



### **Important Notice – Effective January 1, 2019**

The Combined Trustees of the New England Carpenters Pension Fund have adopted benefit changes affecting Massachusetts, Maine, New Hampshire and Vermont Carpenters. In accordance with the requirements of Section 204(h) of ERISA, notice is given to Plan participants (including retirees and alternate payees) and employee and employer organizations of a Plan amendment that modifies Plan provisions on and after January 1, 2019 as follows:

#### **When is the Amendment Effective?**

The amendment is effective January 1, 2019.

#### **Who is affected by the amendment?**

Massachusetts, Maine, New Hampshire and Vermont participants who earn at least one hour of service on and after January 1, 2019.

#### **What does the amendment do?**

##### **1. Bonus Amount**

The bonus for hours worked beginning January 1, 2019 will be modified from the current structure in effect. If you work at least 1,850 hours in a calendar year at the accrual rate of \$127.00, you will earn a bonus rate of \$5.00. If you work at least 1,850 hours in a calendar year at the accrual rate of \$64.00, you will earn a bonus rate of \$3.00. Previously, there were three bonus levels based on your total hours worked in a plan year:

<b>Hours Worked</b>	<b>Old Bonus Rate</b>	
	<b>\$127.00 Accrual Rate</b>	<b>\$64.00 Accrual Rate</b>
1,700 – 1,849	\$13.00	\$6.00
1,850 – 1,999	\$15.00	\$7.00
2,000 or more	\$18.00	\$9.00

For example, if you work 2,000 hours per year in 2019 through 2022 at the rate of \$127.00, you will earn additional bonus amounts, as follows:

<b>Year</b>	<b>Old Bonus</b>	<b>New Bonus</b>
2019	\$18.00	\$ 5.00
2020	\$18.00	\$ 5.00
2021	\$18.00	\$ 5.00
2022	\$18.00	\$ 5.00
Total bonus earned during 2019 – 2022	\$72.00	\$20.00

Your bonus earned through December 31, 2018 will remain unchanged.

2. Early Retirement

The eligibility for an Early Retirement Pension is not changing; you will be eligible when you reach age 55 if you have at least 10 pension credits. However, the reduction for early retirement applied to your pension credits earned on or after January 1, 2019 will increase from 1% to 6% for each year your pension starting date occurs before Normal Retirement Age. For pension credits you earn through December 31, 2018, the reduction will still be 1% for each year (unless you left work in covered employment prior to 1998).

The Early Retirement Pension will be calculated in two pieces:

1. Benefit earned through December 31, 2018, reduced by 1% for each year you are younger than Normal Retirement Age; plus
2. Benefit earned after January 1, 2019, reduced by 6% for each year you are younger than Normal Retirement Age.

For example, a participant retires on January 1, 2027 at age 57 with 18 years of pension credit. For the purpose of this example, the benefit rate is \$127.00 for all pension credits.

Under the old rule, the benefit is calculated as follows:

<b>Pension Credit</b>	<b>Reduction Factor</b>	<b>Amount of Reduction</b>
18 x \$127.00	5%	\$114.30
$\$2,286.00 - \$114.30 = \$2,171.70$		

Under the new rule, the benefit is calculated as follows:

<b>Pension Credit to 12/31/2018</b>	<b>Reduction Factor</b>	<b>Amount of Reduction</b>	<b>Pension Credit 1/1/2019–12/31/2026</b>	<b>Reduction Factor</b>	<b>Amount of Reduction</b>
10 x \$127.00	5%	\$63.50	8 x \$127.00	30%	\$304.80
$\$1,270.00 - \$63.50 = \$1,206.50$			$\$1,016.00 - \$304.80 = \$711.20$		
Total benefit under new rule: $\$1,206.50 + \$711.20 = \$1,917.70$					

3. Earning Pension Credits

For pension credit earned after January 1, 2019, partial years of work will be credited under a different schedule. Minimum credit will be earned with at least 140 hours and one full year will be earned with at least 1,400 hours; this requirement is the same. The new table for partial years of work is:

<b>Hours within the Plan Year</b>	<b>Pension Credits</b>
1,400 or more	1.0
1,260 less than 1,400	0.9
1,120 less than 1,260	0.8
980 less than 1,120	0.7

<b>Hours within the Plan Year</b>	<b>Pension Credits</b>
840 less than 980	0.6
700 less than 840	0.5
560 less than 700	0.4
420 less than 560	0.3
280 less than 420	0.2
140 - less than 280	0.1
less than 140	0.0

Under the old rule, partial years of work were credited by dividing your hours worked in a plan year by 1,400 and rounding to four decimal places, with a maximum of 1.0 Pension Credit.

Here is an example of how this new rule differs from the old rule.

An employee works 5 years and his hours are as follows:

<b>Plan Year</b>	<b>Hours Worked</b>	<b>Pension Credit Granted Under the Old Rule</b>	<b>Pension Credit Granted Under the New Rule</b>
2019	1,800	1.0000	1.0
2020	1,000	.7143	0.7
2021	1,350	.9643	0.9
2022	1,900	1.0000	1.0
2023	875	.6250	0.6
	<b>Total Pension Credit</b>	<b>4.3036</b>	<b>4.2</b>

Pension credits earned through December 31, 2018 will remain unchanged.

If you have any question about how these changes affect your personal situation, please call the Fund Office at 1-800-344-1515.

For the Pension Fund's Board of Trustees



Jeffrey W. Werner  
Executive Director

cc: Locals  
Contributing Employers