

FLINT PLUMBING AND PIPEFITTING FRINGE BENEFIT FUNDS

Flint Plumbing & Pipefitting Industry Health Care Fund
Flint Plumbing & Pipefitting Industry Pension Fund
Flint Plumbing & Pipefitting Industry Defined Contribution Plan
Scholarship Fund of Flint Plumbing & Pipefitting Industry
Supplemental Unemployment & Disability Plan of Local Union 370

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NOTICE OF PLAN CHANGES EFFECTIVE FEBRUARY 1, 2022 FLINT PLUMBING AND PIPEFITTING INDUSTRY PENSION FUND

This Notice explains changes to the benefits provided to Deferred Vested Participants under the Flint Plumbing and Pipefitting Industry Pension Fund Plan (Plan), and the Suspension of Benefit provisions applicable to all Participants. Please read this Notice carefully and keep it with your Summary Plan Description.

Deferred Vested Participants

A Deferred Vested Participant is an individual who:

- Is “vested,” which means he or she has accumulated the years of service necessary to be entitled to a benefit under the Plan; and
- Has a Break in Service before being eligible for a Normal or Early Retirement Benefit. A Break in Service occurs where a participant is not credited with at least 160 Hours of Service in two consecutive Plan Years. (Once a vested participant has a Break in Service, he/she becomes an Inactive Participant.)

Changes Effective February 1, 2022

1. Deferred Vested Participants - Late Retirement Benefit

Currently, in relevant part the Plan provides a Deferred Vested Participant who retires after his Normal Retirement Date is entitled to a monthly pension benefit actuarially increased to reflect the later starting date.¹ This is known as the “Late Retirement Benefit.”

For retirement benefits commencing on or after February 1, 2022, no Late Retirement Benefit will be provided for any period during which a Deferred Vested Participant engaged in Plan Related Employment after his/her Normal Retirement Date (for an explanation of Plan Related Employment, see section 4, below).

¹In full, the Plan currently provides: the increase shall be the greater of: “(a) the Normal Retirement Benefit actuarially increased to reflect the later starting date, or (b) the Normal Retirement Benefit calculated with the increased contributions made on behalf of the Participant after he reached age 62.” Paragraph (b) is not relevant to Deferred Vested Participants who have ceased covered employment. Effective February 1, 2022, paragraph (a) will not apply to any period during which a Deferred Vested Participant has engaged in Plan Related Employment (otherwise known as suspendible employment).

Example: Assume a Deferred Vested Participant, single, date of birth 12/31/56, with 11 years of service. He terminates covered employment 12/31/15 at the age of 59. He continues working full-time in Plan Related Employment each month from 1/1/16-3/31/23. He submits an application for retirement effective April 1, 2023, at the age 66 and 3 months. His Normal Retirement Date was 1/1/19, age 62 and his accrued benefit is \$600.00 per month at Normal Retirement Date.

Under the current plan if no changes were made: If no changes to the Plan were made, the participant would be entitled to a Late Retirement Benefit for the period 1/1/16-3/31/23. With this actuarial increase, his benefit would be \$954.15 ($\600×1.59025) per month.

With the plan changes, the same participant will not be entitled to a Late Retirement Benefit because he engaged in Plan Related Employment from 1/1/16-3/31/23 and thus his benefit upon retirement is \$600.00 per month.

2. Deferred Vested Participants - Early Retirement Reductions

Currently, early retirement benefits for a Deferred Vested Participant are subject to the following reductions (the same as Active Participants)²:

- Benefits earned before August 1, 2011: the Normal Retirement Benefit is reduced by .0833% for each complete full month that the participant is under age 62 but over age 55 on his Early Retirement Date, and reduced further by .1666% for each complete full month that the Employee is under age 55 but over age 53 on his Early Retirement Date.
- Benefits earned on or after August 1, 2011: the Normal Retirement Benefit is reduced by .1666% for each month that the participant is under age 62 but over age 60 on his Early Retirement Date, and reduced further by .3333% each month that he is under age 60, but over age 58 on his Early Retirement Date, and reduced further by .5833% per month that he is under age 58 but over age 55 on his Early Retirement Date.

For accruals earned on or after February 1, 2022: Accruals earned on or after February 1, 2022, will be subject to full actuarial reduction from Normal Retirement Age.

Example: Assume a Deferred Vested participant with a date of birth 1/31/66, 10 years of service, has an accrued benefit at Normal Retirement Date of \$700 per month all earned after August 1, 2011. The participant accrues an additional \$100 benefit per month on or after 2/1/22. He applies for an Early Deferred Vested Benefit as of 2/1/24, at age 58.

Under the current plan if no changes were made: If no changes to the Plan were made, the early retirement reduction on the \$100 benefit accrued on or after 2/1/22 would be \$88.00 ($\100×0.88), resulting in a monthly benefit of \$704 ($(\$700 \times 0.88) + (\$100 \times 0.88) = \$616 + \$88 = \704).

With the plan changes, the early retirement reduction on the \$100 benefit accrued on or after 2/1/22 would be \$67.42 ($\100×0.6742), resulting in a monthly benefit of \$683.42 ($(\$700 \times 0.88) + (\$100 \times 0.6742) = \$616 + \$67.42 = \683.42).

² Additional benefit reductions, which are not changing, may be taken from the benefit of Deferred Vested Participants who have not had an Hour of Service on or after 1/1/97.

3. **Deferred Vested Participants – Commencement of Benefits**

Currently, a Deferred Vested Participant may commence a Deferred Vested retirement benefit as of the first day of the month following attainment of the early retirement age in effect at the time he/she terminated employment provided he/she has:

- (1) Ten or more Years of Service prior to August 1, 1977; or
- (2) Five Years or more Years of Service on or after August 1, 1977, but less than ten Years of Service as of July 31, 1997; or
- (3) One or more Hours of Service on or after August 1, 1997, and Five Years of Service; or
- (4) Ten or more Years of Service and terminates employment after August 31, 1982, provided such Employee is not engaged in Plan Related Employment.

For Accruals on and after February 1, 2022, a Deferred Vested Participant with five or more Years of Service will not be entitled to a retirement benefit before he/she ceases all Plan Related Employment (for an explanation of Plan Related Employment, see section 4, below).

Example: Assume a Deferred Vested Participant, with 8 years of service, who prior to 2/1/22 had accrued a \$500 monthly benefit and after 2/1/22 accrues a \$100 monthly benefit. He thereafter terminates employment under the Local 370 collective bargaining agreement, but continues in Plan Related Employment. While still engaged in Plan Related Employment, he submits an application for retirement benefits effective 1/1/25, at the age of 65.

Under the current plan if no changes were made: If no changes to the Plan were made, then this participant could elect to receive his entire accrued benefit of \$600 upon the attainment of age 65.

With the Plan Changes, the same participant could receive a \$500 benefit at age 65 and would receive the post-2/1/22 accrual of \$100 per month after all Plan Related Employment is terminated.

4. **Suspension of Retirement Benefits**

The Plan contains suspension of benefit provisions that permit the Plan Trustees to suspend monthly pension benefits when an individual engages in Plan Related Employment. The Plan has been amended to clarify that these rules apply to Plan Related Employment commenced after retirement or the continuation of Plan Related Employment past normal retirement age (i.e. prior to retirement).

In summary, Plan Related Employment is employment prior to age 70 ½:

- with any employer in the same industry engaged in by employers maintaining the Plan,
- in the same trade or craft in which a participant was working before he/she began receiving such benefits in the State of Michigan (for benefits accrued prior to April 1, 2001, the Counties of Genesee, Shiawassee, and Lapeer), and
- for a period of at least eight days or 40 hours in any one month.

A more comprehensive explanation of the Plan suspension rules is set forth in the enclosed Notice Regarding Suspension of Benefits. Please note the enclosed is an annual notice explaining the

suspension of benefit rules in the Plan. A temporary waiver of these rules was issued in September 2018, which has allowed Retired Participants to engage in bargaining unit work under the 370 CBA for a contributing employer and receive a pension benefit. This notice does not change this temporary waiver, but please understand the Trustees have the right to revoke this waiver at any time so you are cautioned not to rely on this waiver in deciding whether to retire and/or commence pension benefits.

This Notice summarizes Plan changes. Payment of benefits are also subject to all other terms and conditions of the Plan.

Questions?

If you have any questions, please contact the Fund Office at (888)-797-5862.