



Sheet Metal Workers Local 218(S) Pension Fund

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TIC MIDWEST

SUMMARY OF MATERIAL MODIFICATION IMPORTANT NOTICE

DATE: September 2024

TO: Participants in the Sheet Metal Workers Local Union No. 218(S) Pension Plan

RE: **Increase in Benefit Contributions to the Sheet Metal Workers Local Union No. 218(S) Pension Plan and Changes to the Suspension of Benefit Rules**

Dear Plan Participant:

The Board of Trustees of the Sheet Metal Workers Local Union No. 218(S) Pension Plan ("Plan") recently approved an increase in Benefit Contributions 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").

NOTICE OF INCREASE IN BENEFIT CONTRIBUTIONS

Effective June 1, 2024, the portion of the Benefit Contributions made by a Participating Employer on your behalf, which determines the amount of your Accrued Benefit, has increased by \$0.25.

Additionally, effective June 1, 2024, the Board of Trustees approved moving \$0.25 from the Reserve Contributions to the Benefit Contributions. Reserve Contributions refers to the portion of the total contribution made by Participating Employers on your behalf that is excluded in determining your Accrued Benefit. Benefit Contributions refers to the portion of total contributions made by Participating Employers on your behalf that determines the amount of your Accrued Benefit. Put another way, \$0.25 of Reserve Contributions became benefit bearing (that is, Benefit Contributions) as of June 1, 2024.

With the foregoing changes, the hourly pension contribution rate to the Plan for a Journeyman is \$13.06, of which \$12.40 constitutes Benefit Contributions and \$0.66 constitutes Reserve Contributions.

As a result of these changes, the Benefit Contribution has increased by \$0.50 as follows:

<u>Effective Date</u>	<u>Benefit Contributions*</u>
August 1, 1999	\$3.25
June 1, 2000	\$3.50
June 1, 2001	\$3.75
June 1, 2002	\$4.00
June 1, 2003	\$4.25
June 1, 2004	\$4.60
June 1, 2005	\$5.30

June 1, 2006	\$6.00
June 1, 2007	\$6.70
June 1, 2008	\$7.40
June 1, 2009	\$8.10
June 1, 2010	\$9.16
August 1, 2010	\$7.00
August 1, 2013	\$7.25
August 1, 2014	\$7.50
June 1, 2015	\$8.00
June 1, 2016	\$9.00
June 1, 2017	\$9.50
August 1, 2018	\$10.00
June 1, 2019	\$10.50
June 1, 2020	\$10.65
June 1, 2021	\$11.15
June 1, 2022	\$11.65
June 1, 2023	\$11.90
June 1, 2024	\$12.40

- * Effective for hours worked on and after August 1, 2010, this rate represents the maximum contribution rate allowed for benefit accruals. Any contributions received in excess of these rates will be considered Reserve Contributions and will not be used to determine the amount of your Accrued Benefit.

TEMPORARY WAIVER OF SUSPENSION OF BENEFIT RULE
FOR LIMITED TIME FROM AUGUST 1, 2024 THROUGH JULY 31, 2025

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, 2024 through July 31, 2025). 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, 2025. 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.

- *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, 2024, the Board of Trustees approved a *temporary* waiver of the Suspension of Benefit rule for the period of August 1, 2024 through July 31, 2025 (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 September 2024, 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) for the period of August 1, 2024 through July 31, 2025.

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 from August 1, 2024 through July 31, 2025 (the end of the applicable waiver period). His Retirement Benefit will be suspended after July 31, 2025, 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 2023 at age 65 on a Normal Retirement Benefit. He returned to Covered Employment in September 2024, 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) for the period of August 1, 2024 through July 31, 2025.

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 from August 1, 2024 through July 31, 2025 (the end of the applicable waiver period). His Retirement Benefit will be suspended after July 31, 2024, 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.

Should you have any questions, please do not hesitate to contact the Third Party Administrator.

Sincerely,

Board of Trustees

This document is a Summary of Material Modifications ("SMM") intended to notify you of important plan changes to the plan of benefits for the Sheet Metal Workers Local Union No. 218(S) Pension Plan. This summary is intended to satisfy the requirements for issuance of a SMM under the Employee Retirement Income Security Act of 1974, as amended. You should take the time to read this SMM carefully and keep it with the Summary Plan Description ("SPD"). This SMM does not contain a full restatement of the terms of the SPD. If any conflict should arise between this SMM and the Plan Document, the terms of the Plan Document will govern and control in all cases. If you have any questions regarding these changes, please contact the Third Party Administrator, TIC International Corp., at 6525 Centurion Dr., Lansing, MI 48917, telephone number: (517) 321-7502.