

Summary of Material Modifications

March 2020

As Trustees of the Local Union No. 9, I.B.E.W. and Outside Contractors Pension Plan, our goal is to provide retirement benefits that meet our participants’ needs, enable our contributing employers to be competitive, and ensure that the Plan complies with legislative guidelines. To meet these goals, we periodically review the Plan and make changes when necessary. To that end, the Board has amended the Plan’s documents to the extent that changes are being made to the Summary Plan Description 2016 Edition (“SPD”). The changes explained in this notice are effective April 1, 2020.

The Trustees have elected to increase the Regular Pension Benefit Accrual Rate effective April 1, 2020. This includes a 6.25% increase in the monthly pension benefit to retirees and surviving spouses currently in payment status as of April 1, 2020.

The sections of the SPD that are impacted by this change are shown below. The changes are highlighted in yellow.

Types of Pensions Available

REGULAR RETIREMENT PENSION

Example: Regular Retirement Pension

Linda retired on July 1, 2020 (her 62nd birthday) with 25 Pension Credits. She earned at least ¼ of a Pension Credit after January 1, 2019. Linda’s Regular Retirement Pension benefit is calculated as follows:

- Step 1: 25 Pension Credits x \$102 Accrual Rate = \$2,550
- Step 2: Linda’s monthly Regular Retirement Pension Benefit is \$2,550 (not including any applicable reduction for the form of payment she selects).

- Step 1: Calculate Bill’s Regular Retirement Pension Amount: 25 Pension Credits x \$102 Accrual Rate = \$2,550
 - Step 2: Multiply Bill’s Early Retirement Adjustment factor (0.880) by his Regular Retirement Pension Amount: \$2,550 x 0.880 = \$2,244
- Bill’s monthly Early Retirement Pension Benefit is \$2,244 (not including any applicable reduction for the form of payment he selects).

EARLY RETIREMENT PENSION

Example: Early Retirement Pension

Bill retired on July 1, 2020 (his 60th birthday) with 25 Pension Credits. Bill earned at least ¼ of a Pension Credit after January 1, 2019. Bill is two years younger than the minimum age required to receive a Regular Retirement Pension so his Early Retirement Pension benefit is calculated as follows:

Forms of Pension Payments

JOINT AND SURVIVOR PENSIONS

Non-Disability 75% Joint and Survivor Pension

Example: 75% Joint and Survivor Pension (non-disability)

Jacob is 62 years old and eligible for a monthly Regular Retirement Pension of \$2,550. He is married and he and his spouse are to receive benefits in the form of a 75% Joint and Survivor Pension. Jacob’s wife is 58 years old—four (4) years younger than Jacob—so his 75% Joint and Survivor (non-disability) Pension is determined as follows:

- Step 1: Calculate Jacob’s Regular Retirement Pension Amount: Jacob is eligible to receive a Regular Retirement Pension of \$2,550

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- Step 2: Calculate the Percentage of the Benefit Reduction: The benefit reduction factor is 89% - 1.6% (4 years x .4%), which is 87.4% (.874)
- Step 3: Multiply Jacob's Regular Retirement Pension Amount by the reduction percentage from Step 2:
 $\$2,550 \times .874 = \$2,228.70$

Jacob's monthly benefit, payable for life, is **\$2,229** (**\$2,228.70** rounded up to the next multiple of 50¢).

Upon his death, the total monthly benefit payable to Jacob's surviving spouse for life is **\$1,672** (75% of **\$2,228.70**, rounded up to the next multiple of 50¢). This amount does not include any reduction for the form of payment.

Disability 75% Joint and Survivor Pension

Example: 75% Joint and Survivor Pension (disability)

Beth is 62 years old and eligible for a monthly Disability Pension of **\$2,550**. She is married and her and her spouse are to receive benefits in the form of a 75% Joint and Survivor Pension. Beth's husband is 66 years old—four years older than Beth—so her 75% Joint and Survivor (disability) Pension is determined as follows:

- Step 1: Calculate Beth's Disability Pension Amount: Beth is eligible to receive a Disability Pension of **\$2,550**
- Step 2: Calculate the Percentage of the Benefit Reduction: The benefit reduction factor is 79% + 1.6% (4 years x .4%), which is 80.6% (.806)
- Step 3: Multiply Beth's Regular Retirement Pension Amount by the reduction percentage from Step 2:
 $\$2,550 \times .806 = \$2,055.30$

Beth's monthly benefit, payable for life, is **\$2,055.50** (**\$2,055.30** rounded up to the next multiple of 50¢).

Upon her death, the total monthly benefit payable to Beth's surviving spouse for life is **\$1,541.50** (75% of **\$2,055.30**, rounded up to the next multiple of 50¢). This amount does not include the adjustment for the form of payment.

Optional 50% Joint and Survivor Pension

Non-Disability 50% Joint and Survivor Pension

Example: 50% Joint and Survivor Pension (non-disability)

Andrew is 62 years old and eligible for a monthly Regular Retirement Pension of **\$2,550**. He is married and he and his spouse are to receive benefits in the form of a 50% Joint and Survivor Pension. Andrew's wife is 58 years old—four years younger than Andrew—so his 50% Joint and Survivor (non-disability) Pension is determined as follows:

- Step 1: Calculate Andrew's Regular Retirement Pension Amount: Andrew is eligible to receive a Regular Retirement Pension of **\$2,550**
- Step 2: Calculate the Percentage of the Benefit Reduction: The benefit reduction factor is 93% - 1.2% (4 years x .3%), which is 91.8% (.918)
- Step 3: Multiply Andrew's Regular Retirement Pension Amount by the reduction percentage from Step 2: $\$2,550 \times .918 = \$2,340.90$

Andrew's monthly benefit, payable for life, is **\$2,341** (= **\$2,340.90** rounded up to the next multiple of 50¢).

Upon his death, the total monthly benefit payable to Andrew's surviving spouse for life is **\$1,171** (50% of = **\$2,340.90**, rounded up to the next multiple of 50¢).

Disability 50% Joint and Survivor Pension

Example: 50% Joint and Survivor Pension (disability)

Laura is 62 years old and eligible for a monthly Disability Pension of **\$2,550**. She is married and her and her spouse are to receive benefits in the form of a 50% Joint and Survivor Pension. Laura's husband is 66 years old—four years older than Laura—so her 50% Joint and Survivor (disability) Pension is determined as follows:

- Step 1: Calculate Laura's Disability Pension Amount: Laura is eligible to receive a Disability Pension of **\$2,550**
- Step 2: Calculate the Percentage of the Benefit Reduction: The benefit reduction factor is 86% + 1.2% (4 years x .3%) = 87.2% (.872)
- Step 3: Multiply Laura's Disability Pension Amount by the Reduction percentage from Step 2: $\$2,550 \times .872 = \$2,223.60$

Laura's monthly benefit, payable for life, is **\$2,224** (**\$2,223.60** rounded up to the next multiple of 50¢).

Upon her death, the total monthly benefit payable to Laura's surviving spouse for life is **\$1,112** (50% of **\$2,223.60** rounded up to the next multiple of 50¢).

Appendix A: Regular Retirement Pension Benefit Accrual Rates and Adjustment Factors

The monthly amount of the Regular Retirement Pension is equal to the Participant’s number of Pension Credits (not to exceed 40 for retirements beginning prior to January 1, 2013) multiplied by the benefit accrual rate in effect on the Participant’s Annuity Starting Date (subject to the requirements stated below). Existing pensioners will see an increase in their monthly annuity equal to 6.25%.

Monthly Benefit Annuity Starting Date	Accrual Rate (In Dollars)
On or after April 1, 2020, with not less than ¼ Pension Credit earned during or after Calendar Year 2019	\$102.00
On or after May 1, 2018, with not less than ¼ Pension Credit earned during or after Calendar Year 2017	\$96.00
On or after January 1, 2017, with not less than ¼ Pension Credit earned during or after Calendar Year 2016	\$88.00
On or after July 1, 2015, with not less than ¼ Pension Credit earned during or after Calendar Year 2014	\$82.00
On or after July 1, 2014, with not less than ¼ Pension Credit earned during or after Calendar Year 2013	\$77.00
On or after January 1, 2013, with at least ¼ Pension Credit earned during or after Calendar Year 2012	\$67.00
January 1, 2011 through December 31, 2012, with at least ¼ Pension Credit earned during or after Calendar Year 2010	\$62.00
July 1, 2008 through December 31, 2010, with at least ¼ Pension Credit earned during or after Calendar year 2007	\$58.00
January 1, 2006 through June 30, 2008	\$55.00
June 1, 2001 – December 31, 2005	\$52.00
June 1, 1999 – May 31, 2001	\$50.00
November 1, 1997 – May 31, 1999	\$47.00
January 1, 1996 – October 31, 1997	\$44.00
December 1, 1992 – December 31, 1995	\$40.00
November 1, 1990 – November 30, 1992	\$36.00
November 1, 1989 – October 31, 1990	\$32.00
November 1, 1988 – October 31, 1989	\$30.50
January 1, 1988 – October 31, 1988	\$22.00
April 1, 1987 – December 31, 1987	\$20.00
June 1, 1985 – March 31, 1987	\$17.00
June 4, 1984 – May 31, 1985	\$15.00
August 1, 1983 – June 3, 1984	\$13.00

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January 1, 1981 – July 31, 1983	\$10.75
June 1, 1979 – December 31, 1980	\$8.75
Before June 1, 1979	\$6.35

Recalculation Formula: Every pensioner or beneficiary in receipt of a monthly Pension or monthly benefit on June 1, 1979, and every Participant who has terminated Covered Employment and is entitled to a pension but is not in receipt of such pension as of June 1, 1979, will have such pension or benefit recalculated as of June 1, 1979 under the same conditions that the original monthly pension or monthly benefit was granted. The amount of the recalculated pension or benefit will be the amount of the pension or benefit that they were receiving or entitled to receive multiplied by the ratio of \$8.75 to \$6.35.

- The recalculation formula above will apply to January 1, 1981 for the ratio of \$10.75 to \$8.75.
- The recalculation formula will apply to August 1, 1983 for the ratio of \$13.00 to \$10.75.
- The recalculation formula will apply to June 4, 1984 for the ratio of \$15.00 to \$13.00.
- The recalculation formula will apply to June 1, 1985 for the ratio of \$17.00 to \$15.00.
- The recalculation formula will apply to April 1, 1987 for the ratio of \$20.00 to \$17.00.
- The recalculation formula will apply to January 1, 1988 for the ratio of \$22.00 to \$20.00.
- The recalculation formula will apply to November 1, 1988 for the ratio of \$30.50 to \$22.00.
- The recalculation formula will apply to November 1, 1989 for the ratio of \$32.00 to \$30.50.
- The recalculation formula will apply to November 1, 1990 for the ratio of \$36.00 to \$32.00.
- The recalculation formula will apply to December 1, 1992 for the ratio of \$40.00 to \$36.00.
- The recalculation formula will apply to January 1, 1996 for the ratio of \$44.00 to \$40.00.
- The recalculation formula will apply to November 1, 1997 for the ratio of \$47.00 to \$44.00.
- The recalculation formula will apply to June 1, 1999 for the ratio of \$50.00 to \$47.00.
- The recalculation formula will apply to June 1, 2001 for the ratio of \$52.00 to \$50.00.
- The recalculation formula will apply to July 1, 2006 for the ratio of \$55.00 to \$52.00.
- The recalculation formula will apply to July 1, 2008 for the ratio of \$58.00 to \$55.00.
- The recalculation formula will apply to July 1, 2011 for the ratio of \$62.00 to \$58.00.
- The recalculation formula will apply to January 1, 2013 for the ratio of \$67.00 to \$62.00.
- The recalculation formula will apply to July 1, 2014 for the ratio of \$77.00 to \$67.00.
- The recalculation formula will apply to July 1, 2015 for the ratio of \$82.00 to \$77.00.
- The recalculation formula will apply to January 1, 2017 for the ratio of \$88.00 to \$82.00.
- The recalculation formula will apply to May 1, 2018 for the ratio of \$96.00 to \$88.00.
- **The recalculation formula will apply to April 1, 2020 for the ratio of \$102.00 to \$96.00.**

A FINAL NOTE

Please keep this Summary of Material Modifications (SMM), which describes changes to information provided in the most recent SPD with your SPD for future reference. Only the provisions described in this letter are changing; no other Plan changes are being made at this time. If you have any questions about this change or your benefits, please contact the Fund Office at 708-449-9004.

This notice is a Summary of Material Modifications (SMM), within the meaning of Section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. This SMM describes an important change to the most recent Summary Plan Description/Plan Document for the Local Union No. 9, I.B.E.W. and Outside Contractors Pension Plan effective April 1, 2020. Please keep this SMM with your Plan Document/SPD for future reference. An SMM is not the SPD, nor is it the Plan Document itself; rather, it is a supplemental document to your Plan Document/SPD. Please contact the Fund Office to request copies of the Plan Document/SPD or any SMM relating to the Plan.