EASTERN ATLANTIC STATES
CARPENTERS BENEFIT FUNDS

PENSION FUND

Summary Plan Description

January 2023

EASTERN ATLANTIC STATES CARPENTERS PENSION FUND

SUMMARY PLAN DESCRIPTION

EFFECTIVE: JANUARY 1, 2023

INTRODUCTION

This booklet is your summary plan description for the Eastern Atlantic States Carpenters Pension Fund, as amended through January 1, 2023.

Prior to January 1, 2023, the Plan was referred to as the Carpenters Pension and Annuity Plan of Philadelphia and Vicinity ("PHL Pension Plan"). The Plan was amended and restated as of January 1, 2023 to recognize the merger on December 31, 2022 of the Northeast Carpenters Pension Fund ("Northeast Plan") and the Pension Plan of the Carpenters Benefit Funds of Philadelphia & Vicinity ("PHL Staff Plan") into the Plan as well as other changes as adopted by the Board of Trustees.

This document applies to Active Participants in the Plan on or after January 1, 2023. However, it should be noted that historical provisions may be not applicable to Northeast Plan participants and/or PHL Staff Plan participants. Copies of prior summary plan descriptions from this Plan, the former Northeast Plan and the former PHL Staff Plan are available from the Fund Office upon request.

We encourage you to read this booklet carefully and share it with your family. This booklet provides general information about the Plan; outlines the amount of the benefits provided by the Plan; and shows examples of how the Plan works.

This booklet describes your rights and benefits under the Plan in plain, everyday language. Because this summary plan description is intended to provide an overview of your Plan, some provisions of the Plan, especially those that apply infrequently, are not discussed. If there are any differences between the information in this book and the actual Plan document, the Plan document will prevail.

You can review the full plan document for the complete set of rules. You may request a copy of the full plan document by writing to the Fund Office.

If you are an inactive vested participant, your benefits are based on the terms of the Plan in effect at the time you left covered employment. You are directed to prior versions of the Plan and its summary plan descriptions that you can request from the Fund Office.

PARTICIPATION

Eligible Employees

You are an "Eligible Employee" who can participate in the Plan if you fall into one of the following categories.

- You work under a collective bargaining agreement that requires contributions to the Eastern Atlantic States Carpenters Pension Fund.
- You work for a contributing employer that has signed a Participation Agreement with the Plan for work outside a Carpenters bargaining unit. These agreements generally require contributions for a minimum of 40 hours per week.

An employee who has another "Home Fund" under a reciprocal agreement CANNOT participate in the Plan.

Active Participants

You become an "active" participant in the Pension Fund at the end of the Plan Year (January 1 – December 31) in which you work in Covered Employment for 800 hours or more. Once you meet the initial eligibility requirement, your eligibility will continue as long as you remain an Eligible Employee and obtain at least 200 hours in each Plan Year.

The eligibility requirement is based on all hours which are credited for vesting purposes under the Plan. See the Section on "Pension Vesting" in this booklet.

Grandfathered Participants

Certain plan provisions are limited to grandfathered members of certain plans prior to the December 31, 2022 merger date. These participants are classified as follows:

A "Grandfathered PHL Participant" means a Participant in the Carpenters Pension and Annuity Fund of Philadelphia and Vicinity Pension Plan before January 1, 2023, or any individual who had at least one Contribution Hour in the PHL Pension Plan prior to January 1, 2023.

A "Grandfathered NE Participant" means a Participant in the Northeast Plan before January 1, 2023, or any individual who had at least one Contribution Hour in the Northeast Plan prior to January 1, 2023.

A "Grandfathered PHL Staff Participant" means a Participant in the Pension Plan of the Carpenters Benefits Funds of Philadelphia and Vicinity before January 1, 2023, or any individual who had at least one Contribution Hour in the PHL Staff Plan prior to January 1, 2023.

Covered Employment

Covered Employment is work covered by a collective bargaining agreement in the carpentry trade or related trade within our geographic area, or a reciprocal area that requires an employer to make contributions to the Pension Fund or any other type of written agreement which obligates an Employer to make contributions to the Fund on behalf of Eligible Employees. Covered Employment also includes work as an employee of an employer which is required to contribute to the Plan under a Participation Agreement.

Inactive Participants

You will be considered an "inactive" participant if you have less than 200 Credited Hours during any Plan Year. You may also become "inactive" earlier if you cease to be available for and to be actively seeking Covered Employment. When you work again in Covered Employment for 800 or more Credited Hours in a Plan Year, you will become an active participant at the end of the Plan Year.

Credited Hours

Credited Hours are used to determine your eligibility and benefits from the Pension Fund. In order to receive credited service, you must obtain Credited Hours.

Generally, after 1981, Credited Hours are a combination of:

- Payment Hours, also called "Contribution Hours" (hours you worked for which employer contributions are made to the Pension Fund for your work).

- Delinquent Hours are hours you worked for which employer contributions are due but which have not been paid to the Pension Fund for your work by the delinquent employer. You must provide evidence of your work such as a pay stub or similar record to the Fund Office to receive credited hours.

- Weekly Disability or Workers' Compensation Hours for which you receive benefits from the Eastern Atlantic States Health Fund.

- School hours for Apprenticeship training with the Eastern Atlantic States Carpenters Technical College.

- Qualified Military Service. Military service up to 5 years for the United States is credited if you leave work with a contributing Plan employer for military service and return within the periods provided by law. You must present yourself for work in Covered Employment:

    (a) within 90 days after your discharge from military service over 180 days,

(b) within 14 days for military service between 30 and 180 days and

(c) immediately for service under a month. For military service before 1994, you had to return to Covered Employment within 90 days of discharge regardless of the length of your military service. Military service for the United States is also credited if you leave work with a contributing Plan employer for military service and you either pass away or become disabled after December 31, 2006 while performing military service. Service is credited as though you had returned to work on the date of your passing or on the date of the onset of your disability. Hours credited for Qualified Military Service are treated the same as "Payment Hours."

For service prior to 1982, please contact the Fund office.

For periods before a plan merger, Credited Hours shall include hours before the merger that were credited for purposes of participation or vesting under the merged plan in accordance with the merger agreement with the Plan.

You should check your benefit statements and contact the Fund Office with documentation if you think that you have Credited Hours which are Qualified Military Service, Delinquent Hours or other hours for which contributions were not actually paid to the Plan and that are not on your statement.

Years of Credited Service

For Plan Years beginning after December 31, 2022 (1/1 to 12/31), Years of Credited Service are earned as follows:

If you have Credited Hours in a Plan Year	**You earn this much Credited Service in a Plan Year (1/1 to 12/31)**
Less than 200 Hours	None
200 to 399 Hours	¼ year Credit
400 to 599 Hours	½ year Credit
600 to 799 Hours	¾ year Credit
800 or more Hours	1 year Credit

For the period beginning May 1, 2022 and ending April 30, 2023, Credited Service is granted as follows for Grandfathered PHL Participants:

If you have Credited Hours	**You earn this much Credited Service**
Less than 200 Hours	None
200 to 399 Hours	¼ year Credit
400 to 599 Hours	½ year Credit
600 to 799 Hours	¾ year Credit
800 or more Hours	1 year Credit

For Plan Years beginning on or after May 1, 1981 and ending on or prior to April 30, 2022, Years of Credited Service are earned as follows for Grandfathered PHL Participants:

If you have Credited Hours in a Plan Year	**You earn this much Credited Service in a Plan Year (5/1 to 4/30)**
Less than 200 Hours	None
200 to 399 Hours	¼ year Credit
400 to 599 Hours	½ year Credit
600 to 799 Hours	¾ year Credit
800 or more Hours	1 year Credit

For service prior to April 30, 1981, please contact the Fund office.

Pension Vesting

Generally, you earn Years of Vesting Service like Years of Credited Service.

"Vesting" means you remain entitled to a benefit from the Plan, regardless of whether you continue to work in Covered Employment until retirement.

- Generally, if you earn at least five (5) Years of Vesting Service, you are "vested" in your Accrued Monthly Pension Benefit under the Plan.
- You may also be vested if you are working in Covered Employment at the later of age 65 or the 5th anniversary of your participation in the Plan.
- If you are a Grandfathered PHL Participant or a Grandfathered PHL Staff Participant, you are "vested" in your Accrued Monthly Pension Benefit under the Plan if you have earned at least three (3) Years of Vesting Service.

For questions about vesting based on service earned prior to December 31, 2022, please contact the Fund Office.

Loss of Credited Service and Benefits

You can lose your Credited Service and Benefits if you leave Covered Employment or other work with the Contributing Employers which is credited for Years of Vesting Service. If you suffer a permanent break before vesting, you will be treated as a person newly entering Covered Employment without any Credited Service under the Plan, when and if you return to work in Covered Employment.

After April 30, 1984, if you are a non-vested participant and become an Inactive Participant and remain inactive for five (5) Plan Years before vesting, all of your Credited Service, Years of Credited Service, Years of Vesting Service, and benefits under the Plan will be cancelled. (For this purpose, Contiguous Service is used in determining if you are an Inactive Participant after April 30, 1976. You may however need to complete 500 hours in a Plan Year to avoid being considered inactive.) You will not be "inactive" if you have parental, family or medical leave under federal law for the period of your absence and notify the Plan on a timely basis.

Military Service

An absence for military service on behalf of the United States of 5 years or less will not make you inactive as long as you return to Covered Employment on a timely basis to claim credit under federal law as in effect at the time of your military service. Military service for the United States is also credited if you leave work with a contributing Plan employer for military service and you either pass away or become disabled after December 31, 2006 while performing military service. Service is credited as though you had returned to work on the date of your passing or on the date of the onset of your disability. If you do not return on a timely basis or remain in military service for more than 5 years, you can be treated as inactive during your military service and lose your Credited Service, Years of Credited Service, Years of Vesting Service and benefits under the Plan.

Family or Medical Leave Hours

Solely for purposes of determining whether you are an Inactive Participant, you are credited with hours during an absence (after August 26, 1984) for pregnancy, childbirth, adoption, child care or (after February 5, 1994) family or medical leave up to the limit allowed by federal law. You will need to notify the Fund Office at the time of your absence to keep records straight.

HOW PENSION BENEFIT AMOUNTS ARE CALCULATED AND PAID

The Pension Benefit Formula

The "Accrued Monthly Pension" of a participant is the sum of the "Legacy Accrued Monthly Pension" and the "Variable Accrued Monthly Pension".

Accrued Monthly Pension = Legacy Accrued Monthly Pension + Variable Accrued Monthly Pension

Legacy Accrued Monthly Pension

Your Legacy Accrued Monthly Pension is the benefit you accrued as of December 31, 2022[1]
This may also be referred to as your Legacy Pension Plan accruals, or your LPP accruals.

The type and class of work in Covered Employment and the number of hours remitted into the Fund for your work are used to determine the amount of your Legacy Accrued Monthly Pension.

For each class of Covered Employment, there are two components to the calculation of your Legacy Accrued Monthly Pension. The first component is for your work before contributions were made to this Plan for your work (called "Prior Service") and the second component (called "Future Service") is based on your contributory service.

Legacy Accrued Monthly Pension = Prior Service + Future Service (as defined below)

Legacy Accrued Monthly Pension: Prior Service Component	
Class I	Former LU 600 - Your accrued pension amount at the time of the merger of the Local 600 Plan into this Plan on October 1, 1997.
Class II	Mill and Cabinet - $4.20 times your full years of Credited Service as of May 1, 1962.
Class III	$7.50 times your full years of Credited Service as of May 1, 1962.
Class IV	Former LU 2012 - Your accrued pension amount at the time of the merger of the Local 2012 Plan into this Plan on May 1, 2003.

Legacy Accrued Monthly Pension: Future Service Component					
Multiply this figure...					By the number of Payment Hours (in thousands) you worked between...
Class I	Class II	Class III	Class IV	Class V	
	$4.20	$7.50	n/a	$7.50	05/01/62 – 07/31/71
	$6.30	$9.50	n/a	$9.50	08/01/71 – 07/31/74
	$7.60	$13.50	n/a	$13.50	08/01/74 – 04/30/76
	$10.00	$17.50	n/a	$17.50	05/01/76 – 04/30/83
	$12.60	$22.00	n/a	$22.00	05/01/83 – 04/30/84
	$30.50	$40.00	n/a	$40.00	05/01/84 – 04/30/94
	$33.60	$47.50	n/a	$47.50	05/01/94 – 04/30/98
$58.00	$45.00	$58.00	n/a	$58.00	05/01/98 – 04/30/01
$60.00	$47.00	$60.00	n/a	$60.00	05/01/01 – 04/30/03
$60.00	$47.00	$60.00	n/a	$60.00	05/01/03 – 04/30/05
$60.00	$47.00	$60.00	$60.00	$60.00	05/01/05 – 04/30/08
$65.00	$50.00	$65.00	$65.00	$65.00	05/01/08 – 10/31/09
$45.00	$35.00	$45.00	$45.00	$45.00	11/01/09 – 04/30/14
$55.00	$35.00	$55.00	$55.00	$55.00	05/01/14 – 04/30/15
$60.00	$40.00	$60.00	$60.00	$60.00	05/01/15 – 04/30/16
$70.00	$45.00	$70.00	$70.00	$70.00	05/01/16 – 04/30/17
$75.00	$50.00	$75.00	$75.00	$75.00	05/01/17 - 04/30/18
$85.00	$60.00	$85.00	$85.00	$85.00	05/01/18 – 04/30/20
$90.00	$60.00	$90.00	$85.00	$90.00	05/01/20 – 06/30/21
$90.00	$60.00	$90.00	$65.00	$90.00	07/01/21 – 12/31/22

Note: There is no Credited Service or benefit for work in the jurisdiction of former Millwrights and Machinery Erectors Local No. 1545 before November 1, 2010, unless contributions were reciprocated to this Plan for your work.

The table above presents your benefits in terms of a flat dollar rate per 1,000 hours. You actually earn a benefit for each Credited Hour on a cents per hour basis. The cents per hour multiplier is simply the dollar figure divided by 1,000.

For example, if you earned 1,600 Credited Hours for Class III employment during the period from May 1, 2008 through April 30, 2009, you will have earned a monthly benefit of $104.00 (= 1,600 x $65.00 ÷ 1,000). This is at a rate of 6.5 cents per Credited Hour.

[1] *For a Grandfathered NE Participant, the Legacy Accrued Monthly Pension is the benefit accrued through December 31, 2021 determined under the prior Northeast Carpenters Pension Plan and the Merger Agreement with the Plan for work before the merger. For a Grandfathered PHL Staff Participant, the Legacy Accrued Monthly Pension is the benefit accrued through December 31, 2022 determined under the prior PHL Staff Plan and the Merger Agreement with the Plan for work before the merger.*

Variable Accrued Monthly Pension

Your Variable Accrued Monthly Pension is the benefit you accrued on and after January 1, 2023[2]. This may also be referred to as your Variable Pension Plan accruals, or your VPP accruals.

The following definitions are used in connection with calculating the Variable Accrued Monthly Pension:

- "Hurdle Rate" means five percent (5.0%). This Hurdle Rate is used for calculating the Variable Pension Adjustment.
- "Market Value Return" means, for a given Plan Year, the investment return on the Plan's audited assets.
- "Variable Pension Adjustment" means, for a Plan Year, one plus the Market Value Return for the immediately preceding Plan Year, divided by one plus the Hurdle Rate. The maximum Variable Pension Adjustment for any Plan Year is 1.05.

Each year, a portion of the contributions made for your work in Covered Employment that are deemed to be benefit-bearing ("Benefit Contributions") is used to determine the amount of your Variable Accrued Monthly Pension. The accrual formula for the "Variable Accrued Monthly Pension" is equal to 1% of Benefit Contributions.

> For example, assume you are hired on 1/1/2023 and your Benefit Contributions are $15,000 during 2023. Your VPP accrual in 2023 is 1% x $15,000, or $150.

Your Variable Accrued Monthly Pension is adjusted as of the end of each Plan Year. The adjustment for any given year is based on the performance of the Plan's investments in the prior year (i.e. there is a one-year delay in the adjustment). If the Plan's investment return is greater than its Hurdle Rate then the Variable Accrued Monthly Pension will increase, and if the investment return is less than the Hurdle Rate, then the Variable Accrued Monthly Pension will decrease.

The following examples highlight how different investment returns in a given year can affect your Variable Accrued Monthly Pension. It is important to note that all accruals after January 1, 2023 will be subject to an annual Variable Pension Adjustment.

	Example #1 Return Matches Hurdle Rate	**Example #2** Return Below Hurdle Rate	**Example #3** Return Exceeds Hurdle Rate	**Example #4** Return Exceeds Hurdle Rate & Cap
a. Beginning Variable Accrued Monthly Pension	$1,500	$1,500	$1,500	$1,500
b. Market Value Return	5%	0%	8%	12%
c. Variable Pension Adjustment* = [1+(b)] ÷ [1 + Hurdle Rate]	= 1.05 ÷ 1.05 = 1.000	= 1.00 ÷ 1.05 = 0.9524	= 1.08 ÷ 1.05 = 1.0286	= 1.12 ÷ 1.05 = 1.0666 *(Adjustment is capped at 1.05)*
d. Adjusted Variable Accrued Monthly Pension = (a) x (c)	**$1,500.00**	**$1,428.60**	**$1,542.90**	**$1,575.00**

* The formula for the Variable Pension Adjustment is $\frac{1+Market\ Value\ Return}{1+Hurdle\ Rate}$, not to exceed 1.05.

[2] *For a Grandfathered NE Participant, the Variable Accrued Monthly Pension includes the benefit accrued from January 1, 2022 to December 31, 2022 determined under the prior Northeast Plan and the Merger Agreement with the Plan for work before the merger.*

Types and Qualifications of Benefits Provided by the Plan for an Active Participant upon Retirement

Type of Pension	Age Requirement	Years of Credited Service Requirement
1. (a) **Normal Retirement Pension** with full Accrued Monthly Pension amount (b) **Normal Retirement Pension** with full Accrued Monthly Pension amount for Grandfathered PHL Staff Participant	65 62	5 Years 3 Years
2. **Early Retirement Pension** with full Accrued Monthly Pension amount and no Supplemental Payment	62	10 Years
3. (a) **Early Retirement Pension** on or after 55 with full Accrued Monthly Pension amount and Supplemental Payment* (b) **Early Retirement Pension** before age 55** with full Accrued Monthly Pension amount and Supplemental Payment*	55 to 62 54 53 52	30 Years 31 Years 32 Years 33 Years *(Must meet age/service combo < 1/1/33)*
4. **Early Retirement Pension** with reduced Accrued Monthly Pension amount (3% per year) and Supplemental Payment*****	55 to 62 54 53 52	10 Years 31 Years 32 Years 33 Years
5. **Disability Retirement Pension** *** For onset dates on or after 1/1/2023: *Accrued Monthly Pension amount if Participant has >= 20 years of Credited Service, or* *Early Retirement Pension amount if Participant has < 20 years of Credited Service*	No age limitation.	10 Years ***and*** Credited Service granted in each of the 10 Plan Years preceding the Plan Year of the onset of disability.

All benefits provided by the Plan are separate from and in addition to benefits that you or your family receive from Social Security. (However, a Supplemental Early Retirement Pension ends whenever you receive Social Security Disability Benefits.)

* *The Supplemental Payment for eligible Grandfathered PHL Participants and Grandfathered PHL Staff Participants will be based on your Accrued Monthly Pension as of a certain date, depending on how much service you have at retirement and also depending on whether your service was in consecutive years prior to termination. See the "Temporary Supplemental Early Retirement Payment" description below for further details.*

** *Provision is applicable only if you are a Grandfathered PHL Participant who is eligible to retire prior to age 55 <u>prior to January 1, 2033</u>.*

*** *To receive a Disability Pension, you must be an Active Participant at the date of the onset of your disability and for the Plan Year preceding the date on which the onset of your disability occurred. You must have ten years of Credited Service and must have earned Credited Service in each of the 10 Plan Years preceding the Plan Year in which the onset of your disability occurred. In addition, you must be judged totally and permanently disabled, unable to work in any occupation. Effective for onset dates on or after May 1, 2019, you must receive a Social Security Disability Award.*

Types of Monthly Retirement Options

For benefit commencement dates on or after January 1, 2023, the following options are available:

Type of Pension Benefit	Additional Information
1. **Single Life Option with 60-Month Payment Guarantee** No Reduction in Accrued Monthly Pension (except for any Early Retirement reduction) No lifetime income for Spouse	a) Unmarried retiree will receive a Single Life Option with 60-Month Payment Guarantee as the default form of payment; b) If the retiree dies after benefit commencement, but prior to receiving 60 monthly pension payments, the beneficiary will receive the remainder of the 60 monthly payments in a single sum. c) If the retiree is married and elects a Single Life Option with 60-Month Payment Guarantee, spouse must agree, in writing, to this election.
2. **Single Life Option with 120-Month Payment Guarantee** REDUCTION in participant's Accrued Monthly Pension (in addition to any Early Retirement reduction). No lifetime income for Spouse	a) Unmarried retiree may elect a Single Life Option with 120-Month Payment Guarantee; b) If the retiree dies after benefit commencement, but prior to receiving 120 monthly pension payments, the beneficiary will receive the remainder of the 120 monthly payments in a single sum. c) If the retiree is married and elects a Single Life Option with 120-Month Payment Guarantee, spouse must agree, in writing, to this election.
3. **Joint and Survivor Option** *Lifetime Spouse Protection* REDUCTION in participant's Accrued Monthly Pension (in addition to any Early Retirement reduction) will provide spouse a lifetime monthly check	a) Retiree may elect a 50%, 75% or 100% Joint and Survivor Option. (Reduction in the Accrued Monthly Pension depends upon the option selected and the difference in ages.) b) After the retiree's death, his/her spouse will receive a lifetime monthly pension benefit equal to 50%, 75% or 100% of the monthly pension amount received by the retiree. c) If an Active Participant initially retires on or after his 65th birthday and elects the 100% Joint and Survivor Option with his spouse, then the option is payable UNREDUCED. There is no reduction in the Participant's Accrued Monthly Pension for the payment form. d) Grandfathered NE Participants may choose a non-spouse beneficiary for the Joint and Survivor form of payment options, subject to spousal consent, if applicable, and any legal requirements.

Pop-Up Pension Benefit

Pop-Up Pension Benefit	a) The Plan provides an automatic "pop-up" provision for a retiree who is receiving a Normal, Early or Disability Pension and who elected a reduced pension payable in the form of a Joint and Survivor Option. b) If the spouse predeceases the retiree, the monthly pension amount will "pop-up" to the amount prior to the reduction for surviving spouse benefits. You must notify the Fund Office of your spouse's death and provide the death certificate to receive the pop-up.

PRE-RETIREMENT DEATH BENEFITS FOR AN ACTIVE* PARTICIPANT

Type of Pension Benefit	Eligibility Requirements	Vesting Requirement	Death Benefits (Death of an Active* Participant. Benefits payable to spouse or beneficiary)
1. Pre-Retirement Beneficiary Benefit	a) Active Participant at death b) No age requirement c) Terminated Covered Employment by death before retirement d) No surviving spouse or married less than one year	Must be vested in Accrued Monthly Pension.	Beneficiary will receive a single sum payment equal to 60 times the Participant's Accrued Monthly Pension on the date of his death.
2. Pre-Retirement Spouse Benefit	a) Active Participant at death b) Death prior to Normal Retirement Age c) Terminated Covered Employment by death before retirement d) Must leave a surviving spouse to whom Participant was married for at least one year	Must be vested in Accrued Monthly Pension.	Spouse will receive monthly pension payments for lifetime based upon one-half of Participant's Accrued Monthly Pension adjusted for the age difference between the Participant and spouse. If the spouse does not survive to receive at least 120 monthly payments, the remaining balance of the 120 payments will be paid to the next beneficiary in a single-sum. For a Grandfathered PHL Staff Participant, the lifetime pension will not be less than 50% of the Accrued Monthly Pension from the Staff Plan as of January 1, 2023.

Type of Pension Benefit	Eligibility Requirements	Vesting Requirement	Death Benefits (Death of an Active* Participant. Benefits payable to spouse or beneficiary)
3. Pre-Retirement Spouse Benefit	a) Active Participant at death b) Death after attaining Normal Retirement Age c) Terminated Covered Employment by death before retirement d) Must leave a surviving spouse to whom Participant was married for at least one year	Must be vested in Accrued Monthly Pension.	Spouse may elect to receive monthly pension payments for lifetime based upon 100% of Participant's Accrued Monthly Pension. No benefits will be paid after the spouse's death.

* *If you pass away while you are performing Qualified Military Service, your beneficiary will be eligible for Pre-Retirement Death Benefits for Active Participants.*

POST-RETIREMENT DEATH BENEFITS

If you pass away in or after the first month for which your pension is payable, your death benefits depend on the form of payment that you selected at retirement.

For deaths which occur on or after January 1, 2023, if you were a retiree who was receiving a Normal, Early, or Disability Retirement Pension, your beneficiary shall receive a single sum post-retirement death benefit equal to $10,000.

If you are a Grandfathered PHL Participant who retired prior to January 1, 2023 with a Normal, Early or Disability pension, your single sum post-retirement death benefit shall be no less than the sum of A and B below:

A. Pension Death Benefit of:

   1) $6,000, if you had completed 20 or more years of Credited Service,

   2) $3,000, if you had completed at least 10, but less than 20 years of Credited Service, or

   3) $0, if you had completed less than 10 years of Credited Service.

B. 60 guaranteed monthly payments, minus monthly payments already received, but always an amount equal to at least 12 times your Accrued Monthly Pension as of your retirement date.

If you are a Grandfathered PHL Staff Participant who retired prior to January 1, 2023 with a Normal, Early or Deferred Vested Pension (but not a Disability pension), your single sum post-retirement death benefit shall be no less than 60 guaranteed monthly payments, minus monthly payments already received, but always an amount equal to at least 12 times your Accrued Monthly Pension from the PHL Staff Plan.

BENEFICIARY

Your "Beneficiary" is a surviving individual, trust or estate that you designate on a Plan form. In the absence of a designation, your beneficiary is, in order, your spouse (regardless of the length of marriage), child or children in equal parts, mother, father, or if no such relative survives, the executor or administrator of your estate. A person who kills a participant cannot be a beneficiary and the death benefit will pass to the next beneficiary in the order listed.

Your beneficiary designation is invalid if your beneficiary is your former spouse and you made the designation prior to your divorce.

DEFERRED VESTED PENSION

If you are vested when you become an Inactive Participant, you are eligible to receive your full Accrued Monthly Pension at your Normal Retirement Date (usually, the first month after you turn 65). If you do not apply for benefits by your Normal Retirement Date, your benefits may be increased to account for the delay, in the absence of Disqualifying Employment. If you do not apply for benefits before the April 1 after the year in which you reach your Required Distribution Age (age 72, unless you turned age 70½ prior to December 31, 2019 in which case the age would be age 70½), the Plan will begin payments to you calculated under IRS regulations.

The amount of your Deferred Vested Pension is equal to your Accrued Monthly Pension at the time you ceased to be an Active Participant and is payable beginning at Normal Retirement Date. If you are entitled to a Deferred Vested Pension, you may elect to collect the pension amount starting as early as age 55. Note that in this case the amount would be reduced by ½ of 1% for each month by which your age is less than age 65 at the time the pension begins.

For example:

- If you were to begin to collect a Deferred Vested Pension at age 65, you would receive 100% of your Accrued Monthly Pension.

- If you were to begin to collect at age 55, you would receive 40% of your Accrued Monthly Pension.

An Inactive Vested Participant has the same options on the form of payment as Active Participants described in the Types of Monthly Retirement Options section of this booklet.

PRE-RETIREMENT DEATH BENEFITS FOR AN INACTIVE VESTED PARTICIPANT

No Benefit Payable to Beneficiary

If you are not married (or married less than one year) and you pass away while you are an inactive vested participant and before you retire, there will be ***no*** death benefits payable from the Plan.

Benefit Payable to Spouse

If you pass away while you are an inactive vested Participant before retirement and you were married for at least one year at the time of your death, your spouse will receive the benefit at your earliest retirement age that would have been paid to the survivor under the 50% joint and survivor pension. Alternatively, your spouse may elect to receive the value of 60 months of pension payments as an immediate lump sum.

If you are a Grandfathered PHL Staff Participant, then your surviving spouse may elect an immediate lifetime pension, which is equivalent to and paid instead of the 60-month guarantee lump sum.

POST-RETIREMENT DEATH BENEFIT FOR RETIREE RECEIVING A DEFERRED VESTED PENSION

If you pass away while you are collecting a Deferred Vested Pension, your spouse or beneficiary may receive a benefit depending on the form of payment you elected at retirement, as follows:

- **If you elected a Single Life Pension with 60 guaranteed payments or 120 guaranteed payments**
  Your beneficiary will receive the remainder, if any, of your 60 or 120 guaranteed monthly payments in a lump sum.

- **If you elected a Joint and Survivor Pension**
  Your spouse at your retirement will receive a monthly benefit for his/her lifetime equal to 50%, 75% or 100% of your Deferred Vested Pension, depending on the option that you elected.

- **If you are a Grandfathered PHL Participant who retired prior to January 1, 2023**
  If the total pension payments made to you and your surviving spouse (if applicable) were less than 60 times your monthly pension amount, the remaining balance, if any, will be paid to the beneficiary of the last survivor in a lump sum after his or her death.

For example, assume you are a Grandfathered PHL Participant who retired with a Deferred Vested Pension in 2022 in the amount of $1,000 per month in the form of a 50% Joint and Survivor Pension. If you have received 25 payments prior to your death and your spouse receives 20 payments prior to his/her death, between you and your spouse, you will have received a total amount equal to:

= 25 x $1,000 + 20 x $500
= $25,000 + $10,000
= $35,000

Your surviving spouse's beneficiary will receive a lump sum payment equal to:

= 60 x $1,000 - $35,000
= 60,000 - $35,000
= $25,000

However, if you have received 60 payments and your spouse has received 10 payments, all guaranteed payments were distributed from the Fund and no lump sum payment will be made to the beneficiary.

WHEN YOU CAN RETIRE AND HOW PENSION BENEFITS ARE DETERMINED

Retirement

"Retirement" or "retire" means that you have stopped all work with contributing Plan Employers with no intention to return to work, you have stopped all Disqualifying Employment and you have filed an application for benefits with the Fund Office. No benefits are payable for any months before you file your application, unless required by the Internal Revenue Code.

Effective on or after January 1, 2023, Participants who have attained age 59 ½ are eligible to retire without a bona fide cessation of work, subject to the suspension of benefit rules.

Normal Retirement Pension with Full Accrued Monthly Pension

Each vested participant who ceases to be an Active Participant on or after Normal Retirement Age (usually age 65) will be eligible to receive a Normal Retirement Pension. If you do not apply for benefits by your Normal Retirement Date, your benefits may be increased to account for the delay, in the absence of Disqualifying Employment. You must begin to receive your pension by the April 1 of the year following the year in which you attain age 72 (note it is age 70½ if you turn 70½ on or before December 31, 2019).

Early Retirement Pension with Unreduced Benefits After Age 55

If you are a vested participant and cease to be an Active Participant after meeting the age and Credited Service requirements below, you will receive an **unreduced** Early Retirement Pension, beginning with the month after application to the Plan.

- Age 55 or older with 30 or more years of Credited Service
- Age 62 with 10 or more years of Credited Service

The unreduced benefit equals your Accrued Monthly Pension benefit based on your work in Covered Employment through the date of your retirement.

Early Retirement Pension with Unreduced Benefits Before Age 55

If you are a vested Grandfathered PHL participant and are eligible to retire before age 55 and *before January 1, 2033* while you are an Active Participant after meeting the age and Credited Service requirements below, you will receive an **unreduced** Early Retirement Pension, beginning with the month after application to the Plan.

- Age 52 with 33 or more years of Credited Service
- Age 53 with 32 or more years of Credited Service
- Age 54 with 31 or more years of Credited Service

The unreduced benefit equals your Accrued Monthly Pension benefit based on your work in Covered Employment through the date of your retirement.

If you are a Grandfathered PHL Staff Participant who was also a participant in the Union Staff Plan, you may be eligible to receive an **unreduced** Early Retirement Pension if you cease to be an Active Participant after age 52 with a sum of age and service of at least 85. See prior plan Summary Plan Description for more details.

Early Retirement Pension with Reduced Benefits Before Age 55

If you are a vested Grandfathered PHL participant and are first eligible to retire before age 55 *on or after January 1, 2033* while you are an Active Participant after meeting the age and Credited Service requirements below, you are eligible to receive a reduced Early Retirement Pension.

- Age 52 with 33 or more years of Credited Service
- Age 53 with 32 or more years of Credited Service
- Age 54 with 31 or more years of Credited Service

Your monthly benefits will begin the month after your approved application to the Plan.

Your reduced benefit is based on your Accrued Monthly Pension benefit based on your work in Covered Employment through the date of your retirement. The Accrued Monthly Pension benefit will be reduced by ¼ of 1% per month (3% per year) for each month that you are under the **age of 62** when you retire.

Early Retirement Reduced Benefit Percentage Before Age 55

Using the ¼ of 1% per month reduction, the percentage of your Accrued Monthly Pension paid at early retirement is as follows.

If you retire at age...	Percentage of Benefit Payable
52	70%
53	73%
54	76%

Early Retirement Pension with Reduced Benefits After Age 55

If you are a vested participant and are an Active Participant between the ages of 55 and 62 with 10 to 30 years of Credited Service, you are eligible to receive a reduced Early Retirement Pension. Your monthly benefits will begin the month after your approved application to the Plan.

Your reduced benefit is based on your Accrued Monthly Pension benefit based on your work in Covered Employment through the date of your retirement. The Accrued Monthly Pension benefit will be reduced by ¼ of 1% per month (3% per year) for each month that you are under the **age of 62** when you retire.

If you are vested but have less than 10 years of Credited Service, you may also take a deferred vested early retirement benefit on application after age 55. Please see the section on Deferred Vested Pension for details.

Early Retirement Reduced Benefit Percentage After Age 55

Using the ¼ of 1% per month prior to age 62 reduction, the percentage of your Accrued Monthly Pension paid at early retirement is as follows.

If you retire at age...	Percentage of Benefit Payable
55	79%
56	82%
57	85%
58	88%
59	91%
60	94%
61	97%
62	100%

Please note that different reduction factors apply to a Deferred Vested Pension.

Temporary Supplemental Early Retirement Payment

If you are an Active Grandfathered PHL Participant and are eligible for an Early Retirement Pension benefit when you retire and your retirement date is prior to your 62nd birthday, you may be entitled to a Supplemental Payment in addition to your Early Retirement Pension benefit.

If you are eligible to receive a Supplemental Payment, the amount will depend on your total service at retirement. If you have less than 20 Years of Credited Service at the time of retirement, your Supplemental Payment will be based on your accrued benefit through November 30, 2005. If you have 20, but less than 25 Years of Credited Service at the time of Retirement, your Supplemental Payment will be based on your Accrued Monthly Pension through June 30, 2009. If you have 25 or more Years of Credited Service at the time of Retirement but you do not have at least 25 consecutive Plan Years as an Active Participant, your Supplemental Payment will be based on your Accrued Monthly Pension through April 30, 2010. If you have 25 or more Years of Credited Service at the time of Retirement and you do have at least 25 consecutive Plan Years as an Active Participant, your Supplemental Payment will be based on your Accrued Monthly Pension through December 31, 2022. **Note that the accruals for the Supplemental Payment were frozen as of December 31, 2022**.

The service requirement and the Supplemental Payment level for Grandfathered PHL Participants are summarized in the chart below.

Years of Service	Reduce for Early Retirement	25 or more Consecutive Years as an Active Participant*	Supplement Based on Accrued Monthly Pension Through
< 10	N/A (No Supplement)		
10 – 19	Yes	N/A	11/30/2005
20 – 24	Yes	N/A	6/30/2009
25 – 29	Yes	No	4/30/2010
		Yes	12/31/2022
30 +	No	No	4/30/2010
		Yes	12/31/2022

** You have 25 or more consecutive years as an Active Participant if you were an Active Participant for each of the 25 consecutive Plan Years ending with the Plan Year in which you ceased to be an Active Participant, provided that you ceased to be an Active Participant at or after age 55. Breaks in service may be "made up", but only if the consecutive Years of Credited Service you earn after your break equals or exceeds the number of years during your break when you did not earn Credited Service.*

If you had no Accrued Monthly Pension at November 30, 2005 and you have less than 20 years of Credited Service at Retirement, no supplement is payable. Similarly, if you had no Accrued Monthly Pension at June 30, 2009 and you have less than 25 years of Credited Service at Retirement, no supplement is payable and if you had no Accrued Monthly Pension at April 30, 2010 and you have less than 25 consecutive Plan Years as an Active Participant at retirement, no supplement is payable.

If you are an Active Grandfathered PHL Staff Participant and are eligible for an Early Retirement Pension when you retire and your retirement date is prior to your 62nd birthday, you may be entitled to a temporary Supplemental Payment in addition to your Early Retirement Pension benefit. Note that the accruals for the Supplemental Payment were frozen as of December 31, 2022. See prior plan Summary Plan Description for more details.

Termination of Supplemental Early Retirement Payment

The Supplemental Payment is temporary and will stop on the first day of the month after the earliest of the following events:

- your 62nd birthday;
- the first calendar month you return to work in the construction industry for more than 40 hours, absent a waiver of suspension;
- the first calendar month you work in Non-Covered Employment within the industry;
- the date you become eligible for Social Security disability benefits; or
- the date you die.

The Fund may terminate your Supplemental Payments upon becoming aware of any of these events. You may appeal the termination to the Board of Trustees within 60 days of the Fund's termination notice in the same fashion as a denied claim under the rules in the section on Appealing a Denied Claim.

If you begin to receive a Supplemental Payment and then become eligible for Social Security Disability benefits, you will be required to repay any Supplemental Pension payments that were made for months on or after your Social Security Disability entitlement date.

Disability Retirement

If you are a vested participant and meet the following requirements, you will receive a Disability Retirement Pension.

- You are an Active Participant on the date of the onset of your disability, and for the Plan Year preceding that date.
- You have at least ten years of Credited Service at the onset of your disability and you have earned Credited Service in each of the ten (10) Plan Years preceding the Plan Year in which the onset of your disability occurred.
- You make written application for a Disability Retirement Pension within two years of the onset of disability AND while you are an Active Participant.
- You are found incapable of performing the duties of any occupation because you are totally and permanently disabled.
- Effective for disability onset dates on or after May 1, 2019, you receive a Social Security Disability Award.
- You have furnished all the information that the Board of Trustees required, including medical records and records maintained by the Social Security Administration.

If you meet these requirements for a Disability Retirement Pension, your pension benefit will begin on the latest of the following dates:

- The first day of the month following the six- month anniversary of the disability onset date;
- The first day of the month next following the date on which you make written application to the Fund for disability benefits;
- The first day of the month next following your last weekly income benefit payment, if any, from the Carpenters Health and Welfare Fund of Philadelphia & Vicinity.

For disability onset dates <u>on or after January 1, 2023</u>, the Disability Retirement Pension amount is equal to your Accrued Monthly Pension if you have 20 or more years of Credited Service. If you have less than 20 years of Credited Service, the Disability Retirement Pension amount is equal to your Early Retirement Pension amount (calculated as if you were at least age 55).

Your Disability Retirement Pension will continue until your recovery from disability if you recover prior to age 65; otherwise, it will continue until your death.

Your Disability Retirement Pension benefits will stop when you are able to do any kind of work. The Fund Office can require you to submit proof of continued disability (i.e. Social Security payments or an examination at most twice a year) and may terminate your benefits if you fail to appear for the examination or if you fail to furnish information requested of you.

If you recover before age 65, you will be treated as an Inactive Participant who ceased to be an Active Participant at the onset of disability, but disability benefits will not affect the amount of any later pension. If you recover and return to Covered Employment, you may become an Active Participant again and earn additional benefits.

The Fund may terminate your Disability Retirement Pension if it becomes aware of facts indicating that you are no longer eligible for a Disability Retirement Pension. You may appeal the termination to the Board of Trustees in the same fashion as a denied claim under the rules in the section on Appealing a Denied Claim.

Small Benefits

If the present value of your vested Accrued Monthly Pension and Annuity benefits is $1,000 or less when you terminate employment and become retirement eligible, your benefit will be paid in a lump sum payment. This payment will satisfy all of the Plan's obligations to you.

PENSION PAYMENT OPTIONS

Generally, your retirement payment will be based on your marital status at the time your benefit payments begin, with the default options shown below.

- **Unmarried Participants – Single Life Option with 60-Month Payment Guarantee (No Reduction)**

  Under this form of payment, you will receive a monthly pension during your lifetime. If you die after benefit commencement, but prior to receiving 60 monthly pension payments, your beneficiary will receive the remainder of the 60 monthly payments in a single sum.

  If you die after receiving at least 60 monthly payments, no further monthly pension amounts are payable.

- **Married Participants — 50% Joint and Survivor Option (Reduced)**

  Under this form of payment, you will receive a reduced monthly pension during your lifetime. After your death, if your spouse survives you, he or she will continue to receive 50% of your monthly benefit during his/her lifetime.

- **Married Participants — 100% Joint and Survivor Option (Unreduced)**

  If you retire as an Active Participant after you have reached your Normal Retirement Age, you will receive an unreduced monthly pension during your lifetime. After your death, if your spouse survives you, he or she will continue to receive 100% of your monthly benefit during his/her lifetime.

Spouse Definition

Your spouse is a person to whom you are married under the law of the state in which the marriage occurred. The Plan will not provide spousal benefits for civil unions under state law, unless required by federal law.

For death before retirement, your spouse can only claim spouse death benefits if you were married for at least one year before your death. At retirement, you need only be married on the date that pension payments commence in order to be eligible to elect a joint and survivor optional form of payment. For death after retirement, only the spouse to whom you were married on the date of your retirement is eligible for surviving spouse benefits (if any).

Optional Forms of Payment for an Unmarried Participant

You may elect to receive a reduced pension payable as a Single Life Pension with 120-month payment guarantee.

If you die after benefit commencement, but prior to receiving 120 monthly pension payments, your beneficiary will receive the remainder of the 120 monthly payments in a single sum.

If you die after receiving at least 120 monthly payments, no further monthly pension amounts are payable.

Unmarried Grandfathered NE Participants may elect to receive a Joint and Survivor form of payment option with a non-spouse beneficiary.

Optional Forms of Payment for a Married Participant

You may make a written election to waive the default Joint and Survivor Benefit and elect a Single Life Pension with 60-month guarantee, a Single Life Pension with 120-month guarantee, 50% Joint and Survivor, 75% Joint and Survivor Pension, or a 100% Joint and Survivor Pension.

However, if you wish to receive a Single Life benefit with monthly guarantee that does not continue a payment to your surviving spouse for his or her lifetime, your spouse **must** agree to waive surviving spouse benefits in writing.

If you are a married Grandfathered NE Participant and you wish to receive a Joint and Survivor Pension with a non-spouse beneficiary, your spouse **must** agree to waive surviving spouse benefits in writing.

You and your spouse will be asked whether you want to waive survivor benefits before you retire. You may take up to 180 days to make a decision on the form of payment. Your spouse must consent to any waiver in writing on a Plan form before a notary public or Fund Office staff member, after disclosure of your options. (The Plan will not honor any other form of waiver, such as separation agreements, except as provided by federal law.) You and your spouse can consent to shorten the election period to seven (7) days to advance payment of benefits.

You cannot change your mind on the form of payment after the waiver period ends. Your spouse will still be eligible for surviving spouse benefits even if you get divorced or separate after retirement.

Conversion of a Single Life Pension with 60-Month Payment Guarantee to a Joint and Survivor Benefit

For retirements on or after January 1, 2023, a Single Life pension with a 60-month payment guarantee is converted to a Joint and Survivor benefit using the factors for actuarial equivalence in the Plan document. These factors account for interest, payment during two lives rather than one life and other factors.

The following chart is a sample of the factors used to convert a Single Life pension with a 60-month payment guarantee amount payable to a healthy retiree to a reduced actuarially equivalent amount payable to the retiree for life with 50%, 75% or 100% of the reduced pension amount payable to the retiree's surviving Spouse.

		Retiree's Age*		
Spouse's Age* in Relation to Retiree's Age	J&S Percentage	55	62	65
Spouse - 3 years younger	50% 75% 100%	.9175 .8794 .8443	.8983 .8518 .8098	.8896 .8389 .7936**
Same Age	50% 75% 100%	.9278 .8937 .8620	.9130 .8717 .8340	.9067 .8618 .8212**
Spouse - 3 years older	50% 75% 100%	.9381 .9081 .8799	.9275 .8916 .8584	.9234 .8847 .8491**

* *Ages based on nearest birthday at the time the pension commences.*
** *If you are Active and retire after age 65, the 100% Joint and Survivor option is unreduced.*

For example: Assume you are a Participant age 62 and eligible for an Early Pension of $2,000.00 per month. Your spouse is also age 62 and you both agree to a 100% Joint and Survivor Pension.

Your Early Retirement Pension will be adjusted as follows: $2,000.00 x 0.8340 = $1,668.00

Thus, with a spouse who is the same age, you would receive $1,668.00 per month for the rest of your life, with 100% of that amount, or $1,668.00 payable to your spouse for his or her lifetime after your death, should he or she survive you.

Note that a different set of actuarial factors apply for Disability Retirements.

Conversion of a Single Life Pension with 60-Month Payment Guarantee to a Single Life Pension with 120-Month Payment Guarantee

For retirements on or after January 1, 2023, a Single Life pension with a 60-month payment guarantee is converted to a Single Life pension with a 120-month payment guarantee benefit using the factors for actuarial equivalence in the Plan document. These factors account for interest and the possibility of temporary payments after the Participant's death.

The following chart is a sample of the factors used to convert a Single Life pension with a 60-month payment guarantee amount payable to a healthy retiree to a reduced actuarially equivalent amount payable as a Single Life pension with a 120-month payment guarantee. The benefit shown is equivalent to a $1,000 per month pension.

Retiree's Age	Factor	SLA with 120-Guarantee Benefit
55	0.9871	$987.10
58	0.9831	$983.10
62	0.9751	$975.10
65	0.9659	$965.90

Pop-Up Benefit

A "Pop-Up" Benefit is included in the Plan for retirees who receive a Normal, Early or Disability Pension as a 50%, 75% or 100% Joint and Survivor Benefit.

If a retiree's spouse predeceases the retiree, the Joint and Survivor reduction in the monthly pension benefit is cancelled and the monthly pension will "pop-up" to the amount prior to the Joint and Survivor reduction. Any applicable reduction for early retirement would remain in effect. In other words, the monthly pension of the retiree shall be adjusted.

It is important to note that:

- A copy of your spouse's death certificate must be submitted to the Fund Office in order for an increase in your pension payments; and

- The "pop-up" in pension will become effective the first month after your spouse passes away, provided you notify the Fund Office within three (3) months of your Spouse's death. If you do not notify the Fund Office and provide a death certificate in time, the pop-up will only apply starting with the month after you have supplied the death certificate.

HOW TO CALCULATE YOUR PENSION BENEFITS - EXAMPLES

Example A - Normal Retirement Pension Bill – Age 65, 100% Joint and Survivor Option

Bill is a Grandfathered PHL Participant who began working on January 1, 2021 in Class III Covered Employment. He worked 1,500 hours each year until retirement. Bill will be 65 years of age on January 1, 2029. He is eligible for an unreduced Normal Retirement Pension with payments starting January 1, 2029. The steps to calculate his pension are shown below:

STEP 1 – Calculate the Legacy Accrued Monthly Pension at retirement:

Period	**Formula**	**Benefit**
01/01/21 and 12/31/21	$90.00 per thousand x 1,500 hours	$135.00
01/01/22 and 12/31/22	$90.00 per thousand x 1,500 hours	+ $135.00
Bill's Legacy Accrued Monthly Pension		**$270.00**

STEP 2 - Calculate the Variable Accrued Monthly Pension at retirement:

	2023	**2024**	**2025**	**2026**	**2027**	**2028**
1. Monthly Benefit Earned in Year						
a. Benefit Contributions	$16,935	$16,935	$16,935	$16,935	$16,935	$16,935
b. Monthly Benefit Earned = 1% x (1a)	$169.35	$169.35	$169.35	$169.35	$169.35	$169.35
2. Adjustment Factor						
a. Prior Year Market Value Return	n/a	7.00%	5.50%	-2.00%	15.00%	9.00%
b. = (1 + 2a) / (1 + Hurdle Rate)	n/a	1.0190	1.0048	0.9333	1.0952	1.0381
c. Variable Pension Adjustment = 2b with a cap of 1.05	n/a	1.0190	1.0048	0.9333	1.0500	1.0381
3. Calculating the Benefit						
a. Beg. of Year Variable Accrued Benefit - Unadjusted	$0.00	$169.35	$341.92	$512.91	$648.05	$849.80
b. Beg. of Year Variable Accrued Benefit with Adjustment = 3a x 2c	$0.00	$172.57	$343.56	$478.70	$680.45	$882.18
c. End of Year Variable Accrued Benefit = 1b + 3b	$169.35	$341.92	$512.91	$648.05	$849.80	**$1,051.53**
Bill's Variable Accrued Monthly Pension						**$1,051.53**

Notes:

- *Benefit Contributions assumed to be based on 1,500 hours per year and an hourly contribution rate of $11.29.*
- *Plan Hurdle Rate = 5%*
- *The Market Value Returns shown in the table above are for illustration purposes only. The Variable Accrued Monthly Pension will be adjusted to reflect actual plan investment returns.*

STEP 3 – Calculate the Total Accrued Monthly Pension at retirement:

Bill's Total Accrued Monthly Pension Payable at Normal Retirement Age	=	Legacy Accrued Monthly Pension	+	Variable Accrued Monthly Pension
$1,321.53	**=**	**$270.00**	**+**	**$1,051.53**

STEP 4 – Calculate the form of payment options:

Bill is married and his wife, Mary, is 3 years younger. Since Bill remained Active until his Normal Retirement Age and then retired, he is eligible to receive the 100% Joint and Survivor annuity without reduction.
Bill is presented with the following form of payment options:

	Optional Form Adjustment Factor	**Legacy Accrued Monthly Pension**	**Variable Accrued Monthly Pension**	**Total Accrued Monthly Pension**	***Amount Payable to Survivor (if applicable)***
Single Life Annuity with 60-month payment guarantee	1.0000	$270.00	$1,051.53	**$1,321.53**	*$1,321.53 (for remainder of 60-mths)*
Single Life Annuity with 120-month payment guarantee	0.9659	$260.79	$1,015.67	**$1,276.46**	*$1,276.46 (for remainder of 120-mths)*
50% Joint and Survivor	0.8896	$240.19	$935.44	**$1,175.63**	*$587.82*
75% Joint and Survivor	0.8389	$226.50	$882.13	**$1,108.63**	*$831.47*
100% Joint and Survivor	1.0000	$270.00	$1,051.53	**$1,321.53**	*$1,321.53*

Bill and Mary elected to receive the 100% Joint and Survivor Pension. Bill will receive a monthly pension of $1,321.53. The portion of this check from his Legacy Accrued Monthly Pension is $270. This amount will not change during this retirement. The portion of this check from his Variable Accrued Monthly Pension is $1,051.53. This amount will change annually based on the investment performance of the Plan.

Since they elected the 100% Joint and Survivor option, if Bill dies first, Mary will receive 100% of the lifetime income that Bill was receiving (subject to annual changes in the Variable Accrued Monthly Pension).

STEP 5 – Calculate the changes in Bill's pension during his retirement

Bill's first pension check, which is payable on January 1, 2029, is $1,321.53. The chart below shows an illustrative example of how Bill's 100% Joint and Survivor Pension may change during the first five years of his retirement based on sample investment returns of the Plan.

	2029	**2030**	**2031**	**2032**	**2033**
1. Adjustment Factor					
a. Prior Year Market Value Return	18.0%	-7.40%	9.30%	2.20%	8.10%
b. = (1 + 1a) / (1 + Hurdle Rate)	1.1238	0.8819	1.0410	0.9733	1.0295
c. Variable Pension Adjustment = 1b, with a cap of 1.05	1.0500	0.8819	1.0410	0.9733	1.0295
2. Calculating the Pension Payment					
a. Beg. of Year Variable Accrued Benefit Pension - Unadjusted	$1,052	$1,104	$974	$1,014	$987
b. Beg. of Year Variable Accrued Benefit Pension Adjusted = 2a x 1c	$1,104	$974	$1,014	$987	$1,016
c. Frozen Legacy Benefit	$270	$270	$270	$270	$270
d. Total End of Year Pension = 2b + 2c	$1,374	$1,244	$1,284	$1,257	$1,286

Notes:

- *The Market Value Returns shown in the table above are for illustration purposes only. The Variable Accrued Monthly Pension will be adjusted once per year to reflect actual plan investment returns.*
- *The Pension values shown in rounded whole dollars for simplicity.*

Example B - Early Retirement – Reduced John – Age 55, Single Life Option (No Spouse)

John is a Grandfathered NE Participant who began working on March 1, 2017. He remained Active until his May 1, 2037 retirement at which point he was age 55 with 20 years of Credited Service. The Northeast Plan adopted the variable annuity plan design as of January 1, 2022. So, his Legacy Accrued Monthly Pension[1] was the benefit accrued through December 31, 2021 ($800 per month) and his Variable Accrued Monthly Pension was accrued on and after January 1, 2022 ($2,043 per month). The steps to calculate his pension are shown below:

STEP 1 – Calculate the Early Retirement Pension:

John is eligible for a reduced Early Retirement Pension at age 55. His pension is reduced by ¼ of 1% per month (3% per year) times the number of months from his early retirement date to the date he will be age 62. Since John will retire 84 months before age 62, he will take a 21% reduction to his pension.

	Legacy Accrued Monthly Pension	**Variable Accrued Monthly Pension**	**Total Accrued Monthly Pension**
a. Pension Payable at Normal Retirement Age	$800.00	$2,043.00	$2,843.00
b. Early Retirement reduction = 21% x a	$168.00	$ 429.03	$ 597.03
c. Early Retirement Pension = a – b	$632.00	$1,613.97	$2,245.97

STEP 2 – Calculate the form of payment options:

John is not married. His named beneficiary is 58 years old. He is presented with the following form of payment options for his Early Retirement Pension:

	Optional Form Adjustment Factor	**Legacy Accrued Monthly Pension**	**Variable Accrued Monthly Pension**	**Total Accrued Monthly Pension**	***Amount Payable to Survivor (if applicable)***
Single Life Annuity with 60-month payment guarantee	1.000	$632.00	$1,613.97	$2,245.97	*$2,245.97 (for remainder of 60-mths)*
Single Life Annuity with 120-month payment guarantee	0.9871	$623.85	$1,593.15	$2,217.00	*$2,217.00 (for remainder of 120-mths)*
50% Joint and Survivor	0.9381	$ 592.88	$1,514.07	$2,106.95	*$1,053.48*
75% Joint and Survivor	0.9081	$ 573.92	$1,465.65	$2,039.57	*$1,529.68*
100% Joint and Survivor	0.8799	$ 556.10	$1,420.13	$1,976.23	*$1,976.23*

Notes:

- *Since John is a Grandfathered NE Participant, he may elect a Joint and Survivor annuity with a non-spouse beneficiary.*

John elected to receive the Single Life Annuity with 120-month guarantee. John will receive a monthly pension of $2,217.00. The portion of this check from his Legacy Accrued Monthly Pension is $623.85. This amount will not change during this retirement. The portion of this check from his Variable Accrued Monthly Pension is $1,593.15. This amount will change annually based on the investment performance of the Plan.

[1] *Details regarding the calculation of a Grandfathered NE Participant's Legacy Accrued Monthly Pension are available from the Fund Office upon request*

STEP 3 – Calculate the death benefit:

Suppose John dies after collecting 9 years of pension payments (108 payments). There were 12 months left of his 120-month guarantee. On the date of his death, his Legacy Accrued Monthly Pension was $623.85 (no change) and his Variable Accrued Monthly Pension was $1,762.44. The lump sum death benefit payable to his beneficiary is $28,635.48, as shown below:

	Legacy Accrued Monthly Pension	**Variable Accrued Monthly Pension**	**Total Accrued Monthly Pension**
a. Pension Payable at Normal Retirement Age	$623.85	$1,762.44	$2,386.29
b. # Months of Guarantee remaining = 120 less # months of pension received = 120 – 108 = 12	12		
c. Death Benefit = a x b	$7,486.20	$21,149.28	$28,635.48

Example C - Early Retirement – Unreduced With Pop-Up Joe – Age 57, 50% Joint and Survivor Option

Joe is an Active Grandfathered NE Participant who is 57 years old with 30 years of Credited Service. His Legacy Accrued Monthly Pension is $2,250 per month and his Variable Accrued Monthly Pension is $427 per month. He is eligible for an Unreduced Early Retirement Pension with payments starting January 1, 2025. The steps to calculate his pension are shown below:

STEP 1 – Calculate the Early Retirement Pension:

	Legacy Accrued Monthly Pension	**Variable Accrued Monthly Pension**	**Total Accrued Monthly Pension**
a. Pension Payable at Normal Retirement Age	$2,250.00	$427.00	$2,677.00
b. Early Retirement Reduction = 0% x a	$0.00	$0.00	$0.00
c. Early Retirement Pension = a – b	$2,250.00	$427.00	$2,677.00

STEP 2 – Calculate the form of payment options:

Joe is married and his wife, Jane, is the same age. Joe is presented with the following form of payment options for his Early Retirement Pension:

	Optional Form Adjustment Factor	**Legacy Accrued Monthly Pension**	**Variable Accrued Monthly Pension**	**Total Accrued Monthly Pension**	***Amount Payable to Survivor (if applicable)***
Single Life Annuity with 60-month payment guarantee	1.0000	$2,250.00	$427.00	$2,677.00	*$2,677.00 (for remainder of 60-mths)*
Single Life Annuity with 120-month payment guarantee	0.9846	$2,215.35	$420.42	$2,635.77	*$2,635377 (for remainder of 120-mths)*
50% Joint and Survivor	0.9238	$2,078.55	$394.46	$2,473.01	*$1,236.51*
75% Joint and Survivor	0.8877	$1,997.33	$379.05	$2,376.38	*$1,782.29*

Joe and Jane elect to receive the 50% Joint and Survivor Pension option. Joe will receive a monthly pension of $2,473.01. The portion of this check from his Legacy Accrued Monthly Pension is $2,078.55. This amount will not change during this retirement. The portion of this check from his Variable Accrued Monthly Pension is $394.46. This amount will change annually based on the investment performance of the Plan.

If Joe dies first, Jane will receive 50% of the lifetime income that Joe was receiving (subject to annual changes in the Variable Accrued Monthly Pension). If Jane dies first, Joe will be eligible for the Pop-Up benefit.

STEP 3 – Calculate the Pop-Up Benefit:

Suppose Jane passed away two years after Joe retired. At the time of Jane's death, Joe's Legacy Accrued Monthly Pension was $2,078.55 (no change) and his Variable Accrued Monthly Pension was $452.39. The form of payment conversion factor at retirement was 0.9238. Joe's benefit will pop-up to the benefit that would have been payable without the form of payment conversion. So, the monthly benefit will be $2,739.71, as shown below:

	Legacy Accrued Monthly Pension	**Variable Accrued Monthly Pension**	**Total Accrued Monthly Pension**
a. Pension Payable at spouse's date of death	$2,078.55	$452.39	$2,530.94
b. Joint and Survivor conversion factor at retirement	0.9238		
c. Post-Pop Up Monthly Pension = a ÷ b	$2,250.00	$489.71	$2,739.71

Example D - Deferred Vested Pension Tom – Age 60, Single Life Option with 60-payment guarantee (No Spouse)

Tom is a Grandfathered PHL Participant who turned age 45 and had 9 years of Credited Service when he stopped working in 2022. Tom is planning to retire when he turns age 60. His Legacy Accrued Monthly Pension is $530 per month and his Variable Accrued Monthly Pension is $0. Since Tom did not satisfy the requirements for an Early Retirement Pension when he ceased to be an Active Participant, he would be eligible for a Deferred Vested benefit. Tom's pension would be reduced by ½ of 1% per month (6% per year) times the number of months from his deferred vested retirement date to the date he would be age 65. Since Tom will retire 60 months before age 65, he will take a 30% reduction to his pension. The steps to calculate Tom's pension are shown below:

STEP 1 – Calculate the Deferred Vested benefit:

	Legacy Accrued Monthly Pension	**Variable Accrued Monthly Pension**	**Total Accrued Monthly Pension**
a. Pension Payable at Normal Retirement Age	$530.00	$0	$530.00
b. Deferred Vested Retirement Reduction = 30% x a	$159.00	$0	$159.00
c. Deferred Vested Retirement Benefit = a – b	$371.00	$0	$371.00

STEP 2 – Calculate the form of payment options:

Tom is not married. He is presented with the following form of payment options for his Deferred Vested Pension:

	Optional Form Adjustment Factor	**Legacy Accrued Monthly Pension**	**Variable Accrued Monthly Pension**	**Total Accrued Monthly Pension**	***Amount Payable to Survivor (if applicable)***
Single Life Annuity with 60-month payment guarantee	1.000	$371.00	$0.00	$371.00	*$371.00 (for remainder of 60-mths)*
Single Life Annuity with 120-month payment guarantee	0.9796	$363.43	$0.00	$363.43	*$363.43 (for remainder of 120-mths)*
50% / 75% / 100% Joint and Survivor	n/a	n/a	n/a	n/a	*n/a*

Tom elected to receive the Single Life Annuity with 60-month guarantee. Tom will receive a monthly pension of $371.00. His entire benefit is from his Legacy Accrued Monthly Pension. This amount will not change during his retirement.

STEP 3 – Calculate the death benefit:

Suppose Tom dies after collecting 4.5 years of pension payments (54 payments). There would be 6 months left of his 60-month guarantee. At the time of his death, his Legacy Accrued Monthly Pension was $371.00 (no change). The lump sum death benefit payable to his beneficiary is $2,226.00, as shown below:

	Legacy Accrued Monthly Pension	**Variable Accrued Monthly Pension**	**Total Accrued Monthly Pension**
a. Pension Payable at Normal Retirement Age	$371.00	$0.00	$371.00
b. # Months of Guarantee remaining = 60 less # months of pension received = 60 – 54 = 6	6 months		
c. Death Benefit = a x b	$2,226.00	$0.00	$2,226.00

TERMINATION AND/OR SUSPENSION OF BENEFITS

Your pension benefits may be withheld, suspended or terminated if you work in Disqualifying Employment.

For benefits accrued prior to January 1, 2023, the suspension rules of the plan under which the benefits accrued would apply. Details can be found in the applicable prior plan's Summary Plan Description.

For benefits accrued on or after January 1, 2023, the suspension rules are as follows:

<u>Prior to age 65</u>

Your benefits will not be suspended unless you work more than 40 hours a month in Disqualifying Employment.

Disqualifying Employment means employment or self-employment in an industry covered by the Plan and Geographic Jurisdiction covered by the Plan, whether Union or non-Union, except that Disqualifying Employment shall not include work as a supervisor, project manager, estimator, safety director, or a substantially similar position for a Contributing Employer. The Trustees may consider other positions as excluded from Disqualifying Employment if such positions relate to core managerial functions of the operations of a Contributing Employer.

After age 65

Your benefits will not be subject to suspension if you return to work.

At any age, your pension benefits may also be withheld, suspended or terminated if you:

- pass away, or
- are receiving Disability Pension payments and recover from the disability ***or*** resume work of any kind ***or*** cease to receive Social Security Disability payments.

You or your representative must immediately notify the Plan of any Disqualifying Employment, recovery from disability or death that affects payment of pension benefits.

The Fund may suspend your benefit if it becomes aware of any Disqualifying Employment regardless of the number of hours of work. You may appeal the suspension to the Board of Trustees within 60 days of the Fund Office suspension notice in the same fashion as a denied claim under the rules in the section on Appealing a Denied Claim.

Benefits that are suspended due to a return to work are lost forever and there are no "make-up" payments or adjustments. Your work earnings are a complete substitute for your pension benefits for each month you work.

Certificate of Right to Receive a Monthly Pension or Annuity Payment

You must complete the annual certificate of continuing eligibility from the Plan. The Plan can suspend your monthly payments for failure to return a properly completed certificate on a timely basis.

Resumption of Benefits after Termination or Suspension before Normal Retirement Age

Retirement benefits resume upon termination or suspension before Normal Retirement Age only with the filing of a "Benefit Resumption Notice" (obtained from the Pension Fund Office). An Early Retirement Benefit or Disability Retirement benefit may be paid or resume after termination or suspension with a new application that shows retirement eligibility based on age and service or disability.

The right to an Early Retirement Supplement, if applicable, is permanently lost on any return to suspendible construction work (as defined in the PHL Pension Plan document) and will not be reinstated. Any overpayment of benefits before discovery of the reemployment that you do not re-pay may be recovered from any future benefit payments before Normal Retirement Age and thereafter to the extent allowed on suspension after Normal Retirement Age.

If the Fund receives word of work and you have not notified the Fund Office of your work, the Fund will assume that you have worked more than 40 hours in that month and every following month until you provide verification that you are unemployed or adequate evidence that your work should not cause a suspension of benefits.

The suspension of benefits rules do not apply to work after April 1 of the calendar year following the calendar year in which you reach your Required Distribution Age.

If you turn age 70½ after December 31, 2019, your Required Distribution Age is age 72. If you turn 70½ prior to 2020, your Required Distribution Age is 70½.

Resumption of Benefits after Termination or Suspension after Normal Retirement Age

Once you have reached Normal Retirement Age, you do not need to complete a new application to resume payment of benefits. You must however verify to the Plan that you have stopped Disqualifying Employment and request resumed payment.

Payment of a suspended benefit after Normal Retirement Age will resume no later than the first day of the third month after the month you notify the Plan that you have stopped Disqualifying Employment. The initial payment will include the payment scheduled for the month in which payment resumes and any amounts withheld between the date you stopped Disqualifying Employment and the resumption of payment less benefits paid for months with Disqualifying Employment before the suspension. Subsequent payments will equal your regular monthly benefit.

You must re-pay any overpayment of benefits before the suspension. You can re-pay directly or the Plan may recover the overpayment by a reduction in future payments of up to twenty-five percent (25%) of each payment until the overpayment is recovered in full.

Advance Determination on Disqualifying Employment

You can also ask the Board of Trustees to determine whether work will result in suspension or loss of benefits before you begin work. A completed application for “Retiree Work Waiver” should be completed by the applicable employer and delivered in writing to the Pension Manager (or authorized representative) at the Fund Office, 1811 Spring Garden Street, Philadelphia, PA 19130, with details on the potential Employee, type of work, location of work and the expected duration of the work.

Your request to the Board of Trustees will be treated as a benefit claim and will be addressed within ninety (90) days. Your benefits will not be suspended while an initial request for determination is pending if you file the request before beginning work. If the Fund learns of work which has not been reported, no grace period will be allowed.

YOUR ANNUITY BENEFIT

If you are a Grandfathered PHL Participant or a Grandfathered PHL Staff Participant, you may be eligible for an Annuity Benefit.

The Annuity Benefit is designed to be an additional retirement benefit, which has no effect upon your pension benefit (unless you have a defaulted Loan and there is not enough money in your Annuity account to cover it, in which case the monies will be deducted from your pension). This benefit is provided only for participants whose Employers made annuity contributions for Contribution Hours prior to January 1, 2023. The Annuity Benefit is frozen as of December 31, 2022 – it will no longer be credited with new contributions, but it will continue to be credited with interest.

The Additional Benefit Accumulation Account (more commonly called your “Annuity Account” or “Annuity Benefit”) is a hybrid account-based benefit that is part of the same “defined benefit” pension plan as your Accrued Monthly Pension. The rules on status as an Active Participant, becoming an Inactive Participant, vesting, and retirement eligibility for the Accrued Monthly Pension and retirement and suspension of benefits also apply to the Annuity Benefit.

The basic differences between the Annuity Benefit and Accrued Monthly Pension are as follows:

- Payment of Annuity benefits on 24-month separation from service or retirement,
- Calculation of benefit payment amounts, and,
- A lump sum payment option.

Annuity Vesting

You are “vested” in your Annuity Account Benefit under the plan if you:

- have earned at least three (3) Years of Vesting Service, or
- had earned at least two (2) Years of Credited Service prior to December 1, 2008.

You may also be vested if you are working in Covered Employment at the later of age 65 or the 5th anniversary of your participation in the Plan.

The rules on Years of Vesting Service, breaks in service and cancellation of Vesting Service for your Annuity Benefit are the same as for the Accrued Monthly Pension benefit. If you pass away or leave work under the Plan before you are vested, you will not receive any Annuity Benefit account money.

Your Annuity Account Works Like This...

The amount of your Annuity Benefit account is individually calculated based on all "Annuity" contributions paid for your work through December 31, 2022, plus the amount earned in interest through your distribution date.

The contribution rate per hour depends upon the type of contract under which you work. You do not receive credit for any work (under the Plan or elsewhere) that does not have a defined benefit "Annuity" contribution. (Most "Annuity Plans" are defined contribution plans). Any money reciprocated by those plans goes into your Eastern Atlantic States Carpenters Annuity Fund account.

The interest earned on your Annuity account for a Plan Year is based on an index rate, which is defined as the 30-year Treasury Rate in the second month prior to the Plan Year. Contributions made prior to May 1, 2018 are credited at the index rate without adjustment. Contributions made on or after May 1, 2018 and prior to January 1, 2023 are credited at the index rate which is capped at 6.0%. Since two different rules are used for the interest credits, your Annuity account will be tracked as two separate account balances.

Note that the rules for interest credits to Annuity accounts were different prior to 5/1/2018. To comply with the change in IRS rules, the Annuity accounts for some Participants were increased as of May 1, 2018. No Annuity accounts were decreased as a result of this compliance.

The Plan expects to send an annual statement of your Annuity account, normally within three months after the end of the Plan Year.

How to Calculate Your Annuity Account Balance – An Example

Taylor has an Annuity Account Balance of $5,500 as of May 1, 2019 ($5,000 in Account A and $500 in Account B). Let's assume he works 1,500 hours in Class III Covered Employment during the 2019 Plan Year (May 1, 2019 to April 30, 2020).

Here's a look at how his account grows through employer contributions and interest in a year:

Account A - Contributions prior to 5/1/2018		
Interest Credited at Index Rate (2.98%)		
(A1)	Beginning account balance as of May 1, 2019	$5,000.00
(A2)	Annual interest credited to Jack's beginning balance at the 2019 rate of 2.98% ($5,000 x 2.98%)	+ $149.00
(A3)	Total Account A balance on April 30, 2020	$5,149.00

Account B - Contributions after 4/30/2018		
Interest Credited at lesser of Index and 6%		
(B1)	Beginning account balance as of May 1, 2019	$500.00
(B2)	Annual interest credited to Jack's beginning balance at the 2019 rate of 2.98% ($500 x 2.98%)	+ $14.90
(B3)	Contributions for hours worked between May 1, 2019 and April 30, 2020 (1,500 x $4.50)	+ $6,750.00
(B4)	Monthly interest on contributions credited to Jack's account on April 30, 2020 ($6,750.00 x 1.49%)	+ $100.58
(B5)	Total Account B balance on April 30, 2020	$7,365.48

Total Annuity Account Balance	
Beginning account balance as of May 1, 2019 (= A1 + B1)	$5,500.00
Ending account balance as of April 30, 2020 (= A3 + B5)	$12,514.48

Annuity Payment Dates

If you vest in your Annuity Benefit account, you will have a non-forfeitable right to the money in your account. You may apply for payment on retirement or on a separation from service (generally, 24 months with no contributions to this Plan and no work in the construction industry). You generally must begin payment after you reach your Required Distribution Age (age 72 generally, or age 70½ if you turned 70½ prior to 2020), just as with the Accrued Monthly Pension benefit.

How Annuity Benefits Are Paid

The law requires that your Annuity Benefit account be converted to monthly payments in a single life annuity (for an unmarried participant) or a joint and 50% survivor annuity (for a married participant), unless you and your spouse, if any, agree to payment in a different form.

These options have some differences from the payment of the Accrued Monthly Pension.

- The single life annuity only lasts for your life. Benefits stop at your death with no 60-month guarantee.
- The Joint and Survivor options do not include a pop-up feature if the surviving spouse predeceases the Participant.
- The conversion of your Annuity Account Balance to a monthly benefit and the reduction for early retirement are both calculated under IRS rules (sometimes called "Section 417(e) rates") which change each year. This calculation is completely different from the formula used to determine your Accrued Monthly Pension and the early retirement reduction factors for the Early Retirement pension benefit do not apply.

The conversion from a Single Life form of payment to a Joint and Survivor benefit uses the same factors for actuarial equivalence in the Plan document as does the Accrued Monthly Pension benefit.

You can "retire" and begin payment of the Annuity Benefit account at any time that you are eligible to receive the account – even if you are not yet eligible to receive an Accrued Monthly Pension benefit at the time. For example, once you have left construction work and have had no contributions to the Plan for your work for 24 months, you are eligible to receive benefits from your Annuity Account.

You and your spouse, if any, have other options for payment of the Annuity Account, as well.

1. A Joint and 75% Survivor Annuity with your spouse as the beneficiary
2. A Joint and 100% Survivor Annuity with your spouse as the beneficiary;
3. A single lump sum payment;
4. A direct rollover into an Individual Retirement Account (IRA) or another qualified retirement plan account; or
5. An equal monthly benefit payable for a fixed period ranging from one-to-fifteen years (only if you have at least $2,000 in your account).

Annuity Death Benefits (Pre-Retirement)

If you pass away before a distribution of your Annuity Benefit, the Plan provides the following death benefits:

1. **Spouse.** Your surviving spouse (of one year or more) can receive either option: a single sum payment of the balance in your Annuity Benefit account or monthly payments as a Single Life Annuity (calculated as if your spouse was an unmarried participant).

2. **Beneficiary.** If you are not married (for at least one year) at the date of your death, your beneficiary will receive a single sum payment of the balance in your Annuity Benefit account.

Important Loan Facts

(For Those with an Outstanding Loan)

The prior loan program was terminated effective June 1, 2004, but anyone who has an outstanding Loan must continue to make his or her scheduled monthly repayments. A yearly Annuity Loan Statement is mailed in May to participants with outstanding loans.

Subject to some variations in loan documents, the general terms of a loan are as follows:

Loan Interest Rate Payable	Set by Board of Trustees – 9%
Repayment	Payments are due monthly, on the first day of the month
Late Fee	Presently 3%, charged for payment after the 15th of the month
Security	Loans are secured by your Annuity Benefit Account, Accrued Monthly Pension and your “Vacation Benefit” from the Health & Welfare Fund.

Defaulting on a Loan

(For those Participants who took a Loan Before June 1, 2004)

Defaulting on an Annuity loan is a serious matter. A default means that the total balance of the outstanding loan becomes due and payable immediately.

A default occurs if you fail to make any payment on time or in the event of your insolvency, bankruptcy, retirement, death, or incompetence. You have a one-time opportunity to cure any late payment. A default will occur if a regularly monthly scheduled payment is NOT received by the Fund Office by the end of the calendar quarter following the calendar quarter in which the payment was due.

If a default occurs, there will be a “deemed distribution.” What this means is that for tax purposes, and for tax purposes only, a portion of your annuity balance that is equal to the outstanding loan principal will be deemed to be distributed to you. You will have to pay income taxes on the loan principal, and a 10% penalty tax will also apply unless you are eligible for an exemption. A 1099-R form will be issued in the year of default.

You still have to pay back the loan, even though you are taxed on the loan. The unpaid annuity loan will continue to accrue interest and other charges until it is paid in full. On default, the Plan can (and must) seek repayment.

- Your vacation benefit under the Carpenters Health & Welfare Fund of Philadelphia & Vicinity will be designated as a taxable vacation benefit and will be paid to the Pension Plan for application to your loan. Any such payment of the vacation benefit will still be taxable income to you.

- A loan balance may be offset against your pension or annuity benefits when they are otherwise distributable (retirement or a 24-month absence) after a default. This will be a taxable distribution to you of any balance not previously taxed and will be reported to the IRS. (This will happen at retirement unless you repay the loan in advance.)

- The Board of Trustees may also take legal action to enforce repayment of the annuity loan. In this event you will also be charged court costs and attorneys' fees.

If you have already defaulted on a loan, you should settle your debt with the Fund because your account balance might be reduced to zero after repayment of the loan, late fees, attorney's fees, etc. For example, if you currently have a judgment against you in the amount of $30,000, in five years your payback amount could reach $63,000 after late fees, interest and attorneys' fees are calculated. For every year that the default is not cured, the fees increase. All vacation payments are put on hold and if the Annuity Loan is not settled the monies in the Annuity Benefit account will become zero. If this should happen, the Plan would be required to attach your Accrued Monthly Pension payment. You are encouraged to pay the monies due before your Annuity Benefit account is depleted.

HOW TO CLAIM YOUR BENEFITS

Application Process

To claim your benefits you may call the Fund Office to schedule an appointment and apply in person. You may also file a written application with the Fund Office before you want your Pension or Annuity benefit to begin. You can obtain an application form from the Fund Office. The Fund Office has the right to request any information it reasonably requires to determine a right to a benefit and may deny the benefit if the information is not provided on a timely basis.

The Fund Office will make an initial determination on a claim for benefits. If your claim is denied, in whole or in part, you will receive written notification within 90 days of the date the Fund Office received your claim (this period is 45 days for a claim under the Disability section of the Plan). In some cases, the Fund Office may require more than 90 days (45 days in the case of a Disability claim) to make a decision regarding your claim. In this case, the Fund Office may take up to an additional 90 days (60 days for a Disability claim), provided that the claimant is notified of the extension within the initial 90-day period (45-day period for a Disability claim) with an explanation of the reasons that more time is needed.

Appealing a Denied Claim - Disability

If your claim for benefits is denied, in whole or in part, you may appeal the denial in writing to the Board of Trustees within 180 days after you receive the denial from the Fund Office. You have the right to review pertinent Plan documents and submit a written statement in support of your claim.

The Appeals Committee of the Board of Trustees will conduct a full review of your claim and make a recommendation to the full Board of Trustees no later than the next scheduled meeting of the Board. If the request for the review is received within 30 days before the meeting, a decision on the denial will be made no later than the date of the second scheduled meeting, after the receipt of the request. In some cases, the Board may need more time to make a decision. In this case, the Board will make a decision no later than the third meeting after the receipt of the request, provided that they notify you of the extension before the original deadline passes.

The Board can establish rules and regulations for the administration of the Plan. The Board's construction, interpretation or application of the Fund's Plan of benefits and its rules and regulations (including factual determinations and eligibility determinations) is final, conclusive and binding on all persons to the fullest extent allowed by law.

Appealing a Denied Claim – Non-Disability

If your claim for benefits is denied, in whole or in part, you may appeal the denial in writing to the Board of Trustees within 60 days after you receive the denial from the Fund Office. You have the right to review pertinent Plan documents and submit a written statement in support of your claim.

The Appeals Committee of the Board of Trustees will conduct a full review of your claim and make a recommendation to the full Board of Trustees no later than the next scheduled meeting of the Board. If the request for the review is received within 30 days before the meeting, a decision on the denial will be made no later than the date of the second scheduled meeting, after the receipt of the request. In some cases, the Board may need more time to make a decision. In this case, the Board will make a decision no later than the third meeting after the receipt of the request, provided that they notify you of the extension before the original deadline passes.

The Board can establish rules and regulations for the administration of the Plan. The Board's construction, interpretation or application of the Fund's Plan of benefits and its rules and regulations (including factual determinations and eligibility determinations) is final, conclusive and binding on all persons to the fullest extent allowed by law.

Lawsuits and Limitations Period

A claimant who is dissatisfied with an eligibility determination or benefit awarded, or who is otherwise adversely affected by any action of the Board of Trustees, must exhaust the Plan remedies before any lawsuit. The Plan has no voluntary mediation or arbitration procedures and is not subject to nor bound by arbitration awards under collective bargaining agreements. A claimant who has exhausted Plan remedies may proceed with a lawsuit in accordance with ERISA.

The Plan has a uniform one year limitations period on lawsuits, regardless of the state in which the lawsuit is filed, except to the extent that a uniform and controlling federal statute of limitation applies to a claim for benefits under the Plan or is prohibited by law. This rule applies to any administrative proceedings, arbitration, lawsuit or other legal action on such a claim or other action or for any amount claimed to be payable from the Plan or its fiduciaries in connection with a claim or other action (including without limitation, monetary remedies or awards for failure to respond to a request for documents or retroactive payments) against the Plan or its fiduciaries.

The limitations period ends one year after the earliest of the following dates.

- the date of an initial written determination or response by the Plan to a claim, or
- the last date for a timely initial determination or response by the Plan on a claim for benefits or other request under ERISA and applicable regulations.

Notwithstanding the foregoing, no amount shall be payable from the Plan or its fiduciaries on any claim for any installment or other periodic payment for a date or period that is more than three years before the date of an initial claim or appeal for overdue or increased benefits in the past.

Qualified Domestic Relations Orders

If you are divorced before retirement, your spouse will lose all of his/her rights to your benefits under the Plan, unless the Plan is served with a qualified domestic relations order ("QDRO") from a state court. The state court can preserve a former spouse or child's right to share in your pension benefits. Your former spouse and child may receive a portion of your pension under a QDRO, and a QDRO may require you to retain your former spouse or child as a beneficiary under the guaranteed payment form**. A divorce after retirement has no effect on the payment of benefits to your spouse by the Plan after your death under the normal joint and survivor form.**

The Plan will pay all or a portion of your benefit in compliance with a court-issued Qualified Domestic Relations Order (QDRO) that meets Plan and all other ERISA standards. The Fund Office will treat a domestic relations order as a claim for benefits under the Plan and issue a letter acknowledging that the order is "qualified" (so as to entitle the spouse to benefits) or that it is "not qualified" and will not be accepted by the Plan. Any party to the order can appeal the determination of the Fund Office under the procedures for appeal of a benefit denial. If you are scheduled to receive payment of your benefits while the Plan is considering the qualified status of the order, the Plan will segregate any amounts potentially payable to the spouse while the qualified status of the order is under consideration (up to a maximum of 18 months).

The Plan will generally ask you about any divorce or property settlement agreement when you apply for payment of benefits. You and your former spouse may need to verify that a former spouse has no right or claim to your Plan benefits before payment to you begins.

No Assignment of Benefits

You may not assign your Accrued Monthly Pension, Annuity Account or benefits based on your Annuity Account. There are exceptions for a Qualified Domestic Relation Order, Plan loans, certain tax claims and debts due to the Plan. A loan, overpayment of benefits or other debt due the Plan may be treated as an advance payment of benefits and may be offset against future benefit payments until you have repaid the amounts due to the Plan.

Benefits Payable to Incompetents or Minors

If the Board of Trustees determines that the person to whom benefits are payable under the Plan is a minor, or is incapable of looking after himself/herself because of a mental or physical handicap, payment may be made to another person or institution that is responsible for looking after the beneficiary.

GENERAL INFORMATION ABOUT THE OPERATION OF THE PLAN

Your Obligations

The Fund Office **MUST** be notified in writing if:

- You designate or change your beneficiary. You must use the Plan form from the Fund Office and have your spouse's signed and written consent on the form to designate anyone other than your spouse as your beneficiary. The consent must either be notarized or signed before an authorized Plan representative.
- You get married or divorced. You must submit a marriage certificate or license for a marriage and a divorce decree to document a divorce. The Fund Office must also be notified of any Qualified Domestic Relations Order and/or Property Settlement Agreement.
- Your spouse passes away. You must submit a death certificate.
- You change your address.

Plan Name

The Plan Name is the Eastern Atlantic States Carpenters Pension Fund.

The Fund was established in 1962 pursuant to a Trust Agreement between the Metropolitan Regional Council of Philadelphia and Vicinity United Brotherhood of Carpenters and Joiners of America and the General Building Contractors Association, Inc.

Type of Plan

This Plan is a self-administered, multi-employer defined benefit pension plan and provides retirement, survivor and death benefits. The actual day-to-day administration of the Plan is carried out at the Fund Office, which was established for that purpose by the Board of Trustees. The Executive Fund Director and his/her staff conduct the day-to-day administration of the Plan.

Plan Number

001

Employer Identification Number

23-1613018

Plan Year

Effective January 1, 2023, the Plan Year is January 1 through December 31.

Prior to 2023, the Plan Year was May 1 through April 30.

Agent for Service of Legal Process

Kroll Heineman Ptasiewicz Parsons LLC
99 Wood Avenue South, Suite 307
Iselin, NJ 08830

Susanin Widman and Brennan
1001 Old Cassatt Rd., Suite 306
Berwyn, PA 19312

You may also serve legal process on a member of the Board of Trustees.

Contributing Employers

The Plan is supported by contributions made by Employers. A list of contributing Employers is available for your review at the Fund Office. Also, information about any specific contributing employer is also available.

The Plan is maintained and the contribution amounts are determined pursuant to the provisions of collective bargaining agreements between the Eastern Atlantic States Regional Council of Carpenters or their affiliated local unions and several employer associations. Copies of the collective bargaining agreements are available at the Fund Office.

Funding

The Pension Fund is funded entirely by Employer contributions required by collective bargaining agreements between the Eastern Atlantic States Regional Council of Carpenters or their affiliated local unions and contributing employers.

Contributions to the Plan are based on the number of hours an employee works in Covered Employment. All contributions and earnings are held in a Trust Fund under a Trust Agreement.

Employee contributions are neither required nor permitted. Rollovers into the Plan are not permitted.

Benefit Limit

Section 415 of the Internal Revenue Code sets a limit on the annual dollar amount of benefits that participants may receive from the Plan.

The 2023 limit is $265,000 per year at age 65 with lower limits at younger ages. These limits adjust annually and can be found at www.irs.gov.

Plan Administrator

The Administrator of the Plan is the Board of Trustees of the Trust Fund, composed of union and employer representatives. The Eastern Atlantic States Regional Council of Carpenters appoints fourteen Board members, the General Building Contractors' Association, Inc. appoints seven Board members and the Associated Construction Contractors of New Jersey appoints seven Board members.

The assets of the Plan are held in a Trust Fund under a Trust Agreement. The Board may, in its discretion, delegate management of certain Fund assets to an investment manager.

The basic financial records of the Plan and the Trust are maintained on a fiscal year basis. The fiscal year is the period from January 1 through December 31.

Executive Fund Director

If you have any questions about the Plan, please contact the Fund Office.

Mr. Pete Tonia
Executive Fund Director
Eastern Atlantic States Carpenters Pension Fund
1811 Spring Garden Street
Philadelphia, PA 19130
Phone: (215) 568-0430
www.carpenters.fund

Asset Custodian

The general custodian for Fund assets is:

BNY Mellon Asset Servicing
500 Grant Street, Suite 151-4040
Pittsburgh, PA 15258-0001

The Fund also has investments through collective investment funds, mutual funds and insurance companies, whose assets are held by other custodians. The identity of any insurance company, collective trust or other entity holding Plan assets is available from the Plan's Form 5500, which can be obtained from www.efast.dol.gov or by written request to the Fund Office.

ERISA Rights

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

Receive Information about Your Plan and Benefits

You can examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration. For 2009 and subsequent plan years, you may obtain an electronic copy of the plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function.

You can obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

You can receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain Benefit Statements

You may obtain a statement telling you whether you have earned a right to receive a retirement benefit at normal retirement age (age 65) and, if so, what your benefits are under the Plan in effect. If you do not have a right to a benefit, the statement will tell you how long you have to work to receive rights to the benefit.

This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for benefits is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefit Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefit Security Administration, U.S. Department of Labor, Frances Perkins Building, 200 Constitution Avenue, N.W., Washington, DC 20210, Toll free: 1-866-275-7922, www.dol.gov. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefit Security Administration.

Plan Amendment

Although the Plan is a permanent program as it is currently structured, it can be amended or terminated by the Board of Trustees at any time. This power includes amendments or terminations involving merger, consolidation or a transfer of Plan assets or liabilities in accordance with ERISA. However, no amendment may reduce a Participant's accrued benefit nor eliminate or reduce an early retirement benefit, retirement type subsidy or optional form of payment with respect to hours of service before the amendment except as permitted or required by ERISA.

Current law requires advance notice of any amendment that will reduce future benefit accruals, but does not prohibit such changes. The forms and options for payment under the Plan or a merged plan may be altered (even for benefits already accrued) as long as certain core options are retained.

Plan Mergers

The following plans have merged into the Plan.

- Carpenters Local No. 600 Pension Plan, effective October 1, 1997
- Carpenters & Millwrights Local No. 2012 Pension Plan, effective May 1, 2003
- Carpenters Local 626 Pension & Annuity Plan, effective August 31, 2004
- Northeast Carpenters Pension Plan, effective December 31, 2022
- Pension Plan of the Carpenters Benefit Funds of Philadelphia and Vicinity, effective December 31, 2022.

The Local 1545 Plan has NOT merged into the Plan.

The Merger Agreement for each plan contains special transitional rules and protects your prior benefits. A copy is available to any affected participant as a plan document on request.

If you were covered under a plan that was merged into this Plan, your service under the prior plan (up to the date of merger) will generally be counted in full for purposes of participation and vesting in this Plan. Your credit toward participation, vesting, retirement eligibility and benefit amounts after the date of the merger will be determined in accordance with the general Plan rules.

The benefit you will receive from the Plan will always be at least the amount you had earned under the plan which merged into the Plan at the date you would have received it under the other plan. If the amount that you earn under the Plan and terms of any merger agreement is higher, you will receive the higher amount. If more favorable than the Plan, the rules for retirement eligibility (based on age and service, and excluding disability), payment and suspension of benefits under a merged plan will continue in effect. However, this is only for benefits earned under a merged Plan before the merger without additional service credit, benefit improvements or payment options arising from the merger or later Plan amendments. Any remaining benefit will be paid only under general Plan rules.

Plan Termination

The Board of Trustees has the power and authority to terminate the Plan at any time in accordance with the Trust Agreement. This Plan can also terminate in other ways:

- The adoption of a Plan amendment which provides that employees will receive no credit for any purpose under the Plan for service with any employer after the date(s) specified by the amendment terminates the Plan.

- A mass or complete withdrawal of every employer from the Plan, through a permanent cessation of operations or termination of the obligation of all employers to contribute to the Plan, freezes benefits and terminates the Plan as a matter of law.

- The adoption of an amendment which causes the Plan to become a defined contribution (individual account) Plan is also a legal termination.

- A court can terminate the Plan if the Plan fails to satisfy minimum funding requirements, is unable to pay benefits when due or shows the potential to create a long run loss to the Pension Benefit Guaranty Corporation (PBGC) which reasonably may be expected to increase unreasonably the insurance exposure of PBGC.

On termination, the rights of all affected employees will vest to the extent then funded. After termination, the Plan may only pay benefits which had become vested before termination and may or must by law reduce benefits in certain situations.

Pension Insurance

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first $11 of the monthly benefit accrual rate and (2) 75% of the lesser of $33 or the accrual rate in excess of $11. The PBGC's maximum guarantee limit is $35.75 per month times a participant's years of service. For example, the maximum guaranteed for a retiree with 30 years of service would be $1,072.50 per month or $12,870 per year.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of: (i) the date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay. For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact:

Pension Benefit Guaranty Corporation
Technical Assistance Division
1200 K Street, N.W., Suite 930
Washington, D.C. 20005-4026
www.pbgc.gov.

You can call PBGC at 1-800-400-7242. TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242.

Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.