



# Sheet Metal Workers

## Local 218(S) Pension Fund

Managed for the Trustees by:  
**TIC INTERNATIONAL CORPORATION**  
6405 Metcalf, Suite 200 • Overland Park, Kansas 66202  
(913) 236-5490 • Fax: (913) 236-5499

May 25, 2023

### SUMMARY OF MATERIAL MODIFICATION IMPORTANT NOTICE

**TO: Participants in the Sheet Metal Workers Local Union No. 218(S) Pension Plan**  
**RE: Changes to the Sheet Metal Workers Local Union No. 218(S) Pension Plan's  
Suspension of Benefit Rules and Required Beginning Date**

Dear Plan Participant,

The Board of Trustees of the Sheet Metal Workers Local Union No. 218(S) Pension Plan (the "Plan") recently approved certain changes to the Plan. This notice is a Summary of Material Modification ("SMM") that provides you with an explanation of those changes. Please review this notice carefully and keep it with your Summary Plan Description ("SPD").

#### PLAN CHANGES

#### **TEMPORARY WAIVER OF SUSPENSION OF BENEFIT RULE FOR LIMITED PERIOD OF TIME FROM AUGUST 1, 2022 THROUGH JULY 31, 2023.**

In response to a skilled labor shortage of sheet metal workers, the Plan's Board of Trustees approved a temporary waiver of the Plan's Suspension of Benefits rules applicable to the current Plan Year (*i.e.*, August 1, 2022 through July 31, 2023). This temporary waiver permits certain retired Participants to return to Covered Employment for a limited period of time without the loss or suspension of their Retirement Benefit from the Plan. This temporary waiver automatically expires on July 31, 2023. Please note, Participants who have retired on a Disability Benefit are not eligible for this temporary waiver.

**Current Rule:** If you commence Retirement Benefits under the Plan and later return to work in disqualifying employment for more than the authorized hours, your Retirement Benefit will be suspended until you either terminate disqualifying employment or reduce your hours as follows:

- *Before* Normal Retirement Age ("NRA") (age 62 or 65, depending on Years of Service), any amount of hours you work in "disqualifying employment" will cause your Retirement Benefit to be suspended. Disqualifying employment *before* NRA includes work for a Participating Employer; work in the same or related business as any Participating Employer; work of at least one (1) Hour of Service in Industry Employment not covered by the Collective Bargaining Agreement; or work in any business which is under the trade jurisdiction of the Sheet Metal Workers' International Association.

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- *On or after NRA*, your Retirement Benefits will be suspended if you work 40 or more hours in any month in disqualifying employment, which includes work in Industry Employment, or in any trade or craft in which the Participant worked prior to the Normal Retirement Date, in the geographic area covered by the Plan.

### ***Temporary***

***Waiver Rule:*** Effective August 1, 2022, the Board of Trustees approved a *temporary* waiver of the Suspension of Benefit rule for the period of August 1, 2022 through July 31, 2023 (the “applicable waiver period”). What this means is that both before and after NRA, no Retirement Benefits will be suspended under the Plan for the applicable waiver period if you have retired and you:

- Complete the required return to work requirements, including obtaining and returning a completed “Return to Work Notification Form – Temporary Waiver” to TIC International Corps within 15 days of returning to Covered Employment;
- Return to Covered Employment (defined as work performed for a Participating Employer for which the Employer is required to make contributions to the Fund on your behalf); and
- Your hours worked do not exceed six hundred (600) during the applicable waiver period. (Note: for individuals over NRA, you may still work less than 40 hours in Covered Employment and other types of disqualifying employment in a given month after reaching six hundred (600) hours during the applicable waiver period.)

*To qualify for this waiver, you must complete the Return to Work Notification Form – Temporary Waiver and return that form to the Plan’s third-party administrator: TIC International Corporation. To allow the Plan time to review the required, completed form, you are encouraged to submit said form at least five (5) days before your return-to-work date.*

*This temporary waiver does **not** apply if you (i) work for Participating Employers where no contributions are required, (ii) work for non-covered employers in the sheet metal industry, or (iii) work in disqualifying employment that is other than Covered Employment.*

*It is your responsibility to monitor the amount of hours that you work in Covered Employment. The Plan will **not** notify you **before** you exceed the 600-hour limit. Once you have worked 600 hours in Covered Employment during the applicable waiver period, you will no longer be able to take advantage of the temporary waiver and the Plan’s Suspension of Benefit rule will apply.*

*Returning to Covered Employment during the applicable waiver period may result in contributions being paid to other benefit plans. This notice is limited to explaining the effect that returning to Covered Employment will have on your Retirement Benefits with the Sheet Metal Workers Local Union No. 218(S) Pension Plan **only**. You should be mindful of how your return to work, as permitted by this temporary waiver, will affect your health insurance, Social Security Benefits, and other retirement benefits. As such, you should contact any other benefit plans you may be associated with to determine how returning to Covered Employment may affect those benefits (including, for example, the National Pension Fund and/or your retiree health insurance, if applicable).*

## **EXAMPLES:**

### ***Participants younger than NRA.***

Robert retired in June 2021 at age 55 on an Early Retirement Benefit. He returned to Covered Employment in May 2023, after giving the required 15-day notice, with the intention of working 160 hours per month. Normally, the Plan would have suspended his Retirement Benefit after returning to disqualifying employment due to the Plan's Suspension of Benefit rule; however, the Trustee's approved a temporary waiver (no suspension for return to work in Covered Employment until more than 600 hours are worked during the applicable waiver period) in April 2023 for the period of August 1, 2022 through July 31, 2023.

Because Robert specifically worked in Covered Employment during the applicable waiver period, his Retirement Benefit will not be suspended, even though he engaged in disqualifying employment, unless he works more than 600 hours by July 31, 2023 (the end of the applicable waiver period). His Retirement Benefit will be suspended after July 31, 2023, if he continues to work in disqualifying employment as the Plan's Suspension of Benefit rules will once again apply.

### ***Participants at or over NRA.***

Albert retired in January 2020 at age 65 on a Normal Retirement Benefit. He returned to Covered Employment in May 2023, after giving the required 15-day notice, with the intention of working 200 hours per month. Under the Plan's Suspension of Benefit rule, the Plan would suspend his Retirement Benefit if he worked 40 or more hours in disqualifying employment in a given month; however, the Trustee's approved a temporary waiver (no suspension for return to work in Covered Employment until more than 600 hours are worked during the applicable waiver period) in April 2023 for the period of August 1, 2022 through July 31, 2023.

Because Albert specifically worked in Covered Employment during the applicable waiver period, his Retirement Benefit will not be suspended, even though he intends to work 40 or more hours per month, unless he works more than 600 hours by July 31, 2023 (the end of the applicable waiver period). His Retirement Benefit will be suspended after July 31, 2023, if he continues to work 40 or more hours per month in disqualifying employment as the Plan's Suspension of Benefit rules will once again apply.

## **HOW WILL THE PLAN TREAT ANY ADDITIONAL ACCRUALS EARNED IN COVERED EMPLOYMENT DURING THE APPLICABLE WAIVER PERIOD?**

Your Retirement Benefit might not increase even though you earn additional accruals while working in Covered Employment during the applicable waiver period. This is because, under the Plan, the Retirement Benefit of Participants who return to disqualifying employment but who do not experience a suspension of benefits will be affected by the following rules:

- **If you are receiving a Retirement Benefit *on or after* Normal Retirement Age:** additional accruals will be applied to your Retirement Benefit only if the accruals exceed the "Actuarial Equivalent" of the Retirement Benefit distributions made to you during the applicable waiver period. In other words, you must earn a benefit under the Plan that exceeds the actuarial value of the distributions you continued to receive during the applicable waiver period.

- **If you are receiving a Retirement Benefit *before* Normal Retirement Age:** additional accruals will be applied to your Retirement Benefit only if the additional accruals (ignoring any subsidy) exceed the subsidized Retirement Benefit you are receiving. The Plan's Early Retirement Benefits generally have the effect of subsidizing the Retirement Benefits of Participants who are younger than the Plan's NRA through one of the Plan's Early Retirement Benefit options (*e.g.*, the age 60 and ten (10) years of service rule, the age 55 and twenty-five (25) years of service rule, the thirty (30) years of service rule, etc.). In this case, you will only receive additional accruals if the Retirement Benefit you earn under the Plan exceeds the value of the subsidized Early Retirement Benefit you are currently receiving.

#### **INCREASE TO THE AGE REQUIREMENT UNDER THE REQUIRED BEGINNING DATE.**

To comply with the Setting Every Community Up for Retirement Enhancement ("SECURE") Act, enacted into federal law on December 20, 2019, and SECURE 2.0, enacted into federal law on December 29, 2022, the age requirement under the Required Beginning Date ("RBD") was increased from age 70-1/2 to age 72, effective January 1, 2020, and then to age 73, effective January 1, 2023, depending on your date of birth.

**Old Rule:** Prior to January 1, 2020, the Plan was required to begin making Required Minimum Distributions ("RMD") to you by the April 1 of the calendar year following the calendar year in which you attained age seventy and one-half (70-1/2).

**New Rule:** After the enactment of the SECURE Act and SECURE 2.0, your Required Beginning Date is the April 1 of the calendar year following the calendar year in which you reach the age in the table below.

<b>Age</b>	<b>Date of Birth</b>
70-1/2	Participants born prior to July 1, 1949.
72	Participants born after June 30, 1949 and before January 1, 1951.
73	Participants born after December 31, 1950.

#### **EXAMPLES:**

##### ***Participants born before July 1, 1949.***

Franklin was born in June 1949 and is fully vested in the Plan. Franklin intends to terminate employment with his Employer on October 31, 2023 at the age of 74 years and 4 months. Under federal law, because Franklin was born before July 1, 1949, the Plan is required to begin making RMD payments to him by April 1 of the calendar year following the calendar year he attains the age in the table above (age 70-1/2). Therefore, even though Franklin continues in Covered Employment, the Plan started payment of his Retirement Benefit by April 1, 2020 (Franklin's Required Beginning Date).

##### ***Participants born after June 30, 1949 and before January 1, 1951.***

Patrick was born in November 1950 and is fully vested in the Plan. Patrick terminated employment with his Employer on December 31, 2021 at the age of 71 years and 1 month. The Plan is required to begin making RMD payments to him by April 1 of the calendar year following the calendar year he attains the age in the table above (age 72). Therefore, the Plan started his pension benefit by April 1, 2023 (Patrick's Required Beginning Date).

***Participants born after December 31, 1950.***

Charles was born in January 1951 and is fully vested in the Plan. Charles terminated Covered Employment on January 31, 2016, at age 65. The Plan is required to begin making RMD payments to him by April 1 of the calendar year following the calendar year he attains the applicable age in the table above (age 73). Therefore, while Charles was eligible and able to begin Retirement Benefits upon termination of Covered Employment, he is not required to begin taking, and the Plan is not obligated to begin, his pension benefit until April 1, 2025 (Charles' Required Beginning Date).

**QUESTIONS?**

If you have questions about the changes discussed in this notice, please contact the Plan's third-party administrator: TIC International Corps.

TIC International Corps, Inc.  
6405 Metcalf Ave., Suite 200  
Overland Park, Kansas 66202  
Tel: (913) 236-5490

*Sincerely,*

*Board of Trustees*



# **SHEET METAL WORKERS LOCAL UNION NO. 218(S) PENSION PLAN**

## **Return to Work Notification Form – Temporary Waiver**

I, \_\_\_\_\_ (Print First Name, Last Name) elect to return to Covered Employment on a temporary basis for up to 600 hours between August 1, 2022 and July 31, 2023 (“Temporary Waiver Period”).

I plan to return to work on \_\_\_\_\_ (Insert Date) for the following Participating Employer:

\_\_\_\_\_  
Name of Employer

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Employer Phone Number

\_\_\_\_\_  
City, State, Zip Code

### **Please confirm, complete, and initial each of the following statements:**

\_\_\_\_\_(Initial). I have experienced a bona fide retirement, and I am currently receiving a Retirement Benefit from the Sheet Metal Workers Local Union No. 218(S) Pension Plan (“Plan”).

\_\_\_\_\_(Initial). I understand that I must work for a Participating Employer<sup>2</sup> in Covered Employment<sup>3</sup> to qualify under the Temporary Waiver.

\_\_\_\_\_(Initial). I understand that once I have worked 600 hours in Covered Employment during the term of the Temporary Waiver Period (August 1, 2022 through July 31, 2023), I will no longer be able to take advantage of this Temporary Waiver and the Plan’s normal Returning to Work and Suspension of Benefits rules will once again apply, which generally prohibit me from performing (i) any work in disqualifying employment before my normal retirement age (age 62 or 65, depending on Years of Service) and/or (ii) 40 or more hours per month in disqualifying employment on and after my normal retirement age.

\_\_\_\_\_(Initial). I understand that it is my responsibility to monitor the amount of hours that I work during the Temporary Waiver Period, and I further understand the Plan will not notify me before I reach the 600-hour limit permitted under this Temporary Waiver.

\_\_\_\_\_(Initial). I understand that if I return to work in Covered Employment during the term of this Temporary Waiver Period and I do not return this notification form, then I will not be eligible to utilize the Temporary Waiver and the Plan’s normal Returning to Work and Suspension of Benefits rules will apply.

\_\_\_\_\_(Initial). I understand that this Temporary Waiver only applies to the Sheet Metal Workers Local Union No. 218(S) Pension Plan, and I further understand that my returning to Covered Employment may result in contributions being paid to other benefit plans.

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By completing, signing, and submitting this Return to Work Notification Form to the Plan, I am certifying that the information I have provided, including the initialed statements, are true and correct. I also acknowledge and understand that any Plan overpayments that I receive if I exceed the 600-hour limit during the Temporary Waiver Period will be subject to recovery pursuant to the Plan's overpayment rules.

\_\_\_\_\_  
*Print Name*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

XXX-XX-  
\_\_\_\_\_  
*Last 4 Digits of Social Security Number*

\_\_\_\_\_  
*Telephone Number*

**RETURN COMPLETED  
FORM TO:**

TIC International Corporation  
6405 Metcalf Ave., Suite 200  
Overland Park, Kansas 66202

### **NOTES**

<sup>1</sup> A “**Participating Employer**” means any employing organization or member of an association of Employers that is party to a Collective Bargaining Agreement with the Sheet Metal Workers Local Union No. 218(S) requiring contributions to the Sheet Metal Workers Local Union No. 218(S) Pension Fund.

<sup>2</sup> “**Covered Employment**” means the period of employment for which one (1) or Participating Employers makes (or is required to make) contributions to the Plan on account of an Employee. (Note: a Participating Employer is required to make contributions to the Plan for Employees who work under the terms of a Collective Bargaining Agreement with Sheet Metal Workers Local Union No. 218(S)).