

**PLUMBERS & STEAMFITTERS LOCAL 21
BENEFIT FUNDS**

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NOTICE OF REDUCTION IN DISABILITY PENSION BENEFITS

**For former participants of the
PLUMBERS AND STEAMFITTERS LOCAL 21 ZONE 2 PENSION FUND
Under the
PLUMBERS AND STEAMFITTERS LOCAL 21 PENSION FUND**

November 15, 2021

To: Active Participants, Pensioners, Deferred Vested Participants, Beneficiaries of deceased Participants, and Alternate Payees under any applicable Qualified Domestic Relations Order ("QDRO") in the Plumbers and Steamfitters Local 21 Zone 2 Pension Fund

From: The Board of Trustees

Re: Notice of Reduction in Disability Pension Benefits Pursuant to ERISA Section 204(h)

This Notice is directed to the participants of the Plumbers and Steamfitters Local 21 Zone 2 Pension Fund (the "Zone 2 Pension Fund"), including all active participants, pensioners, deferred vested participants, beneficiaries of deceased participants, and alternate payees under any applicable qualified domestic relations order, who are, as of January 1, 2022, merging into the Plumbers and Steamfitters Local 21 Pension Fund (the "Zone 1 Pension Fund"). This Notice is being provided pursuant to Section 204(h) of the Employee Retirement Income Security Act of 1974 ("ERISA").

The purpose of this Notice is to inform you of changes in the Disability Pension benefit available under the Zone 1 Pension Fund generally effective January 1, 2022, as compared to disability pension benefits previously available under the former Zone 2 Pension Fund. Under each section the Disability Pension rules that apply for participants that work in covered employment on or after January 1, 2022 are described, and then are compared to the Disability Pension rules that applied under the former Zone 2 Pension Fund. These comparisons are made in italics. Examples are also provided in order to give you the best explanation possible for the change.

Please note that if you are a participant or beneficiary in pay status with an effective date of January 1, 2022 or earlier, this notice does not apply to you. That is, you will continue to receive the same benefit after the merger occurs on January 1, 2022.

Disability Pension Eligibility for Former Zone 2 Participant's that Work in Covered Employment on or after January 1, 2022

Former Zone 2 Pension Fund participants that work an hour in covered employment on or after January 1, 2022 may retire on a Disability Pension if they meet ALL of the following requirements:

- The participant becomes totally and permanently disabled and receives a Social Security Disability Award;
- The participant has at least 10 pension credits; and
- The participant earned at least one-tenth of a pension credit in the calendar year in which Social Security determined the participant to be disabled, or in one of the two immediately preceding years.

Previously, participants were eligible for a Disability Pension from the former Zone 2 Pension Fund if they met ALL of the following requirements:

- *The participant is not yet age 60;*
- *The participant has at least 15 pension credits;*
- *The participant was available for employment that would earn pension credit or vesting service at the time your disability began, as determined by Social Security;*
- *The participant earned at least one tenth of a pension credit in the calendar year in which Social Security determined you to be disabled, or in one of the three immediately preceding years; and*
- *When the accident or incident that caused your disability occurred or started, the participant was not employed in work outside a collective bargaining agreement between the Union and a contributing employer.*

Disability Pension Amount for Former Zone 2 Participant's that Work in Covered Employment on or after January 1, 2022

The amount of the Disability Pension shall be calculated in the same manner as the Normal Pension as if the participant had reached Normal Retirement Age, as may be adjusted for optional forms of payment. The value of each Pension Credit accrued on or after January 1, 2022, is currently equal to \$120.00 per Pension Credit. The value of Pension Credits accrued prior to January 1, 2022, are based on the rules of the former Plumbers and Steamfitters Local 21 Zone 2 Pension Fund as of December 31, 2021. Generally, these values are \$65.00 per Pension Credit earned between January 1, 1988 and December 31, 2021, and \$47.50 per Pension Credit earned prior to January 1, 1988.

Adjustments to the Disability Pension for optional forms of payment are based on the participant's age at retirement and, if applicable, the participant's spouse's age. These adjustments are detailed here:

Single Life Annuity with 60-Month Guarantee: No Adjustment to Normal Pension amount payable at Normal Retirement age.

Previously, the 60-Month Guarantee benefit was not available. Rather, only a Single Life Annuity without any guaranteed payments was available. This is an improvement over the former Zone 2 Pension Fund.

Single Life Annuity with 120-Month Guarantee: Adjustments are made to apply a benefit of 120 guaranteed monthly payments to a participant’s Disability Pension benefit. The factors are as follows, shown as a percentage of the amount payable at Normal Retirement Age:

AGE	FACTOR	AGE	FACTOR	AGE	FACTOR
43	91.34%	50	90.65%	57	89.00%
44	91.28%	51	90.48%	58	88.68%
45	91.21%	52	90.29%	59	88.33%
46	91.13%	53	90.08%	60	87.95%
47	91.03%	54	89.85%	61	87.53%
48	90.92%	55	89.59%		
49	90.79%	56	89.31%		

Previously, the former Zone 2 Pension Fund offered the same form of payment option, but with less adjustment. The factors applicable for former Zone 2 Pension Fund participants that work on or after January 1, 2022 are reduced as compared to the former Zone 2 Pension Fund. For reference, these factors, shown as a percentage of the amount payable at Normal Retirement Age, are shown below:

AGE	FACTOR	AGE	FACTOR	AGE	FACTOR
43	99.11%	50	97.90%	57	95.76%
44	98.98%	51	97.67%	58	95.31%
45	98.84%	52	97.42%	59	94.80%
46	98.68%	53	97.14%	60	94.22%
47	98.51%	54	96.84%	61	93.56%
48	98.32%	55	96.52%		
49	98.12%	56	96.16%		

Example: Joe is 51 years old and becomes disabled in June 2022. His Normal Retirement Benefit at his Normal Retirement Age is \$1,000 per month. If Joe elects the Single Life Annuity with 120-Month Guarantee option, his retirement benefit will be: \$904.80 per month (\$1,000 x 90.48%). Under the rules of the former Zone 2 Pension Fund, his retirement benefit would have been \$976.70 (\$1,000 x 97.67%).

Joint and Surviving Spouse Forms of Payment: Adjustments are made to apply a Joint and Surviving Spouse form of payment to a participant’s Disability Pension Benefit. These factors depend on the difference between a participant’s age and the spouse’s age, in whole years, and also whether the participant and spouse elect the 50%, 50% with Pop-Up, 75% or 100% Joint and Surviving Spouse forms of payment. The factors, shown as a percentage of the amount payable at Normal Retirement Age, are as follows:

FORM OF PAYMENT	FACTOR
50% Joint and Surviving Spouse Pension	82% plus 0.4% for each full year the spouse is older, minus 0.4% for each full year the spouse is younger
50% Joint and Surviving Spouse Pension with Pop-Up	81% plus 0.4% for each full year the spouse is older, minus 0.4% for each full year the spouse is younger
75% Joint and Surviving Spouse Pension	74.5% plus 0.6% for each full year the spouse is older, minus 0.6% for each full year the spouse is younger

100% Joint and Surviving Spouse Pension	67% plus 0.5% for each full year the spouse is older, minus 0.5% for each full year the spouse is younger
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Previously, the former Zone 2 Pension Fund offered the same form of payment options for Joint and Surviving Spouse Pensions, except that the adjustment factors were based on the specific age of each the participant and spouse. Because the factors in the former Zone 2 Pension Fund are based on specific age combinations of the participant and spouse, there are hundreds of factors that may apply, so they are not listed here in full. However, for all age combinations, the new factors applicable for former Zone 2 Pension Fund participants that work on or after January 1, 2022 are reduced as compared to the former Zone 2 Pension Fund.

Example: Matt is 48 years old and becomes disabled in January 2023. Matt's spouse is 3 full years younger than he is. His Normal Retirement Benefit at his Normal Retirement Age is \$1,500 per month. Below is a chart showing what Matt's Joint and Survivor Pension benefits options would be with these changes, and what it would have been under the former Zone 2 Pension Fund:

Form of Payment	Zone 1 Pension Fund (New)	Zone 2 Pension Fund (Former)
50% Joint and Surviving Spouse Pension	\$1,212 /month (\$1,500 x 80.8%) \$606 /month for Surviving Spouse	<i>\$1,359.60 /month (\$1,500 x 90.64%) \$679.80 /month for Surviving Spouse</i>
50% Joint and Surviving Spouse Pension with Pop-Up	\$1,197 /month (\$1,500 x 79.8%) \$598.50 /month for Surviving Spouse \$1,500 /month is Spouse dies before Participant	<i>\$1,350.62 /month (\$1,500 x 90.041%) \$675.31 /month for Surviving Spouse \$1,500 /month is Spouse dies before Participant</i>
75% Joint and Surviving Spouse Pension	\$1,090.50 /month (\$1,500 x 72.7%) \$817.88 /month for Surviving Spouse	<i>\$1,298.85 /month (\$1,500 x 86.59%) \$974.14 /month for Surviving Spouse</i>
100% Joint and Surviving Spouse Pension	\$982.50 /month (\$1,500 x 65.5%) \$982.50 /month for Surviving Spouse	<i>\$1,243.20 /month (\$1,500 x 82.88%) \$1,243.20 /month for Surviving Spouse</i>

If you have questions concerning this notice, please contact the Fund Office at (914) 737-7220.

Sincerely,

Brendan Foley
Fund Administrator