



**EASTERN ATLANTIC STATES**

**CARPENTERS BENEFIT FUNDS**

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## **NOTICE OF PLAN AMENDMENT REDUCING FUTURE BENEFIT ACCRUALS OF THE EASTERN ATLANTIC STATES CARPENTERS PENSION FUND**

### **INTRODUCTION**

This notice includes important information regarding the Eastern Atlantic States Carpenters Pension Fund (“the Plan”), Employer Identification Number 23-1613018, Plan No 001.

The Trustees have amended the Plan to remove the Variable Pension Plan (“VPP”) adjustment component for benefits accrued on or after January 1, 2026. This change does not affect your current accrual rate, which will remain 1% of benefit-bearing contributions.

Because this means that benefits accrued on or after January 1, 2026 will no longer increase when investment performance exceeds the Plan’s hurdle rate of 5%, this change may be considered a reduction in future benefit accruals. As such, you are being notified. However, the removal of the variable adjustment component on future benefit accruals also means that benefits accrued on or after January 1, 2026 will no longer be subject to reductions for investment performance that falls short of the Plan’s hurdle rate of 5%.

### **SUMMARY OF ACCRUAL CHANGES**

Prior to the change outlined in the Introduction above, benefits in the Plan were subject to adjustments based on the fund’s investment performance. The VPP was instituted in the former Northeast Carpenters Pension Plan (“NEC”) effective January 1, 2022 and for the Plan, including the former Carpenters Pension & Annuity Plan of Philadelphia & Vicinity on January 1, 2023 when the two (2) plans merged.

For example, benefits accrued under the VPP design that were accrued in the 2022 Plan Year (January 1, 2022 through December 31, 2022) were subject to a 14.7% reduction in 2023, a 2.6% increase in 2024 and a 4.1% increase in 2025 based on the Plan’s investment performance in the years 2022 through 2024. Beginning for benefits accrued on or after January 1, 2026, accruals will no longer be subject to such adjustments. However, benefits previously accrued under the VPP design will still be adjusted annually based on the fund’s investment performance.

### **FOR MORE INFORMATION**

The Board of Trustees is furnishing this notice in accordance with Sections 204(h) and 305(e)(8)(C) of ERISA and related regulations. This notice also constitutes a summary of material modifications of the Plan. If you have any questions about this notice or need more information, please contact the Fund Office using the information listed at the top of this Notice.

**(Frequently asked questions on the back)**

**What is changing in the Pension Plan?**

*The Trustees have amended the Eastern Atlantic States Carpenters Pension Fund to remove the Variable Pension Plan (VPP) adjustment component for benefits accrued on or after January 1, 2026.*

**Does this change my current benefit accrual rate?**

*No. Your accrual rate remains 1% of benefit-bearing contributions.*

**Why am I receiving this notice?**

*Because removing the VPP adjustment means that future benefits will no longer increase if the Plan's investment return exceeds the 5% hurdle rate nor will they decrease if the hurdle rate drops below 5%. This can be considered a reduction in future accruals, so the Plan is required to notify you under ERISA.*

**What happens to the benefits I've already earned under the VPP design?**

*Benefits accrued between 2022 (former NEC participants) and 2023-2025 (all EAS participants) will continue to be adjusted each year, either up or down, based on the Plan's investment performance.*

**Will my future benefits still be reduced if investment returns are below 5%?**

*No. Starting January 1, 2026, benefits accrued on or after that date cannot be reduced due to poor investment performance.*

**Did anything else change with the Pension Plan?**

*No additional amendments were adopted. The sole change to the Pension Plan is the removal of the VPP adjustment component for benefits accrued on or after January 1, 2026.*