



IAM NATIONAL PENSION FUND

Rehabilitation Plan Changes-At-A-Glance

This document is intended as an aid to assist the reader in understanding major changes to the IAM National Pension Plan resulting from the adoption and implementation of the Rehabilitation Plan.

If you are already retired, nothing in this document will affect your Fund benefit.

In this document you will find:

- I. NPP Benefit Changes-At-A-Glance**
- II. Employer Contributions-At-A-Glance**
- III. Immediate Benefit Changes Required by Federal Law**

I. NPP BENEFIT CHANGES AT A GLANCE

Plan Provision	Current Plan	Preferred Schedule <i>(No Benefit Changes Before 2022)</i>	Default Schedule
Early Retirement Pension	Participants may retire with an Early Retirement Pension if they have attained age 55 or older, have at least 5 Years of Credited Service and have met certain hours requirements. The Early Retirement Pension equals the Normal Pension to which a participant would have been entitled if he were then 65 years of age, reduced by .004 for each month by which the participant is younger than age 65 on the Effective Date of the pension. <i>(Plan Document Sections 4.4(a) and 4.5(a))</i>	As of January 1, 2022,* the Early Retirement Pension equals the Normal Pension reduced actuarially (retroactively+) for each month by which the participant is younger than 65. <i>(Reduction is no longer subsidized)</i>	As of September 1, 2019,* the Early Retirement Pension equals the Normal Pension reduced actuarially (prospectively) for each month by which the participant is younger than 65. <i>(Reduction is no longer subsidized)</i>
20 and Age 62 Pension **	Participants may retire with a 20 and Age 62 Pension if they have attained age 55 or older, have at least 20 Years of Credited Service and have met certain hours requirements. The 20 and Age 62 Pension equals the Normal Pension to which the participant would have been entitled if he were then age 65; however, the amount is reduced if the participant is younger than age 62. <i>(Plan Document Sections 4.4(b) and 4.5(b))</i>	The subsidy for the unreduced 20 and Age 62 Pension benefit is eliminated <i>retroactively+</i> as of January 1, 2022*	The subsidy for the unreduced 20 and Age 62 Pension benefit is eliminated <i>prospectively</i> as of September 1, 2019*
30 and Out Unreduced Pension**	Participants may retire with a 30 and Out Unreduced Pension at any age if they have at least 30 Years of Credited Service and have met certain hours requirements. The 30 and Out Pension equals the Normal Pension to which the participant would have been entitled if he were then age 65 without reduction. <i>(Plan Document Sections 4.4(c) and 4.5(c))</i>	The subsidy for the 30 and Out Unreduced Pension benefit is eliminated <i>retroactively+</i> as of January 1, 2022*	The subsidy for the 30 and Out Unreduced Pension benefit is eliminated <i>prospectively</i> as of September 1, 2019*
Disability Pension	Participants who have not reached age 65 are entitled to a Disability Pension if they become totally and permanently disabled and have at 5 least Years of Credited Service or Vesting Service (if hours requirements are met). Participants who have applied for benefits and are awaiting a disability determination may begin to receive an Early Retirement Pension, if eligible. The Disability Pension equals 10% more than the amount of the Early Retirement Pension a participant is eligible to receive, subject to minimum and maximum amounts. <i>(Plan Document Sections 4.8 – 4.11)</i>	The Disability Pension benefit is calculated using the new, unsubsidized reduction factors <i>retroactively+</i> as of January 1, 2022*	The Disability Pension benefit is calculated using the new, unsubsidized reduction factors <i>prospectively</i> as of September 1, 2019*
Rate of Benefit Accruals	Benefits are accrued based upon months of Future Service Credit and calculated at each contribution rate in accordance with a schedule. <i>(Plan Document Section 4.3)</i>	Unchanged	Prospective monthly benefits will accrue at a rate of 1% of benefit-bearing contributions as of September 1, 2019*

I. NPP BENEFITS AT-A-GLANCE (CONTINUED)

Plan Provision	Current Plan	Preferred Schedule <i>(No Benefit Changes Before 2022)</i>	Default Schedule
60 Payments Death Benefit	60 monthly payments death benefit to designated beneficiaries of eligible participants <i>(Plan Document Section 4.12)</i>	Unchanged	The 60 Payments Death Benefit is eliminated as of September 1, 2019*
Vested Deferred Pension	Participants may retire with a Vested Deferred Pension if they have attained age 55 or older and have at least 5 years of Vesting Service or Future Service Credit. The Vested Deferred Pension equals the applicable Normal or Early Pension Benefit based solely on the participant's Future Service Credit. <i>(Plan Document Sections 4.6 and 4.7)</i>	The Vested Deferred Pension benefit is calculated using the new, unsubsidized reduction factors <i>retroactively</i> + as of January 1, 2022*	The Vested Deferred Pension benefit is calculated using the new, unsubsidized reduction factors <i>prospectively</i> as of September 1, 2019*
Normal Form of Payment for Unmarried Participants	Single Life Annuity with 60 Certain Payments <i>(Plan Document Section 6.2)</i>	Single Life Annuity <i>retroactively</i> + as of January 1, 2022*	Single Life Annuity <i>prospectively</i> as of September 1, 2019*
Pop-Up	If the Spouse of a Pensioner who is receiving a 50%, 75% or 100% Spouse Pension Option 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 Option had not been in effect. <i>(Plan Document Section 5.6)</i>	Unchanged	The pop-up feature is eliminated as of September 1, 2019*

+ The term “retroactive” as used for the Preferred Schedule means that the benefit changes apply both retroactively and prospectively.

* These changes will take effect upon the later of: (i) the date referenced (September 1, 2019 or January 1, 2022 unless adopted earlier) and (ii) incorporation of the Preferred Schedule or Default Schedule (or imposition of the Default Schedule) into a participant's employer's collective bargaining agreement or participation agreement. Nobody for whom the Fund receives a completed application prior to the effective date is impacted.

** For these Plan Provisions, the subsidy is eliminated while retaining eligibility.

II. CONTRIBUTIONS AT A GLANCE

Type of Contribution	Schedule	Amount
Surcharges	Imposed by Statute	<ul style="list-style-type: none"> • As of June 1, 2019 = 5% of negotiated contributions • As of January 1, 2020 = 10% of negotiated contributions; remains until collective bargaining agreement (or participation agreement) is renewed and includes Preferred or Default Schedule • Surcharges may continue if Default Schedule is imposed • Do not cause higher benefits to be paid
Funding Only Contributions	Preferred Schedule	<ul style="list-style-type: none"> • 2.5% increases compounded annually from date of adoption – 2031 • Do not cause higher benefits to be paid
Funding Only Contributions	Default Schedule	<ul style="list-style-type: none"> • 6.0% increases compounded annually from date of adoption - 2031 • Do not cause higher benefits to be paid

Note: Surcharges and Funding-Only Contributions do not impact withdrawal liability calculations.

III. IMMEDIATE BENEFIT CHANGES REQUIRED BY FEDERAL LAW¹

Plan Provision	Current Plan	Change as of April 26, 2019
Disability Pension – Auxiliary Benefit	If a participant’s Effective Date for a Disability Pension is after the first day of the seventh month of total and permanent disability, the payment for the first month equals 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. <i>(Plan Document Section 4.10(b))</i>	The auxiliary amount increasing the first Disability Pension payment cannot be paid
Lump Sum Death Benefit	Pays lump sum death benefit to designated beneficiaries of eligible participants equal to \$200 x years of Future Service Credit. <i>(Plan Document Section 4.12)</i>	This lump sum cannot be paid
Social Security Option	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. <i>(Plan Document Section 6.4)</i>	This optional form of payment must be eliminated
Partial Lump Sum Option	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. <i>(Plan Document Section 6.6)</i>	This optional form of payment must be eliminated
Small Pensions	If the Actuarial Present Value of monthly benefits payable exceeds \$5,000 (lump sum) but is not greater than \$10,000, the benefit recipient may elect to receive it in a single sum. <i>(Plan Document Section 6.7)</i> Note: Automatic cash-outs for lump sums = \$5,000 or less (and RASD make-up payments) are excluded from this prohibition.	This election must be eliminated
Return to Employment – Lump Sum	If a Participant retires before Normal Retirement Age and then returns to Covered Employment and earns subsequent benefits, if the Actuarial Present Value of such subsequent benefits is \$7,500 or less, a Participant may elect to receive such benefits in a lump sum payment. <i>(Plan Document Section 7.8(h))</i>	Lump sums cannot be paid

¹ These changes are required for Rehabilitation Plans by the Pension Protection Act of 2006, Pub. L. No. 109-280.