsidized unreduced benefit of **$1,986.60** per month, beginning at age 52.

Under the Default Schedule, if he were to retire at age 65, he would receive a Normal Pension benefit of $1,244.70 per month calculated as follows:

2005-2019	15 years of future service at $1.00 rate = $704.70 (15 x $46.98)
2020-2034	15 years of future service at 1% of contributions 15 years at $2.00 per hour * 1,800 hours per year = $54,000 in contributions $54,000 * 1% = $540.00

His total monthly Normal Pension benefit = **$1,244.70** ($704.70 + $540.00).

Under the Default Schedule, if Michael retires in 2035 at age 52, his 30 and Out Pension is calculated as follows:

(A) $704.70 (the portion of his monthly 30 and Out Pension earned before his RP Schedule Effective Date),

plus

(B) $540.00 (the portion of his monthly 30 and Out Pension earned on and after his RP Schedule Effective Date), reduced by 72.0% by applying the Early Retirement Reduction Factor at age 52 (.280) = $151.20.

As a result, Michael's monthly 30 and Out Pension benefit would equal **$855.90** ($704.70 + $151.20), beginning at age 52.

Example 2: Michelle starts earning benefits under the Fund in 2005 at the age of 37, earns benefits continually under the Fund until 2030 and stops working in 2030 at age 62 with 25 Years of Credited Service (with Schedule B as the applicable benefit schedule). Michelle worked 1,800 hours each year and is credited with employer contributions at a rate of $1.00 per hour for 2005-2019, and $2.00 per hour for 2020-2029.

Under the current Plan, if she were to retire at age 65, she would receive a Normal Pension benefit of $1,559.30 per month calculated as follows:

2005-2019	15 years of future service at $1.00 rate = $704.70 (15 x $46.98)
2020-2029	10 years of future service at $2.00 rate = $854.60 (10 x $85.46)

Her total monthly Normal Pension benefit = **$1,559.30** ($704.70 + $854.60).

Under the current Plan, she meets the requirements for a 20 and Age 62 Pension and therefore she will receive a subsidized unreduced benefit of **$1,559.30** per month, beginning at age 62.

Under the Default Schedule, Michelle's RP Schedule Effective Date is January 1, 2020. If she were to retire at age 65, she would receive a Normal Pension benefit of $1,064.70 per month calculated as follows:

2005-2019	15 years of future service at $1.00 rate = $704.70 (15 x $46.98)
2020-2029	10 years of future service at 1% of contributions 10 years at $2.00 per hour * 1,800 hours per year = $36,000 in contributions $36,000 * 1% = $360.00

Her total monthly Normal Pension benefit = **$1,064.70** ($704.70 + $360.00).

Under the Default Schedule, if Michelle retires in 2030 at age 62, her 20 and Age 62 Pension is calculated as follows:

(A) $704.70 (the portion of her monthly 20 and Age 62 Pension earned before her RP Schedule Effective Date),

plus

(B) $360.00 (the portion of her monthly 20 and Age 62 Pension earned on and after her RP Schedule Effective Date), reduced by 27.7% by applying the Early Retirement Reduction Factor at age 62 (.723) = $260.28.

As a result, Michelle's total monthly 20 and Age 62 Pension benefit would equal **$964.98** ($704.70 + $260.28), beginning at age 62.

Elimination of Unreduced Disability Pension *Prospectively*

Current Plan: As described on page 17 of the SPD, participants who have not reached age 65 are entitled to a Disability Pension if they become totally and permanently disabled in covered employment or within 12 months after leaving covered employment and have at least 5 Years of Credited Service or Vesting Service (including certain hours requirements). The Disability Pension is subsidized and equal to the unreduced Normal Retirement Age Pension benefit.

Default Schedule: For participants with a Completed Application Date on or after the participant's RP Schedule Effective Date, the subsidies resulting in unreduced benefits under the Disability Pension are eliminated prospectively.

Example: Michael starts earning benefits under the Fund in 2010 at the age of 35, earns benefits continually under the Fund until 2025 and stops working in 2025 at age 50 with 15 years of Credited

Service (with Schedule B as the applicable benefit schedule). Michael worked 1,800 hours each year and is credited with employer contributions at a rate of $1.00 per hour for 2010-2019, and $2.00 per hour for 2020-2024. Michael's RP Schedule Effective Date is January 1, 2020.

Under the current Plan, if he were to retire at age 65, he would receive a Normal Pension benefit of $897.10 per month calculated as follows:

2010-2019	10 years of future service at $1.00 rate = $469.80 (10 x $46.98)
2020-2024	5 years of future service at $2.00 rate = $427.30 (5 x $85.46)

His total monthly Normal Pension benefit = **$897.10** ($469.80 + $427.30).

Under the current Plan, if Michael is totally and permanently disabled in 2025 at age 50, he is eligible to receive a subsidized unreduced benefit of **$897.10** per month, beginning immediately at age 50.

Under the Default Schedule, if he were to retire at age 65, he would receive a Normal Pension benefit of $649.80 per month calculated as follows:

2010-2019	10 years of future service at $1.00 rate = $469.80 (10 x $46.98)
2020-2024	5 years of future service at 1% of contributions 5 years at $2.00 per hour * 1,800 hours per year = $18,000 in contributions $18,000 * 1% = $180.00

His total monthly Normal Pension benefit = **$649.80** ($469.80 + $180.00).

Under the Default Schedule, if Michael is totally and permanently disabled in 2025 and retires at age 50, his Disability Pension is calculated as follows:

(A) $469.80 (the portion of his monthly Disability Pension earned before his RP Schedule Effective Date),

plus

(B) $180.00 (the portion of his monthly Disability Pension earned on and after his RP Schedule Effective Date), reduced by 76.5% by applying the Early Retirement Reduction Factor at age 50 (.235) = $42.30.

As a result, Michael's total monthly Disability Pension benefit would equal **$512.10** ($469.80 + $42.30), beginning immediately at age 50.

Elimination of Pop-Up Feature for Spouse Pensions

Current Plan: As described on pages 20-23 of the SPD, the standard form of payment for married participants is a 50% Spouse Pension, and married participants may also elect to receive their benefit as a 75% Spouse Pension or a 100% Spouse Pension, among other options. With any of these three forms of payment, the participant receives a reduced monthly benefit for his or her lifetime, and when he or she dies, the spouse continues to receive 50%, 75% or 100% of that reduced benefit for the rest of his or her lifetime. The amount of the reduction depends upon the difference between the participant's age and the spouse's age. A list of reduction percentages based on the age difference between the participant and spouse may be found on pages 64-66 of the SPD.

If the requirements are met and the spouse of a pensioner who is receiving a 50%, 75% or 100% Spouse Pension dies before the pensioner, the monthly amount payable to the pensioner is increased to the full monthly amount that would have been payable if the 50%, 75% or 100% Spouse Pension had not been in effect.

Default Schedule: For participants with a Completed Application Date on or after the participant's RP Schedule Effective Date, the pop-up feature is eliminated. This means that if the spouse of a pensioner who is receiving a Spouse Pension dies before the pensioner, the monthly amount payable to the pensioner will not increase.

Example: Randy is retiring at age 65 when his wife is age 60. His Normal Pension benefit is $1,000 per month. His benefit is paid as a 50% Spouse Pension. Since Randy's wife is five years younger than he is, Randy's benefit will be 88% of that amount, or $880 a month for his lifetime. When Randy dies, his wife will receive 50% of that amount, or $440 a month, for the rest of her lifetime.

> *Under the Current Plan*, if Randy's wife dies before him, his benefit will be increased following his spouse's death to $1,000 per month.
>
> *Under the Default Schedule*, if Randy retires with a Completed Application Date on or after his RP Schedule Effective Date and his wife dies before him, his benefit will not be increased following her death. The Fund will continue to pay him $880 per month.

Elimination of 60 Payments Pre-Retirement Death Benefit

Current Plan: As described on page 30 of the SPD, the designated beneficiary(ies) of an eligible unmarried participant who dies before beginning a pension may be eligible for a death benefit equal to 60 monthly payments of the Normal Pension amount a participant would have received had he or she retired the day before his or her death.

Default Schedule: Effective for deaths on or after a participant's RP Schedule Effective Date, the 60 monthly payments pre-retirement death benefit is eliminated.

Change in Normal Form of Payment for Unmarried Participants *Prospectively*

Current Plan: As described on page 21 of the SPD, the Plan's normal form of payment for unmarried participants is 60 Certain Payments. This form provides a participant with equal monthly pension benefits for his or her lifetime. If a participant dies before receiving 60 payments, the participant's designated beneficiary(ies) will receive the balance of the 60 payments.

Default Schedule: Beginning with Completed Application Dates on or after a participant's RP Schedule Effective Date, the Plan's normal form of payment for unmarried participants will be a single life annuity providing equal monthly payments for life, with no benefit payable after the participant's death.

Example: Bob starts earning benefits under the Fund in 2010 and stops working in 2025 at the age of 65. Bob is not married, worked 1,800 hours each year and is credited with employer contributions at a rate of $1.00 per hour for 2010-2019 (with Schedule B as the applicable benefit schedule), and $2.00 per hour for 2020-2024.

> *Under the current Plan,* if he were to retire at age 65, his Normal Pension benefit of $897.10 per month would be calculated as follows:

2010-2019 10 years of future service at $1.00 rate = $469.80 (10 x $46.98)

2020-2024 5 years of future service at $2.00 rate = $427.30 (5 x $85.46)

His total monthly Normal Pension benefit = **$897.10** ($469.80 + $427.30).

Under the current Plan, if Bob retires in 2025 at age 65 and selects the standard form of payment, he will receive equal monthly payments of $897.10 for life and, if he dies before receiving 60 monthly payments, his beneficiary will receive the balance of the 60 payments of $897.10 per month.

Under the Default Schedule, if he were to retire at age 65, his Normal Pension benefit of $649.80 per month would be calculated as follows:

2010-2019 10 years of future service at $1.00 rate = $469.80 (10 x $46.98)

2020-2024 5 years of future service at 1% of contributions
5 years at $2.00 per hour * 1,800 hours per year = $18,000 in contributions
$18,000 * 1% = $180.00

His total monthly Normal Pension benefit = **$649.80** ($469.80 + $180.00).

Under the Default Schedule, if Bob retires in 2025 at age 65 and selects the standard form of payment, he will receive the following monthly payments:

(A) $469.80 (the portion of his monthly Normal Pension earned before his RP Schedule Effective Date) for life and, if he dies before receiving 60 monthly payments, his beneficiary will receive the balance of the 60 payments of $469.80 per month.

plus

(B) $180.00 (the portion of his monthly Normal Pension earned on and after his RP Schedule Effective Date) for life with no further benefit payable after his death.

Rights and Remedies for Participants and Beneficiaries

As a participant in the Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Fund participants shall be entitled to:

Receive Information About Your Fund and Benefits

Examine, without charge, at the Fund Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Fund, and a copy of the latest annual report (Form 5500 Series) filed by the Fund with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. In addition, ERISA as revised by PPA entitles you to receive the following additional documents upon request: periodic actuarial reports including sensitivity testing in response to a certification of critical or endangered status, and quarterly, semi-annual or annual financial reports including investment reports and other financial reports.

Obtain, upon written request to the Fund Administrator, copies of documents governing the operation of the Fund, copies of the latest annual report (Form 5500 Series), copies of periodic actuarial reports and financial reports, as described above, and updated summary Fund description. The Administrator may make a reasonable charge for the copies.

Receive a copy of the Fund's Annual Funding Notice and a copy of any application for an automatic amortization extension, if applicable. The Trustees are required by law to furnish each participant with copies of these notices.

Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Fund now. If you do not have a right to a pension now, the statement will tell you how many more years you have to work to have a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Fund must provide the statement free of charge.

Prudent Actions by Fund Fiduciaries

In addition to creating rights to Fund participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit Fund. The people who operate your Fund, called "fiduciaries" of the Fund, have a duty to do so prudently and in the interest of you and other Fund participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Fund and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Fund Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Trustees. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Fund's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that Fund fiduciaries misuse the Fund's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay the court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

Assistance with Questions

If you have any questions about your Fund, you should contact the Fund Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the EBSA. For single copies of publications, contact the EBSA at 1-866-444-3272 or contact the EBSA field office near you. You may also find answers to your questions at the website of the EBSA at www.dol.gov/ebsa.

APPENDIX I

Early Retirement Reduction Factors based on Actuarial Equivalence

RETIREMENT AGE	EARLY RETIREMENT FACTOR	SAMPLE $1,000 ACCRUED BENEFIT
20	.023	$23
21	.024	$24
22	.026	$26
23	.028	$28
24	.030	$30
25	.033	$33
26	.035	$35
27	0.038	$38
28	0.041	$41
29	0.044	$44
30	0.048	$48
31	0.051	$51
32	0.056	$56
33	0.06	$60
34	0.065	$65
35	0.07	$70
36	0.076	$76
37	0.082	$82
38	0.088	$88
39	0.096	$96
40	0.103	$103
41	0.112	$112
42	0.121	$121
43	0.132	$132
44	0.143	$143
45	0.155	$155
46	0.168	$168
47	0.182	$182
48	0.198	$198
49	0.216	$216
50	0.235	$235
51	0.256	$256
52	0.28	$280
53	0.305	$305
54	0.334	$334
55	0.366	$366
56	0.401	$401
57	0.441	$441
58	0.485	$485
59	0.534	$534
60	0.59	$590
61	0.653	$653
62	0.723	$723
63	0.804	$804
64	0.895	$895
65	1	$1,000