

IMPORTANT NOTICE

December 9, 2016

This notice concerning pension rights under the Steamfitters' Industry Pension Plan (the "Plan") is a Summary of Material Modifications ("SMM") intended to notify you of important changes made to the plan of benefits of the Steamfitters Industry Pension Plan. Please attach this SMM to your Summary Plan Description ("SPD") for future reference. If you have lost or misplaced your copy of the SPD, you may request another copy from the Fund Office. Questions regarding this SMM can be directed to the Fund Administrator at (212) 465-8888. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272.

1. Effective January 1, 2017, the Trustees have amended the Plan to increase the accrual rate per Year of Service during and after 1984 from \$100 to \$112. This increase applies to a Participant who is first applying for a Pension, or to a Pensioner who first applies for a Pension attributable to any additional Years of Service, on or after January 1, 2017, provided the Participant was credited with at least 1 Year of Service during the 3 Plan Years immediately preceding January 1, 2017.

If, however, a Participant was not credited with at least 1 Year of Service during the 3 Plan Years immediately preceding January 1, 2017, but later returned to work in Covered Employment on or after January 1, 2017, the accrual rate for Years of Service earned on and after January 1, 2017 will be \$112 for those Years of Service only.

2. A 5% increase will be granted to all pensioners, surviving spouses and beneficiaries in pay status as of January 1, 2017. The increase applies to an Alternate Payee under a Qualified Domestic Relations Order ("QDRO") only if and to the extent required by the Order, and only if the benefits would be subject to the increase if they were being paid to the Pensioner. Participants who elected a lump sum benefit are not eligible for this increase.
3. Effective January 1, 2017, the Trustees have amended the Plan to increase the requirement for earning a Year of Service from 250 hours to 550 hours, except for a Participant's first and last Years of Service for which the requirement will remain 250 hours.



EXAMPLES

Example 1. Joe works in Covered Employment, and earned a Year of Service each year, from 1991 through 2020. He retires at age 62 on January 1, 2021 with 30 Years of Service. Joe's benefit is calculated as follows:

$$\begin{array}{r} 30 \text{ Years of Service X } \$112.00 = \$3,360.00 \\ \text{Joe's Monthly Benefit} = \mathbf{\$3,360.00} \end{array}$$

Example 2: Matt also worked in Covered Employment from 1991 through 2020 and plans to retire at age 62 on January 1, 2021. However, in 2019 he only worked 500 hours. The old rules required a minimum of 250 hours to earn a Year of Service and, had they not changed, Matt would have earned a Year of Service for 2019. However, the new rules that took effect on January 1, 2017 require a minimum of 550 hours to earn a Year of Service. Since Matt only worked 500 hours in 2019, he receives no credit for the year. He retires with 29 years of service. His benefit is calculated as follows:

$$\begin{array}{r} 29 \text{ Years of Service X } \$112.00 = \$3,248.00 \\ \text{Matt's Monthly Benefit} = \mathbf{\$3,248.00} \end{array}$$

Example 3. Tom also retires at age 62 with 30 Years of Future Service on January 1, 2021. However, Tom worked in Covered Employment from 1988 through 2013, having earned 26 years of Future Service. He left Covered Employment for three years, from 2014 through 2016, but returned in 2017 and earned an additional four Years of Service. In each Year of Service Tom worked more than 550 hours. Because Tom separated from Covered Employment from 2014 through 2016, his benefit is calculated in two parts, as follows:

$$\begin{array}{r} 26 \text{ Years of Service X } \$100.00 = \$2,600.00 \\ 4 \text{ Years of Service X } \$112.00 = 448.00 \\ \text{Tom's Monthly Benefit} = \mathbf{\$3,048.00} \end{array}$$

If you have any questions about these changes, please contact the Fund Office at the address and phone number indicated above.

The Steamfitters' Industry Pension Fund Trustees

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Patrick Daly
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