

**PLUMBERS & STEAMFITTERS LOCAL 21
BENEFIT FUNDS**

**1024 McKinley Street
Peekskill, NY 10566**

PHONE (914) 737-7220

UNION TRUSTEES

Reinaldo Diaz
Thomas Carey
Joseph Dullea
Thomas O'Brien
Sean Carey

FUND ADMINISTRATOR

Brendan Foley

FAX (914) 737-7299

EMPLOYER TRUSTEES

John DiMiceli
Grant Coppola
Robert Courtien
James Estabrook
Mark K. Whalen

**SUMMARY OF MATERIAL MODIFICATION
TO THE
PLUMBERS AND STEAMFITTERS LOCAL 21 PENSION FUND**

November 15, 2021

**To: All Participants of the Plumbers and Steamfitters Local 21 Pension Fund (“Zone 1 Pension Fund”)
All Participants of the Plumbers and Steamfitters Local 21 Zone 2 Pension Fund (“Zone 2 Pension Fund”)**

From: The Board of Trustees

Re: Summary of Material Modification – Pension Funds Merger

The purpose of this Notice is to inform you of changes in the Plumbers and Steamfitters Local 21 Pension Fund (“Zone 1 Pension Fund”) occurring as a result of the Plumbers and Steamfitters Local 21 Zone 2 Pension Fund (“Zone 2 Pension Fund”) merging into the Zone 1 Pension Fund on January 1, 2022. In general, the changes to the Zone 1 Pension Fund are intended to harmonize benefits offered by the Zone 1 Pension Fund to former Zone 2 Pension Fund participants so that all pension fund benefits earned for all members of UA Local Union No. 21 are essentially the same as was offered to Zone 1 Pension Fund participants prior to the merger.

This means that essentially all Zone 1 Pension Fund’s benefits will be identical to what they were prior to the merge, and that former Zone 2 Pension Fund participants will receive the same benefits as Zone 1 Pension Fund participants for service earned on or after January 1, 2022 (after the merge). This includes the pension credit accrual rate of \$120.00 per Pension Credit and the basis upon which a pension credit is earned (i.e. one-tenth of a pension credit for each 80 hours worked in Covered Employment, up to one full pension credit each calendar year.) Please note there is a single change that impacts Zone 1 Pension Fund participants that are not in pay status as of December 31, 2021. This change in administrative practice is a slight improvement and concerns the calculation of a participant’s age. It is described on page 6 of this notice.

The Fund Office is currently working to draft a new Summary Plan Description for the Merged Plan. This document will fully describe all provisions of the Plumbers and Steamfitters Local 21 Pension Fund for all participants as of January 1, 2022.

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

General Provisions

Unless otherwise addressed in this notice, benefits accrued by former Zone 2 Pension Fund participants prior to January 1, 2022, shall be determined in accordance with the rules and regulations of the Zone 2 Pension Fund in effect from the earlier of when the former Zone 2 Pension Fund participant last worked in Covered Employment, or December 31, 2021.

Benefits accrued by former Zone 2 Pension Fund participants on or after January 1, 2022, shall be determined in accordance with the rules and regulations of the Plumbers and Steamfitters Local 21 Pension Plan, as may be amended. Under no circumstance shall any Zone 1 or Zone 2 Pension Fund participant's or beneficiary's accrued benefits prior to January 1, 2022 be lower after December 31, 2021.

Rules that apply to former Zone 2 Pension Fund Terminated Vested Participants as of December 31, 2021

1. Former Zone 2 Pension Fund participants on the Default Schedule of the former Zone 2 Pension Fund as of December 31, 2021 that return to work in Covered Employment on or after January 1, 2022, shall have their benefits determined in accordance with the rules and regulations of the Zone 1 Pension Fund in effect when they last worked in Covered Employment. This means that the Default Schedule will no longer apply to this category of participants that work in Covered Employment on or after January 1, 2022.
2. Former Zone 2 Pension Fund participants on the Default Schedule of the former Zone 2 Pension Fund as of December 31, 2021 that do not return to work in Covered Employment on or after January 1, 2022, shall have their benefits determined in accordance with the rules and regulations of the Zone 2 Pension Fund in effect when they last worked in Covered Employment. This means that the Default Schedule will continue to apply for this category of participants into the future.
3. Former Zone 2 Pension Fund participants on the Preferred Schedule of the former Zone 2 Pension Fund as of December 31, 2021 that do not return to work in Covered Employment on or after January 1, 2022, shall have their benefits determined in accordance with the rules and regulations of the Zone 2 Pension Fund in effect when they last worked in Covered Employment. This means that the Preferred Schedule will continue to apply for this category of participants into the future.

Early Retirement Pension

Former Zone 2 Pension Fund participants that work at least one hour in Covered Employment on or after January 1, 2022, shall be entitled to retire on an Early Retirement Pension if the participant is at least 55 years old and has at least 10 pension credits. The total number of pension credits includes pension credits earned in the former Zone 2 Pension Fund as of December 31, 2021, and pension credits earned in the Merged Plan on or after January 1, 2022. The amount of the Early Retirement Pension is actuarially reduced to reflect your age at retirement in the same way as it was prior to the merge.

Disability Retirement Pension

Former Zone 2 Pension Fund participants that work at least one hour in Covered Employment on or after January 1, 2022, shall be entitled to retire on a Disability Retirement Pension if the participant meets ALL of the following requirements:

- The participant becomes totally and permanently disabled and receive 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.

Normal Form of Payment - Unmarried

Former Zone 2 Pension Fund participants that work at least one hour in Covered Employment on or after January 1, 2022, shall be entitled to the Single Life Annuity with 5-Years (60 Payments) Certain form of payment based on all pension credits earned. The total number of pension credits includes pension credits earned in the former Zone 2 Pension Fund as of December 31, 2021, and pension credits earned in the Merged Plan on or after January 1, 2022. This form of payment is the Normal Form of Payment for an unmarried Participant.

Normal Form of Payment - Married

Former Zone 2 Pension Fund participants that work at least one hour in Covered Employment on or after January 1, 2022, shall be entitled to the Qualified 50% Joint and Surviving Spouse Annuity with 5-Years Certain form of payment based on all pension credits earned. The total number of pension credits includes pension credits earned in the former Zone 2 Pension Fund as of December 31, 2021, and pension credits earned in the Merged Plan on or after January 1, 2022. This form of payment is the Normal Form of Payment for a married Participant.

Optional Form of Payment

Former Zone 2 Pension Fund participants that work at least one hour in Covered Employment on or after January 1, 2022, shall be entitled to a Level Income Option Pension. This optional form of payment provides the participant an actuarially increased monthly benefit until Social Security begins at age 62 or your Social Security Normal Retirement Age, which is then actuarially reduced when Social Security begins. The actuarial adjustments are based on factors updated by the Plan Actuary each year and are based on interest rates and mortality tables promulgated by the IRS. All other optional forms of payment are the same as offered prior to the merge.

Form of Payment Factors

- Single Life Annuity with 10-Year (120 Month) Certain: Former Zone 2 Pension Fund participants that work at least one hour in Covered Employment on or after January 1, 2022, and who elect the Single Life Annuity with 10-Years Certain shall have their pension adjusted by the appropriate factor from the tables below (expressed as a percentage) based on the type of pension (Disability or Non-Disability) and the participant's age on the Annuity Starting Date.

NON-DISABILITY PENSION FACTORS – SINGLE LIFE ANNUITY WITH 10-YEARS CERTAIN					
AGE	FACTOR	AGE	FACTOR	AGE	FACTOR
55	97.79%	60	96.27%	65	93.54%
56	97.56%	61	95.84%	66	92.83%
57	97.29%	62	95.36%	67	92.07%
58	97.00%	63	94.81%	68	91.26%
59	96.66%	64	94.21%	69	90.41%

DISABILITY PENSION FACTORS – SINGLE LIFE ANNUITY WITH 10-YEARS CERTAIN					
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%		

- 50%, 50% with Pop-Up, 75% and 100% Joint and Surviving Spouse Annuities (Non-Disability Pension): Former Zone 2 Pension Fund participants that work at least one hour in Covered Employment on or after January 1, 2022, and who elect one of either the 50% (with or without Pop-Up), 75%, 100% Joint and Surviving Spouse Annuity shall have their Non-Disability Pension adjusted by the greater of (“greater of” means the factors that result in the least amount of reduction):
 - a) The appropriate factors in accordance with the rules and regulations of the Plumbers and Steamfitters Local 21 Zone 2 Pension Fund in effect on December 31, 2021, based on the ages of each the participant and spouse; OR
 - b) The appropriate factors in accordance with the Zone 1 Pension Fund based on type of pension (non-disability) and age difference between the participant and spouse in whole years, as shown below (expressed as a percentage):

NON-DISABILITY JOINT AND SURVIVING SPOUSE FACTORS	
FORM OF PAYMENT	FACTOR
50% Joint and Surviving Spouse Pension	90% 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	89% 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	85.5% 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	81% plus 0.7% for each full year the spouse is older, minus 0.7% for each full year the spouse is younger

- 50%, 50% with Pop-Up, 75% and 100% Joint and Surviving Spouse Annuities (Disability Pension): Former Zone 2 Pension Fund participants that work at least one hour in Covered Employment on or after January 1, 2022, and who elect one of either the 50% (with or without Pop-Up), 75%, 100% Joint and

Surviving Spouse Annuity shall have their Disability Pension adjusted as follows (expressed as a percentage):

DISABILITY JOINT AND SURVIVING SPOUSE FACTORS	
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

Pre-Retirement Death Benefits

- **Pre-Retirement Surviving Spouse Pension (Married Participants):** The spouse (married at least one year) of a former Zone 2 participant that worked at least one hour in Covered Employment on or after January 1, 2022, and who dies prior to commencement of his pension but at a time when he had attained a vested right to a pension shall be entitled to a Pre-Retirement Surviving Spouse Pension based on all pension credits earned, including pension credits earned in the former Zone 2 Pension Fund as of December 31, 2021, and pension credits earned in the Merged Plan on or after January 1, 2022. The amount of the Pre-Retirement Surviving Spouse Pension is the same as the survivor's benefit from the 100% Joint and Surviving Spouse Annuity.

If the participant dies before reaching an age which would have made the participant eligible for an immediate pension, payments may begin to the spouse at the earliest age the participant could have retired.

If the participant dies after reaching an age which would have made the participant eligible for a pension, payments may begin as soon as administratively possible.

If the participant dies before age 62 and had earned at least 25 pension credits, the surviving spouse can begin receiving benefits when the participant would have reached age 55, without the usual adjustment for Early Retirement.

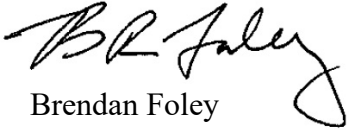
- **Pre-Retirement Death Benefit (Unmarried Participants):** The designated Beneficiary of a former Zone 2 Pension Fund participant that worked at least one hour in Covered Employment on or after January 1, 2022, and who dies prior to commencement of his pension but at a time when he had attained a vested right to a pension shall be entitled to a lump-sum pre-retirement death benefit equal to 100% of the employer contributions made on your behalf. The total of contributions includes contributions made to the former Zone 2 Pension Fund as of December 31, 2021, and contributions made to the Merged Plan on or after January 1, 2022. Former Zone 2 Pension Fund participants will also receive \$200 for each year of pension credit earned in the former Zone 2 Pension Fund prior to 1978.

Calculation of Age

Due to an alignment of administrative practice concerning the calculation of a participant's age, for retirements beginning January 1, 2022, a participant's age will be determined based on the first of the month containing their birthday as opposed to the first of the month following the month containing their birthday.

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

Sincerely,



Brendan Foley
Fund Administrator

IMPORTANT YEAR-END REMINDER

Information Update

It is important to keep your personal and contact information that Local 21 Benefit Funds has on file updated as we often send out important notices and e-mails about your benefit plans. These changes include but are not limited to:

- Home and Mailing Addresses
- Home & Cell Phone Numbers
- E-mail Addresses
- Newborn/Dependent Updates
- Marital Status Updates
- Beneficiary Updates

Please remember that it is your responsibility to keep your information up to date. If you have any changes, please call the Kathy at Fund Office, 914-737-7220 ext. 120 or e-mail Kathy at kpatrone@local21funds.com.