Your Future — Our Focus

Mid-America Carpenters Regional Council
PENSION FUNDS

12 E Erie St, Chicago, IL 60611 • (312) 787-9455 • carpenterbenefits.org

An Important Message from the Trustees of the

Mid-America Carpenters Regional Council Pension Fund and Millmen Pension Fund

The Boards of Trustees of the Mid-America Carpenters Regional Council Pension Fund ("Construction Fund") and the Mid-America Carpenters Regional Council Millmen Pension ("Millmen Fund") are excited to announce the merger of the Millmen Fund into the Construction Fund, effective July 1, 2023 (the "merger date").

The merger of the Funds benefits participants by increasing efficiencies in plan administration and professional services. The post-merger Construction Fund will hold in excess of $4.5 billion in assets. The merger is therefore expected to reduce aggregate fees and costs through improved efficiencies and economies of scale.

Following the merger, each participant in the Millmen Fund will become a participant in the Construction Fund, and the Millmen Fund will cease to exist as of the merger date. This merger does not reduce or decrease the vested benefit of any participant in the Millmen Fund accrued through June 30, 2023. The benefits accrued as of June 30, 2023 under the Millmen Fund will continue to be held in trust on your behalf as a participant in the Construction Fund and the Construction Fund will become responsible for paying Millmen Fund benefits that you are entitled to receive and administering the pre-merger version of the Millmen Plan. The Construction Fund is administered by the same office and staff as the Millmen Fund. No participant of the Millmen Fund may receive a duplicate benefit from the Millmen and Construction Funds.

For participants in the Millmen Fund, the plan provisions that govern will depend on when the applicable service was performed—for service:

- Before July 1, 2023, the provisions of the Millmen Fund Plan Document will govern.
- On or after July 1, 2023, the provisions of the Construction Fund Plan Document, restated as of July 1, 2023, will govern.

The Construction Fund will combine and recognize all service earned under both the Millmen and Construction Funds for purposes of determining eligibility for both pre- and post-merger benefits.

Retired participants and beneficiaries currently receiving monthly pension benefit payments from the Millmen Fund will continue to receive the same benefits to which they are entitled. As of the merger date, those benefits will be paid from the Construction Fund. For those currently receiving monthly pension benefits from both the Millmen Fund and the Construction Fund, as of the merger date, the benefits will be combined into one monthly payment and paid from the Construction Fund.

Pension credit earned in the Millmen Fund by active and inactive participants will be recognized by the Construction Fund at the accrual rate in effect when the credit was earned in the Millmen Fund. Consult your most recent Pension Benefit Statement, mailed to you April 6, 2023, for details on the Millmen Fund credit that is transferring to the Construction Fund and the applicable accrual rate.

This merger will provide working carpenters enhanced benefits, *prospectively, as of the merger date*, including:

- **Pension Accrual Rate:** For carpenters working under a collective bargaining agreement currently requiring contributions to the Millmen Fund, the applicable pension accrual rate is—determined by the percentage of the contributing employer's contribution rate relative to the MARBA/CAGC Construction Plan contribution rate rounded up to the nearest dollar. Accrual rates will be reviewed and set annually.

- **Additional Pension Credit:** Former Millmen Plan participants will have the opportunity to earn more than 1.00 credit per calendar year; the Millmen Plan currently limits participants to 1.00 year of credit per calendar year. Under the Construction Plan, credits per calendar year can be earned as follows:
    - 1,500 hours = 1.25 credits
    - 1,750 hours = 1.50 credits

- **Level Income Pension Options:** Participants will have the opportunity to elect a Level Income Pension Option form of payment under the Construction Plan.

- **Early Retirement Benefits:** Actuarially reduced early retirement benefits will be available to participants between the ages of 55 and 59 (the Millmen Fund currently offers an actuarially reduced early retirement at age 60).

- **Pre-retirement Death/Pension Benefit:** The Pre-retirement death benefit (generally available upon the death, before retirement, of an unmarried participant who has not yet reached early retirement age) will increase from $345 per year of pension credit to $875 per year of pension credit.

- **Joint & Survivor 60-Month Guarantee:** Former Millmen Plan participants will be offered automatically a 60-month payment guarantee on all Joint & Survivor Benefit Options. This 60-month guarantee means: if, at the time of retirement, a participant elects a Joint & Survivor Option and the participant and spouse both die before 60 monthly benefit payments have been made, the participant's secondary beneficiaries will receive the remaining monthly payments, up to the guaranteed total of 60 payments. This guarantee is not currently available under the Millmen Plan. For retirees that will be impacted by this benefit, a new monthly beneficiary designation form is enclosed. Please complete the form and return it to the Fund Office.

- **Lump Sum Death Benefit for Retired Participants:** The lump sum death benefit will increase from $2,000 to $3,000. For retired participants currently eligible for the lump sum death benefit, a new lump sum beneficiary designation form is enclosed. Please complete the form and return it to the Fund Office. If you do not complete and return an updated beneficiary designation form, the Construction Fund will take into account your existing forms on file.

This notice, which is a summary, is intended to explain the changes in non-technical terms. Any and all benefits available under the Millmen Fund or Construction Fund are governed by the terms of the applicable plan document. In the event of a conflict between this notice and the terms of the applicable plan document, the terms of the plan document control.

An updated Summary Plan Description booklet for the Construction Plan will be sent to all participants and retirees once available. To obtain a copy of the Millmen Fund Plan Document and/or Construction Fund Plan Document and currently available Summary Plan Description booklets, visit our website at carpenterbenefits.org or contact the Fund Office at (312) 787-9455, option #4. Representatives are available Monday to Friday, 8:00 a.m. – 4:30 p.m.

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An Important Message from the Trustees of the

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Pension Fund and **Millmen Pension Fund**

Additional information about the July 1, 2023 merger of the Mid-America Carpenters Regional Council Pension Fund ("Construction Fund") and the Mid-America Carpenters Regional Council Millmen Pension Fund ("Millmen Fund").

At the end of May, when the initial notice about the merger was sent to you, you were informed that your Millmen and Construction pension payments would be combined into one monthly payment. That statement was *incorrect*. Please accept our apologies for this error.

You will continue to receive <u>two separate pension payments</u> each month, one for the benefit you accrued under the Construction Fund and one for the benefit you accrued under the Millmen Fund. The benefit amounts are <u>not</u> changing.

For questions, please contact the Fund Office at (312) 787-9455, option #4. Representatives are available Monday to Friday, 8:00 a.m. – 4:30 p.m.

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An Important Message from the Trustees of the

Mid-America Carpenters Regional Council Pension Fund

You previously received an announcement regarding the merger of the Mid-America Carpenters Regional Council ("MACRC") Millmen Pension ("Millmen Fund") into the Mid-America Carpenters Regional Council Pension Fund ("Construction Fund"), which became effective July 1, 2023 (the "merger date"). **Those who participated in the Millmen Fund immediately prior to the merger date are now participants in the Construction Fund; the Millmen Fund no longer exists.**

This notice only applies to those who work in employment covered by the MACRC Pension Fund ("Construction Fund") on or after January 1, 2024.

As a reminder, the merger does not reduce or decrease the vested benefit of any participant in the Millmen Fund accrued through June 30, 2023. The benefits accrued as of June 30, 2023 under the Millmen Fund continue to be held in trust on your behalf as a participant in the Construction Fund and the Construction Fund is now responsible for paying Millmen Fund benefits you are entitled to receive, and administering the pre-merger version of the Millmen Plan.

The merger resulted in some post-merger benefit improvements for Millmen Fund participants, including an increase in the maximum amount of Pension Credit that can be earned in a calendar year (from 1.0 year to 1.5 years). However, the 1.5 year maximum could potentially have an adverse impact on individuals who prior to the merger participated in both the Millmen Fund and the Construction Fund. This notice, which is being issued to you pursuant to section 204(h) of a federal law known as the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), identifies the potential adverse impact.

Pension Credit Limits

- **Pre-Merger:** As noted, prior to the merger, a participant in the Millmen Fund could earn up to 1.0 year of Pension Credit in a calendar year. The Construction Fund permits participants (including former Millmen Fund participants who are now participants in the Construction Fund) to earn up to 1.5 years of Pension Credit in a calendar year. While unlikely, it was possible for an individual who participated in both the Millmen Fund and the Construction Fund prior to the merger to earn up to 1.0 year of Pension Credit under the Millmen Fund and up to 1.5 years of Pension Credit under the Construction Fund in the same calendar year.
- **Post-Merger:** As of the merger date, former Millmen Fund participants now have the opportunity to earn up to 1.50 years of credit per calendar year under the Construction Fund. However, no Pension Credit may be earned under the Millmen Fund as of the merger date because the Millmen Fund no longer exists.

Transition Rule for 2023

The Trustees adopted a transition rule for the 2023 calendar year only, which allows former Millmen Fund participants to earn up to 2.5 years of Pension Credit (up to 1.0 year of Pension Credit under the Millmen Fund prior to the merger and up 1.5 years of Pension Credit under the Construction Fund) in the 2023 calendar year.

Effective January 1, 2024, the 1.5 years of Pension Credit maximum will apply to all participants.

Example

Prior to the merger, Joe participated in both the Millmen Fund and the Construction Fund. In 2022, Joe worked 1,000 hours in employment covered by the Millmen Fund, which earned him 1.0 year of Pension Credit under the Millmen Fund. Also in 2022, Joe worked 1,000 hours in employment covered by the Construction Fund, which earned him 1.0 year of Pension Credit under the Construction Fund. Therefore, Joe earned 1.0 year of Pension Credit under the Millmen Fund and 1.0 year of Pension Credit under the Construction Fund in the 2022 calendar year.

In 2023, Joe worked 1,000 hours in employment covered by the Millmen Fund prior to the merger, which earned him 1.0 year of Pension Credit under the Millmen Fund. Also in 2023, Joe worked 1,000 hours in employment covered by the Construction Fund, which earned him 1.0 year of Pension Credit under the Construction Fund. Pursuant to the merger and the transition rule in effect for the 2023 calendar year, Joe earned 2.0 years of Pension Credit under the Construction Fund in the 2023 calendar year.

If Joe works the same amount (2,000 hours) in the 2024 calendar year as he did in 2022 and 2023, he will earn 1.5 years of Pension Credit under the Construction Fund in the 2024 calendar year.

This notice, which is a summary, is intended to explain the changes in non-technical terms. Any and all benefits available under the Millmen Fund or Construction Fund are governed by the terms of the applicable plan document. In the event of a conflict between this notice and the terms of the applicable plan document, the terms of the plan document control.

An updated Summary Plan Description booklet for the Construction Fund Plan Document will be sent to all participants and retirees once available. To obtain a copy of the Millmen Fund Plan Document and/or Construction Fund Plan Document and currently available Summary Plan Description booklets, visit our website at carpenterbenefits.org or contact the Fund Office at (312) 787-9455, option 4. Representatives are available Monday to Friday, 8:00 a.m. – 4:30p.m.