North Atlantic States Carpenters
Pension Fund

Massachusetts Office
350 Fordham Road
Wilmington, MA 01887
www.carpentersfund.org
Phone: 800-344-1515
Fax: 978-752-1121

Rhode Island Office
14 Jefferson Park Road
Warwick, RI 02888
www.RICBF.org
Phone:401-467-6813
Fax: 401-467-6816

Connecticut Office
10 Broadway
Hamden, CT 06518
www.ctcarpentersfunds.org
Phone: 800-922-6026
Fax: 203-230-2457

IMPORTANT NOTICE – DECEMBER 2020

The Combined Trustees of the North Atlantic States Carpenters Pension Fund (formerly, the New England Carpenters Pension Fund) have adopted benefit changes affecting all Participants. Notice is given to Plan participants (including retirees) and employee and employer organizations of a Plan amendment which modifies Plan provisions on and after January 1, 2021.

The amendment is intended to integrate the provisions of the New England Carpenters Pension Plan, the Connecticut Carpenters Pension Plan and the Rhode Island Carpenters Pension Plan following their merger. Some changes may result in a higher benefit for some participants and beneficiaries (or otherwise be more generous than prior rules), and other changes may result in a lower benefit for some participants and beneficiaries (or otherwise be more strict than prior rules).

The new rules will apply only to benefit accruals on and after January 1, 2021, except where otherwise specifically noted. The old rules will still apply to accruals before January 1, 2021. When this is the case, Participants will receive their benefit in two parts, with the old rules applied to accruals before January 1, 2021 and the new rules applied to accruals on and after that date. In no event will there be any reduction to benefits accrued prior to January 1, 2021.

WHEN IS THE AMENDMENT EFFECTIVE?

The amendment is effective January 1, 2021.

WHO IS AFFECTED BY THE AMENDMENT?

All Participants who earn at least one hour of service on or after January 1, 2021.

Section 1. Standard and Optional Forms of Payments

The standard and optional forms of payments available under the Plan will change for the part of your retirement benefit based on accruals on and after January 1, 2021. Participants who earn benefits before, on and after that date will be paid a total benefit equal to the sum of the benefit accrued under each set of rules.

A. Benefits Based On Accruals On and After January 1, 2021 for All Participants

1. With respect to benefits based on accruals on and after January 1, 2021, only the following forms of payment will be available. All optional forms of payment available

prior to January 1, 2021 will continue to be offered for accruals earned prior to January 1, 2021. See Section B below for detailed examples.

a. The standard form of payment for married participants will be a 50% Participant-Spouse Pension with a 24-month pop-up. At retirement, a Participant will be considered to be married and will be able to elect the Participant/Spouse option even if married less than one year.

b. Married Participants will be able to waive, with spousal consent, the standard form of payment and elect instead a 75% Participant-Spouse Option with 24-month pop-up, a 100% Participant-Spouse Option with 24-month pop-up, a Five Year Certain and Life Pension or a Ten Year Certain and Life Pension.

c. The standard form of payment for single participants will be a Five Year Certain and Life Pension.

d. Single Participants will be able to waive the standard form of payment and elect instead a Ten Year Certain and Life Pension.

2. Conversion of Benefits Based on Actuarial Equivalence Factors

The actuarial adjustment factors will change for conversion of future accruals. In the case of a non-disability pension, accruals on and after January 1, 2021 will be adjusted to be the actuarial equivalent of the Five Year Certain and Life Pension using a 6% interest assumption and the RP-2006 Male Blue Collar Healthy Annuitant Mortality Table for employees and the RP-2006 Female Blue-Collar Healthy Annuitant Mortality Table for spouses, projected to 2020 with scale MP-2019.

The actuarial adjustment for Disability Pensions will be changed to be the actuarial equivalent of the Five Year Certain and Life Pension using a 6% interest assumption and the RP-2006 Male Disabled Retiree Mortality Table for employees and the RP-2006 Female Blue-Collar Healthy Annuitant Mortality Table for spouses, projected to 2020 with scale MP-2019.

B. Comparison of the Actuarial Adjustments for Optional Forms of Payment Based On Date of Accrual

1. New England Participants

A Participant's accrued benefit based on accruals before January 1, 2021 will continue to be adjusted by various percentages depending on the benefit form elected and the difference, if any, in ages between the Participant and the Spouse or Beneficiary. Benefits accrued after December 31, 2020 will be reduced on an actuarially equivalent basis (see Section A above).

The example in the chart below is based on a total accrued benefit of $2,000 per month, where $1,000 was accrued before January 1, 2021 and $1,000 was accrued on and after January 1, 2021.

The example assumes the Participant retires at his/her Normal Retirement Age of 62 and the Spouse is age 59, on a non-disability pension.

Options	**Total Monthly Benefit at Retirement With Changes Effective January 1, 2021**	**Total Monthly Benefit at Retirement Without Changes**
50% Participant-Spouse[1]	$1,800.10[2]	Not Available Prior to January 1, 2021
75% Participant-Spouse[1]	$1,757.70	$1,776.00
100% Participant-Spouse[1]	$1,666.10	$1,670.00
Five Year Certain and Life	$2,000.00	$2,000.00
Ten Year Certain and Life	$1,924.70	$1,904.00

2. Connecticut Participants

A Participant's accrued benefit based on accruals before January 1, 2021 will continue to be the Actuarial Equivalent of the accrued benefit payable as a Ten Years Certain Pension, computed using a 6.5% interest rate and the Projected Annuity Mortality Table. Benefits accrued after December 31, 2020 will be reduced on an actuarially equivalent basis (see Section A above).

The example in the chart below is based on a total accrued benefit of $2,000 per month, where $1,000 was accrued before January 1, 2021 and $1,000 was accrued on and after January 1, 2021.

The example assumes the Participant retires at his/her Normal Retirement age of 62 and his/her Spouse is age 59, on a non-disability pension.

[1] 24-month pop-up feature applies to all accruals.

[2] Under this form, a married Participant would receive benefits earned prior to January 1, 2021 payable as a 75% Participant-Spouse Pension, and benefits earned on and after January 1, 2021 as a 50% Participant Spouse Pension.

Option	Total Monthly Benefit at Retirement With Changes Effective January 1, 2021	Total Monthly Benefit at Retirement Without Changes
50% Participant-Spouse[1]	$1,874.70	$1,925.20
75% Participant-Spouse[1]	$1,785.10	$1,830.80
100% Participant-Spouse[1]	$1,703.70	$1,745.20
Five Year Certain and Life	$2,000.00[2]	Not Available Prior to January 1, 2021
Ten Year Certain and Life	$1,972.70	$2,000.00

Note: For Connecticut Participants, the Participant-Spouse option was referred to as the Joint and Survivor option.

3. Rhode Island Participants

A Participant's accrued benefit based on accruals before January 1, 2021 will continue to be adjusted by various percentages depending on the benefit form elected and the difference in ages between the Participant and the Spouse, if any, and whether or not the Participant met the work test for the subsidized factors. Benefits accrued after December 31, 2020 will be reduced on an actuarially equivalent basis (see Section A above).

The example in the chart below is based on a total accrued benefit of $2,000 per month, where $1,000 was accrued before January 1, 2021 and $1,000 was accrued on and after January 1, 2021.

The example assumes the Participant retires at his/her Normal Retirement age of 62 and his/her Spouse is age 59, on a non-disability pension.

[1] 24-month pop-up feature only applies to accruals on and after January 1, 2021.

[2] Under this form, a single Participant would receive benefits earned prior to January 1, 2021 payable as a Ten Year Certain and Life Pension, and benefits earned on and after January 1, 2021 as a Five Year Certain and Life Pension.

Option	Total Monthly Benefit at Retirement With Changes Effective January 1, 2021	Total Monthly Benefit at Retirement Without Changes
50% Participant-Spouse[1]	$1,823.10	$1,822.00
75% Participant-Spouse[1]	$1,737.70	$1,736.00
100% Participant-Spouse[1]	$1,666.10	$1,670.00
Single Life	Not Available After January 1, 2021	$2,000.00
Five Year Certain and Life	$2,000.00[2]	Not Available Prior to January 1, 2021
Ten Year Certain and Life	$1,912.70	$1,880.00

Note: For Rhode Island Participants, the Participant-Spouse option was referred to as the Joint and Survivor option.

Section 2. Death Benefits

Pre-retirement Death Benefits will change effective January 1, 2021 as described below. The Rhode Island lump sum post-retirement death benefit will be eliminated for retirements on and after January 1, 2021 as described below.

A. Pre-Retirement Death Benefits

1. As of January 1, 2021, there will be a number of changes to the death benefits that are payable on behalf of a Participant who dies before retiring. Generally, these changes apply to accruals on and after January 1, 2021, and so there are different death benefits for benefits earned before January 1, 2021 and benefits earned after that date. For accruals before January 1, 2021, death benefits based on the plan provisions then in effect will continue to be payable on those accruals, with the following exception: the pre-retirement lump sum death benefit provided for in Section 6.1 of the Rhode Island Plan is eliminated for Rhode Island Participants who die on and after January 1, 2021, regardless of when benefits accrued, unless no other death benefit is payable on behalf of the Participant.

2. For accruals on and after January 1, 2021, the pre-retirement death benefits listed below will be payable to a Vested Participant's Surviving Spouse or named beneficiary. Only one form of death benefit is payable on behalf of a Participant. No other pre-retirement

[1] 24-month pop-up feature applies to all accruals.

[2] Under this form, a single Participant would receive benefits earned prior to January 1, 2021 payable as a Single Life Pension, and benefits earned on and after January 1, 2021 as a Five Year Certain and Life Pension

death benefits will be payable, and no pre-retirement death benefits will be payable on behalf of non-Vested Participants.

a. Married Participants with at least five years of Vesting Service: Unless the Participant met the standard for a higher benefit (e.g, under paragraph b or c, below), the surviving Spouse portion of the 50% Participant-Spouse Pension, reduced for early retirement to age at death (but not below age 55), will be paid to the surviving Spouse.

b. Married Participants with at least five years of Vesting Service and at least 0.1 pension credit earned in either of two plan years immediately prior to date of death: Unless the Participant met the standard for a higher benefit, the surviving Spouse portion of the 75% Participant-Spouse Pension, reduced for early retirement to age at death (but not below age 55), will be paid to the surviving Spouse.

c. Married Participants with at least 15 Pension Credits and at least 0.1 pension credit earned in either of two plan years immediately prior to date of death: The surviving Spouse portion of the 75% Participant-Spouse Pension will be paid to the surviving Spouse, with no reduction for early retirement.

d. Single Participants with at least five years of Vesting Service: Unless the Participant met the standard for a higher benefit (e.g, under paragraph e or f, below), a five year certain pension, reduced for early retirement to age at death (but not below age 55), will be paid to the Participant’s named beneficiary. No benefits are payable after five years.

e. Single Participants with at least five years of Vesting Service and at least 0.1 pension credit earned in either of two plan years immediately prior to date of death: Unless the Participant met the standard for a higher benefit,, a ten year certain pension, reduced to age at death (but not below age 55), will be paid to the Participant’s named beneficiary. No benefits are payable after ten years.

f. Single Participants with at least 15 Pension Credits and at least 0.1 pension credit earned in either of two plan years immediately prior to date of death: A ten year certain pension will be paid to the Participant’s named beneficiary, with no reduction for early retirement. No benefits are payable after ten years.

Note: To be eligible for the surviving Spouse pre-retirement death benefit, the Participant and Spouse must have been married for at least one year at the time of the Participant’s death. The Spouse cannot waive the beneficiary designation prior to retirement.

B. Post-Retirement Lump Sum Death Benefits (Rhode Island)

The post-retirement lump sum death benefit provided for in Section 6.1 of the Rhode Island Plan is eliminated for Rhode Island Participants who retire on and after January 1, 2021, regardless of when the benefit was accrued.

Section 3. Disability Pension

Eligibility for a Disability Pension based on accruals earned on and after January 1, 2021 is changing as described below. If a Participant does not meet the new requirements for a Disability Pension for accruals after December 31, 2020, he/she may receive a Disability Pension based on the accruals that qualify, and may receive an Early Retirement Pension based on the remainder of his/her accruals, or he/she may wait to receive the remainder of his/her benefit at Normal Retirement Age.

A. Service Requirement

1. Benefits Based On Accruals On and After January 1, 2021

   Effective January 1, 2021, Participants will be eligible for a Disability Pension if they have at least 10 Pension Credits or 10 Years of Vesting Service, they are permanently and totally disabled and they meet all other requirements.

2. Benefits Based On Accruals Before January 1, 2021

   For New England Participants, this is not a change to eligibility for a Disability Pension.

   Connecticut and Rhode Island Participants must have 10 Pension Credits to qualify for a Disability Pension on benefits accrued before January 1, 2021, regardless of their Years of Vesting Service.

B. Work Test

1. Benefits Based On Accruals On and After January 1, 2021

   To be eligible for a Disability Pension based on benefits you accrue on and after January 1, 2021, you must have at least 0.1 Pension Credit in either the plan year in which the disability occurred or the preceding plan year.

2. Benefits Based on Accruals Before January 1, 2021

   The following provisions will continue to apply to benefits accrued before January 1, 2021:

   a. New England Participants need 0.1 Pension Credits in the 36 months prior to the disability.

b. Connecticut Participants need 0.2 Pension Credits in either the plan year in which the disability occurred or the preceding plan year, or be age 55 or older and have 15 or more Pension Credits.

c. Rhode Island Participants need 0.1 Pension Credits in the 36 months prior to the disability.

C. Proof of Disability

1. <u>Benefits Based On Accruals On And After January 1, 2021</u>

   In order to be eligible for a Disability Pension based on accruals on and after January 1, 2021, a Participant must have a determination by the Social Security Administration that he/she is entitled to Social Security disability benefits in connection with old age and survivors insurance coverage in order to be considered permanently and totally disabled. In certain limited circumstances approved by the Trustees, permanent and total disability may be established by medical records supplied by the Participant's physician to the Executive Director ("limited circumstances exception").

2. <u>Benefits Based On Accruals Before January 1, 2021</u>

   For accruals prior to January 1, 2021, the following rules continue to apply:

   a. For New England Participants, disability can be established by medical evidence satisfactory to the Trustees based on examination by a doctor selected by the Fund or by a Social Security determination as described above. In addition, in certain limited circumstances approved by the Trustees, permanent and total disability may be established by medical records supplied by the Participant's physician to the Executive Director

   b. For Rhode Island Participants disability can be established by medical evidence satisfactory to the Trustees based on examination by a doctor selected by the Fund or by a Social Security determination as described above.

   c. The "limited circumstance exception" does not apply to Connecticut and Rhode Island Participants for accruals before January 1, 2021.

D. Return to Work

If a Participant receiving a Disability Pension ceases to be totally and permanently disabled, his/her Disability Pension shall be terminated. This rule will not change.

The following rules apply to a return to work by a Participant receiving a Disability Pension.

1. Benefits Based On Accruals On And After January 1, 2021

   If a Participant receiving a Disability Pension returns to Covered Employment, his/her Disability Pension will be terminated, except as follows based on a **one-time exception**: Participants may return one time to Covered or non-Covered Employment with a contributing Employer for a period of eight (8) consecutive weeks or less without termination of his/her Disability Pension. After the eight week period, a Participant may continue to work in Covered or non-Covered Employment for a contributing employer for up to eight months (including the initial eight week period) during which time the Disability Pension will be suspended. If the Participant stops working before the eight month period is over, he/she will not have to reapply for a Disability Pension and the Disability Pension will resume on the first day of the month after the Participant stops working. Otherwise, the Participant will need to reapply for a Disability Pension and satisfy the eligibility requirements for a Disability Pension, including the six-month waiting period.

2. Benefits Based On Accruals Before January 1, 2021

   The "one-time exception" to the Return to Work Rule is not a change for New England Participants.

   For Rhode Island and Connecticut Participants, the "one-time exception" does not apply to Disability Pension Benefits based on accruals before January 1, 2021.

Section 4. Service Pension

Effective for retirements on and after January 1, 2021, service under the New England, Connecticut, and Rhode Island plans can be combined to determine eligibility for a Service Pension.

Eligibility for a Service Pension based on accruals earned on and after January 1, 2021 is changing as described below. If a Participant does not meet the new requirements for a Service Pension for accruals after December 31, 2020, he/she may receive a Service Pension based on the accruals which qualify, and may receive an Early Retirement Pension based on the remainder of his/her accruals, or he/she may wait to receive the remainder of his/her benefit at Normal Retirement Age.

A. Benefits Based on Accruals on and after January 1, 2021

For benefits accrued on and after January 1, 2021, Participants will be entitled to a Service Pension upon earning 30 Pension Credits (counting Pension Credits earned before, on and after January 1, 2021). Years of Vesting Service will not count for purposes of earning a Service Pension with respect to accruals on and after January 1, 2021.

B. Benefits Based on Accruals Before January 1, 2021

1. There is no change to the eligibility for a Service Pension for New England Participants. Thirty Pension Credits are required to qualify for a Service Pension based on accruals

both before, on and after January 1, 2021. Vesting Service does not count toward a Service Pension.

2. Before this change, Connecticut and Rhode Island Participants previously were eligible for a Service Pension upon earning 30 Pension Credits or 30 Years of Vesting Service. Now, Vesting Service will no longer count toward eligibility for a Service Pension with respect to accruals after December 31, 2020. However, Vesting Service earned on and after January 1, 2021 will continue to count for purposes of determining whether a Connecticut or Rhode Island Participant has 30 Years of Vesting Service with respect to eligibility for a Service Pension based on accruals before January 1, 2021.

   Examples for Connecticut and Rhode Island Participants:

   If you earned 30 Years of Vesting Service and 25 Pension Credits prior to January 1, 2021, you are eligible for a Service Pension based on your accrued benefit through December 31, 2020 if you meet all other requirements. If you continue to accrue benefits on and after January 1, 2021, you will not be eligible for a Service Pension on those additional benefits until you have earned a total of at least 30 Pension Credits.

   Here are some examples of how this change might affect your benefits.

   a. If you have not earned any accruals after December 31, 2020 when you retire:

      Benefits earned prior to January 1, 2021 at age 56:

      30 Vesting Credits

      25 Pension Credits x 100 = $2,500

      You are eligible for a Service Pension of $2,500

   b. If you earn additional accruals after December 31, 2020 before you retire, the following will apply to those accruals in addition to the benefits described above:

Benefits earned on and after January 1, 2021:

3 Vesting Credits

3 Pension Credits x 100 = $300

You are not eligible for a Service Pension on these benefits because you only have 28 years of Pension Credit. If you retire on December 31, 2024, you will receive a Service Pension (no actuarial reduction) with respect to your accruals before January 1, 2021. However, your benefits based on accruals on and after January 1, 2021 will be reduced for early retirement. Before the change, you would have been entitled to a Service Pension on these additional accruals as well.

c. If you earn at least five additional Pension Credits before you retire, then you can retire with a Service Pension on all your accruals.

d. If you retire before you earn a total of 30 Pension Credits (i.e., before you earn another 5 Pension Credits), you will have to wait until you reach Normal Retirement Age or are eligible for an Early Retirement Pension to receive the benefit you accrued after December 31, 2020.

e. If you earned fewer than 30 Vesting Credits prior to January 1, 2021, you will be entitled to a Service Pension on the benefit accrued as of December 31, 2020 once you have earned a total of at least 30 Years of Vesting Service, including Vesting Service earned after January 1, 2021.

Section 5. Partial Pensions and Credit for Work With Other Carpenters' Pension Plans

Participants that worked in employment covered by other Carpenters' pension plans that have signed the International Carpenters' Pro Rata Agreement may have that employment recognized by the Plan for certain purposes. The purposes for which that employment is recognized by the Plan will change for employment that occurs on and after January 1, 2021.

A. Benefits Based on Accruals Before and After January 1, 2021

Effective January 1, 2021, the following provisions will apply to accruals both before and after that date:

1. If a Participant otherwise would not have sufficient Pension Credits to qualify for a benefit under this Plan, employment covered by a different Carpenters' pension plan will be recognized to determine whether you are eligible for a benefit under this Plan but will not affect the amount of your pension.

2. Employment covered by a different Carpenters' pension plan will count toward Vesting Credits under this Plan (but for no more than 1 credit per year).

B. Benefits Based on Accruals on and After January 1, 2021

With respect to benefits based on accruals on and after January 1, 2021, the following provisions will apply:

Employment covered by a different Carpenters' pension plan will not qualify Participants for a higher accrual rate under this Plan. Only a Participant's most recent employment covered by this Plan counts toward establishing the Participant's accrual rate for benefits earned under this Plan.

C. Benefits Based on Accruals Before January 1, 2021

1. New England Participants

Before this change, the Plan recognized employment covered by a different Carpenters' pension plan to qualify a New England Participant for a benefit under this Plan and for this Plan's accrual rate for the same period. Vesting Credit under the other Plan was not recognized by this Plan.

Example 1: You worked in employment covered by this Plan from 2000 through 2003, and in employment covered by a different Carpenters' pension plan from 2004 through 2009. Under the old rule, your work from 2000 – 2003 was not recognized by this Plan toward vesting, so you would not be entitled to a benefit from this Plan. Under the new rule, you would receive a benefit from this Plan for service from 2000-2003.

Example 2: You work in employment covered by this Plan from 2021 through 2023, and in employment covered by a different Carpenters' pension plan from 2024 through 2030. You will have a vested benefit in this Plan. The accrual rate in effect from 2021 through 2023 for this Plan is $127. If there is a plan change in 2027 that increases the accrual rate for all years of service, your accrual rate will be frozen at the accrual rate in effect in 2023, when you last worked in employment covered by this Plan. Under the old rule, the service in 2027 in employment covered by a different Carpenters' pension plan would have qualified you for the accrual rate increase.

2. Connecticut and Rhode Island Participants

There is no change for Connecticut and Rhode Island Participants.

Section 6. <u>Actuarial Adjustment for Delayed Retirement</u>

A Participant may be entitled to an actuarial increase to his/her benefit under certain conditions if he delays retirement until after Normal Retirement Age. The amount of any such actuarial increase is changing for accruals on and after January 1, 2021. Note that all other plan provisions must be met for the actuarial increase to apply.

A. Benefits Accrued On and After January 1, 2021

Any applicable actuarial increase for retirements after Normal Retirement Age will be 1% per month for each month between Normal Retirement Age and the Pension Starting Date.

B. Benefits Accrued Before January 1, 2021

1. <u>New England and Rhode Island Participants</u>

   Any applicable actuarial increase for retirements after Normal Retirement Age is 1% per month for the first 60 months after Normal Retirement Age and 1.5% per month for each month thereafter.

2. <u>Connecticut Participants</u>

   Any applicable actuarial increase for retirements after Normal Retirement Age is calculated using a 6.5% interest rate and the Projected Annuity Mortality Table, or by using the factors in Section B.1, above, if that results in a larger benefit.

C. Example

Assume a New England or a Rhode Island Participant stops work at his/her Normal Retirement age of 62 and his/her benefit at that time would, if he/she commenced benefits, be $1,000 per month, all accrued on and after January 1, 2021. If he/she waits to commence benefits until age 69, under the new rule his/her benefit will be increased by $840.00 per month (.01 x 84 months x $1,000), for a total benefit of $1,840.00 per month. If he/she had accrued his/her entire benefit under the old rule (for pre-January 1, 2021 accruals), his/her benefit would have been increased by $960 ((.01 x 60 months x $1,000) + (.015 x 24 months x $1,000)), for a total benefit of $1,960 per month.

If a Connecticut Participant retired under the same circumstances, his/her benefit accrued on and after January 1, 2021 would be $1,840.00, as shown above. If he/she had accrued his/her entire benefit under the old rule, his/her benefit using the applicable factors would have been increased by $1,088.50, for a total benefit of $2,088.50 per month.

Section 7. <u>Suspension of Benefits</u>

With respect to accruals on and after January 1, 2021, the rules regarding suspension of benefits upon reemployment ("suspension rules") will be made uniform for all Participants. For New England and Rhode Island participants, the suspension rules for accruals before, on and after January 1, 2021 will generally be the same. For Connecticut participants, there will be different suspension rules for accrual before January 1, 2021 and for accruals earned on and after January 1, 2021.

A. Suspension of Benefits Before Normal Retirement Age

Different rules apply to suspension of benefits before, on and after Normal Retirement Age. This section describes the rules that apply before Normal Retirement Age.

1. <u>Disqualifying Employment</u>

   a. Accruals on and After January 1, 2021 for Connecticut Participants and All Accruals for New England and Rhode Island Participants

   The definition of Disqualifying Employment has not changed for New England and Rhode Island Participants, except that Rhode Island Participants are now subject to fewer restrictions. See Section b. for a description of the changes to the rules for Connecticut Participants.

   The following applies to accruals earned on and after January 1, 2021 for Connecticut Participants and all accruals for New England and Rhode Island Participants. A Participant's monthly benefit will be suspended for any month in which he/she is employed in any disqualifying employment, defined as 1) any employment or self-employment in an occupation for which the Fund accepts contributions, or 2) an occupation or any business which is or may be under the jurisdiction of an affiliate of the United Brotherhood of Carpenters & Jointers of America, AFL-CIO, or 3) in any capacity in the building and construction industry with the following exceptions:

   i. Clerk of the Works

   ii. Building or construction inspector or home inspector as defined by the American Society of Home Inspectors Standards of Best Practice and Code of Ethics

   iii. Vocational education instructors

   iv. Persons involved in the training or pre-training of carpenters for non-profit entities such as Youth Build and Habitat for Humanity

   v. Part-time instructors working no more than 39 hours per month for apprentice and training programs affiliated with the Union

vi. From August 1, 2019 through June 30, 2021, retired Participants who return to work as an instructor for the New England Carpenters Training Fund

vii. From September 1, 2015 through December 31, 2023, safety officers, estimators or project engineers working for a contributing employer in the Pension Pilot Program. For Participants not already working in the Program as of January 1, 2021, this exception only applies if the Participant is age 62 or older and working for a contributing employer in a position for which the employer does not pay contributions to the Fund.

b. Accruals Before January 1, 2021

Connecticut Participants: The definition of Disqualifying Employment for accruals earned before January 1, 2021 for Connecticut Participants is work of 40 hours or more in the construction industry in the geographic area covered by the plan and in any phase of the carpenters trade or craft. There is an exception to this rule for the period June 1, 2019 through December 31, 2023, for certain safety officers, estimators or project engineers, as described in Section A(1)(a)(vii), above.

However, for accruals on and after January 1, 2021, benefits will be suspended for any disqualifying employment as defined in section A(1).

New England and Rhode Island Participants: As noted above, the definition of Disqualifying Employment for accruals earned before, on and after January 1, 2021 for New England and Rhode Island Participants is the same, except that the exceptions in Section A.1(i)-(vi) did not apply to Rhode Island Participants.

2. <u>Additional Six-Month Suspension and New "One-Time Exception"</u>

For accruals earned on and after January 1, 2021 for Connecticut Participants and all accruals for New England and Rhode Island Participants, after a Participant's first period of disqualifying employment ends, his/her benefit payments will resume. However, benefit accrual rates applicable to the accruals prior to the initial retirement will not be affected by changes in future benefit accrual rates. If the Participant again returns to disqualifying employment, his/her benefits will again be suspended for each such month of disqualifying employment and_for the six month period <u>after</u> the participant ceases disqualifying employment. The additional six month suspension will apply to every period of re-employment thereafter.

*New England Participants***:** Previously, there was no one-time exception to the additional six-month suspension and there was a limited exception to the additional six-month suspension for Participants who returned to work within twelve months and worked at least 2,000 hours or became disabled after working less than 700 hours. This exception will continue to be available for accruals earned before January 1, 2021, but it will no longer apply to accruals on and after January 1, 2021.

*Rhode Island Participants***:** Previously, there was no one-time exception to the additional six-month suspension.

*Connecticut Participants***:** For accruals prior to January 1, 2021, there is no additional six-month suspension period.

3. Other Circumstances Resulting in Suspension

   For accruals earned on and after January 1, 2021 for Connecticut and Rhode Island Participants and all accruals for New England Participants, an additional six-month suspension will apply if the Participant willfully misrepresents his/her employment status to the Plan. This does not apply to accruals prior to January 1, 2021 for Rhode Island and Connecticut Participants.

   If requested by the Fund, Pensioners who have not yet reached Normal Retirement Age must provide the Fund with a copy of their federal income tax return for the prior year. Benefits will be suspended if the form is not submitted by the due date until the Fund receives the form (but not after the Participant's Normal Retirement Age). This does not apply to accruals prior to January 1, 2021 for Rhode Island and Connecticut Participants.

B. Suspension of Benefits at and After Normal Retirement Age

This section describes the suspension rules that apply at and after Normal Retirement Age.

1. Disqualifying Employment:

   a. Accruals on and After January 1, 2021 for Connecticut Participants and All Accruals for New England and Rhode Island Participants

      The following applies to accruals earned on and after January 1, 2021 for Connecticut Participants and all accruals for New England and Rhode Island Participants, A Participant's monthly benefit shall be suspended for any month in which he/she worked or was paid for at least 40 hours in disqualifying employment, defined as employment or self-employment that is i) in an industry covered by the Plan when the Participant's pension payments began, ii) in the geographic area covered by the Plan when the Participant's pension began, and iii) in any occupation in which the Participant worked under the Plan at any time or any occupation covered by the Plan at the time the Participant's pension payments began, with the following exceptions:

      i. Clerk of the Works

      ii. Building or construction inspector or home inspector as defined by the American Society of Home Inspectors Standards of Best Practice and Code of Ethics

      iii. From August 1, 2019 through June 30, 2021, retired Participants who return to work as an instructor for the New England Carpenters Training Fund

      iv. From September 1, 2015 through December 31, 2023, safety officers, estimators or project engineers working for a contributing employer in the Pension Pilot Program. For Participants not already working in the Program as of January 1, 2021, this exception only applies if the Participant is age 62 or older and working for a contributing employer in a position for which the employer does not pay contributions to the Fund.

However, if a Participant worked in Covered Employment only in a skilled trade or craft, that is, as a carpenter, employment or self-employment shall be disqualifying only if it is in work that involves the skill or skills of that trade or craft directly or, as in the case of supervisory work, indirectly. Any work for at least 40 hours in a month for which contributions are required to be made to the Plan shall be disqualifying.

2. Accruals Before January 1, 2021

The definition of Disqualifying Employment for accruals earned before, on and after January 1, 2021 is the same, with the following exceptions.

Rhode Island and Connecticut Participants: For accruals before January 1, 2021, the exceptions is Section 1.a.(i)-(iv) did not apply.

Rhode Island Participants: For accruals before January 1, 2021, Rhode Island Participants who retired with a Normal Retirement Pension and thereafter acted as an owner-operator are not subject to suspension of their benefits for such employment unless it displaced a carpenter. This exception will continue to be available for accruals earned before January 1, 2021, but it will no longer apply to accruals on and after January 1, 2021.

Connecticut Participants: For accruals before January 1, 2021, there is an exception to the definition of Disqualifying Employment for Connecticut Participants engaged in office work for a Local Union that had been, but then ceased to be, signatory to a Participation Agreement with the Pension Fund. The exception applies to work done after 2011 by an Employee who has reached Normal Retirement Age and is no longer eligible for Pension Fund contributions. This exception will continue to be available for accruals earned before January 1, 2021, but it will no longer apply to accruals on and after January 1, 2021.

Section 8. Required Beginning Date

For Participants born on or after July 1, 1949, the Participant's Required Beginning Date is the April 1 of the calendar year following the calendar year in which the Participant attains age 72. For Participants born before July 1, 1949, "age 72" is replaced with age "70-1/2." Participants must begin receiving their benefits no later than their Required Beginning Date.

Participants who attained age 70-1/2 on or after January 1, 2020 may elect to begin receiving their benefits on or after the April 1 of the calendar year following the calendar year in which they turn age 70-1/2, even if they have not retired. Further, there will be no suspension of benefits as of the April 1 following the calendar year in which the Participant attains age 70-1/2.

Section 9. Hours of Service for Non-Work Periods

Rhode Island and Connecticut Participants will be subject on and after January 1, 2021 to the rules that now, and will continue to, apply to New England Participants with respect to receiving Pension Credits and Vesting Credits for periods of military service and Pension Credits and Vesting Credits for periods of disability. A Participant cannot earn Pension Credits for a period of disability if the Participant is also receiving monthly Disability Pension benefits for that same period.

A. Credits for Service in the Armed Forces of the United States

1. New England Rules (Applicable to All Participants for Military Service Beginning on and after January 1, 2021)

   Participants may earn Pension Credits and Vesting Credits during a period of military service. The Participant must return to covered employment or be available for work in covered employment within a time period established by law after discharge from military service.

   The Participant must have worked at least 140 hours in covered employment in the 12 months before entering military service and must work at least 140 hours in covered employment in the 12 months after discharge. If the Participant meets those conditions, the Participant will receive Pension and Vesting Credit for weekly hours equal to the highest average hours per week worked in Covered Employment in one of three calendar years before entering the military .

2. Connecticut Participants

   Before January 1, 2021, Connecticut Participants were entitled to credit for periods of military service, but the Plan did not have a "work test" to determine when a Participant left covered employment for purposes of military service and returned to covered employment. Participants earned Pension and Vesting Credits based on their average monthly hours during the 12 months preceding their military service. If the period of military service began before January 1, 2021, the old rule still applies, even if the Participant returns to work after January 1, 2021.

3. Rhode Island Participants

   Before January 1, 2021, Rhode Island Participants were entitled to Pension and Vesting Credit for periods of military service, but the "work test" to determine whether Participants left covered employment for purposes of military service and returned to covered employment in accordance with USERRA was whether the Participant had worked 160 hours in the 12 months before military service and 160 hours at any point after. Participants earned Pension and Vesting Credits based on their average monthly hours during the 3 years preceding their military service. If the period of military service began before January 1, 2021, the old rule still applies, even if the Participant returns to work after January 1, 2021.

B. Pension Credit while on Total Disability

1. New England Participants (and For All Participants for Periods of Disability Beginning on and After January 1, 2021)

   To be eligible for Pension Credits, a Participant must earn at least 0.1 Pension Credit (140 hours) in one of the two consecutive Plan Years immediately before the Plan Year in which the disability begins. For example, if a period of total disability begins in 2020, the Participant must have worked at least 140 hours in 2018 or 2019 to receive pension credit in 2020. The Participant must demonstrate total disability to the Trustees or show that the Participant is receiving Workers' Compensation benefits.

   If eligible, the Participant will be credited with 35 hours of service per week toward Pension Credits. In no event may the Participant receive hours of service in more than 52 weeks, regardless of the length of disability or the number of periods of disability, or a total of 1,820 hours of service. Even if a Participant's period of disability is temporary, the Participant will be credited with no less than 840 hours of service in a Plan Year. Pension Credits during disability will not count toward eligibility for any future accrual rate increase. To receive Pension Credit, the Participant must apply within one year of the beginning of disability.

   As always, Participants may not receive Pension Credit during a period of disability in which the Participant is also receiving a Disability Pension.

2. Connecticut Participants

   If a Connecticut Participant became disabled before January 1, 2021, the Participant received Pension Credit for up to 30 hours per week, not to exceed 780 hours per period of disability, for a period in which Workers' Compensation benefits were paid, the Participant received weekly accident and sickness benefits, or a period for which a physician certified the Participant's disability. Those Pension Credit rules will continue for those already being credited because of disabilities before January 1, 2021. For periods of disability that begin on and after January 1, 2021, the New England rules will apply.

3. Rhode Island Participants

   Before January 1, 2021, Rhode Island Participants did not receive Pension Credit for periods of disability during which they were not paid or entitled to payment, or for periods during which they received Workers' Compensation benefits. For periods of disability that begin on and after January 1, 2021, the New England rules will apply.

C. Pension and Vesting Credit for Apprentices

For apprentices indentured on and after October 1, 2017, vesting credit will be credited for work during the first and second years of apprenticeship during which time no contributions were made on behalf of the Participant. This is a change for New England and Connecticut Participants.

In addition, Pension Credit will be credited for work during the first and second years of apprenticeship during which time no contributions were made on behalf of the Participant, provided he/she has earned at least 10 Pension Credits subsequent to such years of apprenticeship. This is a change for Connecticut and Rhode Island Participants.

Section 10. <u>Normal Retirement Age</u>

For Employees who first earn 0.1 Pension Credits or 0.1 Years of Vesting Service (140 hours) in the Plan on and after January 1, 2021, Normal Retirement Age means the later of age 65 or the age of the Participant on the fifth anniversary of his/her participation. Pension Credits and Years of Vesting Service before a Permanent Break-in-Service shall not be counted. **Although Normal Retirement Age is 65, there will be no early retirement reduction between age 62 and 65.**

There is no change to the Normal Retirement Age for Employees who first earned 0.1 Pension Credits or 0.1 Years of Vesting Service (140 hours) in the Plan before January 1, 2021 unless they had a Permanent Break-in-Service.

Section 11. <u>Beneficiary Designations and Simultaneous Death of Participant and Beneficiary</u>

The following rules about what happens if a Participant does not designate a beneficiary or if the Participant and Beneficiary die simultaneously are effective January 1, 2021:

If the Participant has no designated beneficiary at the time of death, any death benefit will be payable as follows:

- To the Participant’s spouse, if any;
- If there is no surviving spouse, to the Participant’s surviving children;
- If there is no surviving spouse or children, to the Participant’s surviving parents;
- If there is no surviving spouse, children, or parents, to the Participant’s surviving siblings; and
- If there is no surviving spouse, children, parents, or siblings, to the Participant’s estate.

If the Participant named a designated beneficiary, but the designated beneficiary predeceased the Participant, the Participant will be treated as if he/she had not named a designated beneficiary.

If the Participant and his/her spouse or designated beneficiary die simultaneously, the spouse or beneficiary shall be deemed to have predeceased the Participant. Simultaneous death shall be defined as the death of the Participant and Spouse or other Beneficiary arising out of the same accident or calamity wherein the deaths are determined to have occurred within 90 days of each other.

*   *   *

This notice is being provided in accordance with the requirements of Section 204(h) of the Employee Retirement Income and Security Act of 1974, as amended (ERISA). This notice (technically called a Summary of Material Modifications) is a summary of a Plan changes which will be described in greater detail in legal documents known as Plan amendments and in Plan definitions. Since we cannot cover every possible situation in this notice, the Plan documents will control your benefit rights. Because some of the changes described will result in lower future accruals than would result under the current Plan provisions, this notice is characterized under ERISA Section 204(h) as a notice of changes that may significantly reduce your future benefit accruals. This notice is being sent to all active and retired Plan participants; all participating Union Locals, the North Atlantic States Regional Council of Carpenters and all contributing employers.

If you have any question about how these changes affect your personal situation, please call the Fund Office.

Sincerely,

Board of Trustees