

# BENEFIT IMPROVEMENT NOTICE

(Summary of Material Modifications)

February 2022

**To: Participants of the A.F. of L. - A.G.C. Building Trades Pension Fund**  
**From: Board of Trustees**  
**Re: Benefit Improvements**

Dear Participant:

We are pleased to announce that the Board of Trustees of the A.F. of L. - A.G.C. Building Trades Pension Fund ("Trustees") approved the benefit improvements summarized below.

We encourage you to read this notice carefully and to contact the Fund Office if you have any questions. You should keep this notice with your Summary Plan Description (SPD) and prior summaries of material modifications.

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### **Eligibility for this Benefit Improvement—**

To be eligible for this benefit improvement, you must have been credited with at least 250 Hours of Service in the July 1, 2019 – June 30, 2020 or July 1, 2020 – June 30, 2021 Plan Years. No Participant who has commenced retirement benefits prior to July 1, 2021, shall be eligible for the improvement.

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**Improvement: Increase to the Pension Plan's Contribution Percentage Formula for Hours of Service between July 1, 2009 through June 30, 2021.**

### **Description of the Benefit Improvement—**

Beginning with the July 1, 1997 Plan Year, benefits under the Pension Plan were determined using a "Contribution Percentage Formula" approach where the total hourly contributions required to be made on your behalf are multiplied by an applicable Contribution Percentage.

**Previously**, the Pension Plan's applicable Contribution Percentages were as follows:

<u>Plan Years</u>	<u>Contribution Percentage</u>
a) July 1, 1997 through June 30, 2009	3.0%.
<b>b) July 1, 2009 through June 30, 2013</b>	<b>1.8%.</b>
c) July 1, 2013 through June 30, 2014	2.0%.
<b>d) July 1, 2014 through June 30, 2021</b>	<b>1.8%.</b>
e) July 1, 2021 and thereafter	1.8%.

**Now**, the Pension Plan's Contribution Percentage for all service between July 1, 2009 and June 30, 2021 will be **2.0%**. All Hours of Service earned **on and after July 1, 2021 will remain at the 1.8% Contribution Percentage**. Specifically, those benefits described in **b)** and **d)** above are being increased.

Example Showing the Impact of this Benefit Improvement—

Between July 1, 2009 and June 30, 2013, the Participant's employer was required to make hourly contributions totaling \$32,000 to the Pension Plan on their behalf. Also, between July 1, 2014 and June 30, 2021, the Participant's employer was required to make hourly contributions totaling \$56,000 to the Pension Plan on their behalf. Assuming the Participant satisfies the eligibility criteria for this benefit improvement as described above, the impact of this benefit improvement on the benefit accrued is as follows:

- **Previously:**                      \$88,000 required contributions x 1.8% = **\$1,584.00 Monthly Benefit**
- **With Improvement:**              \$88,000 required contributions x 2.0% = **\$1,760.00 Monthly Benefit**

Note that the Contribution Percentage for the July 1, 2013 through June 30, 2014 Plan Year was already increased to 2.0% and is payable to eligible Participants but is disregarded in the comparison above.

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**IMPORTANT POINTS TO REMEMBER**

This notice is intended to be clear and understandable using informal language. However, you should refer to the official Plan documents for more information about your benefits. In the event of any conflict between the information in this notice or the SPD and the official Plan documents, the Plan documents will govern. If you have any questions about the above changes, please contact the Fund Office at 1-800-828-8922.

Sincerely,

The Board of Trustees of the A.F. of L. - A.G.C. Building Trades Pension Fund