

Operative Plasterers' & Cement Masons' International Association Local 262

Pension Fund

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SUMMARY OF MATERIAL MODIFICATION TO THE OPERATIVE PLASTERERS' AND CEMENT MASONS' INTERNATIONAL ASSOCIATION LOCAL 262 PENSION PLAN

Date: May 2021

To: Participants in Operative Plasterers' and Cement Masons' Local 262 Pension Plan

From: Board of Trustees

Re: Change to Summary Plan Description

The following summary describes changes to the Operative Plasterers' and Cement Masons' Local 262 Pension Plan (the "Plan"). This summary is intended to satisfy the requirements for issuance of a Summary of Material Modification ("SMM") under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). You should take time to read this material carefully and keep it with the copy of the Summary Plan Description ("SPD") that was previously provided to you. If you need another copy of the SPD, or if you have any questions regarding these changes to the Plan, please contact the Fund Office, either in writing at 100 Merrick Road, Suite 500 West, Rockville Centre, NY 11570; or by telephone at 516-775-2280.

This SMM describes an important change regarding early retirement benefits. This change is effective as of July 1, 2021 and is described in more detail below.

Great news. The Board of Trustees is pleased to announce that it will enhance early retirement benefits for active participants who work in covered employment up until their early retirement and who completed their first hour of service under the Plan prior to January 1, 2010.

Before this change, early retirement was available to those who had attained age 62 and had completed at least 15 years of service. These participants could retire immediately and have their benefit commence prior to age 65 but with a reduction of **6% per year** applied to their age-65 benefit for each year it began prior to age 65. The reduction accounts for the earlier commencement date and longer anticipated payment period.

For example, an eligible participant could receive an early retirement benefit beginning at age 64 equal to 94% of the age-65 benefit, or 88% of it beginning at age 63, or 82% of it beginning at age 62. These rules are still in place for those participants whose first hour of service was after December 31, 2009 or who stop working in covered employment three months or more before their early retirement.

Now, effective for early retirements commencing on and after July 1, 2021, for those actively working within three months before their early retirement date who had their first hour of service under the Plan before January 1, 2010, the Plan will offer an improved benefit for those who have

attained age 62 and completed at least 15 years of service. The early retirement reduction is being changed to **3% per year reduced** (from 6%), so that an eligible participant can receive an early retirement benefit beginning at age 64 equal to 97% of the age-65 benefit, or 94% of it beginning at age 63, or 91% of it beginning at age 62. And, a participant with his first hour of service prior to January 1, 2010 who attains age 62 with at least 20 years of service can receive an unreduced early-retirement benefit, *i.e.*, the age-65 benefit can be received as early as age 62 with no reduction.

No changes to the Plan are being made if your first hour of service under the Plan occurred after December 31, 2009 or if you stop working in covered employment at any time three months or more before your early retirement date.

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In accordance with this change, the sub-section entitled “Early Retirement Pension” on page 11 of the SPD is amended by adding the following language after the example:

Early Retirement for Those Whose First Hour of Service under the Plan was before January 1, 2010 and Whose Retirement Commences on and after July 1, 2021:

Effective for early retirements commencing on and after July 1, 2021, for those actively working within three months before their early retirement date who had their first hour of service under the Plan before January 1, 2010, the Plan will offer an improved benefit for those who have attained age 62 and completed at least 15 years of service. The amount of your Early Retirement Pension will be calculated in the same manner as a Normal Pension, but will be reduced by ¼ of 1% for each month you are younger than age 65 to reflect your age at early retirement. And, a participant with his first hour of service prior to January 1, 2010 who attains age 62 with at least 20 years of service can receive an unreduced early retirement benefit, *i.e.*, the age-65 benefit can be received as early as age 62 with no reduction.

For example:

Pete (from the Normal Pension calculation example) has at least 15 Years of Service but less than 20 Years of Service, and he decides to retire on July 2, 2021 at age 62. Also, note Pete had his first hour of service *before* January 1, 2010. Pete’s Early Retirement Pension would be \$1,516.96 (his Normal Pension) reduced by ¼ of 1% for every month he is younger than age 65. If he wants to begin at age 62, a full 36 months younger than age 65, the \$1,516.96 benefit is reduced for early retirement as follows:

$$\begin{aligned} 36 \text{ times } 0.0025 &= 0.09 \\ \$1,516.96 \text{ times } 0.09 &= \$136.53 \text{ reduction} \\ \$1,516.96 \text{ minus } \$136.53 &= \$1,380.43 \end{aligned}$$

The amount of Pete’s Early Retirement Pension benefit commencing at age 62 is **\$1,380.43**.

If Pete has at least 20 Years of Service, then he can receive the full amount of his Normal Pension of **\$1,516.96** unreduced upon his early retirement at age 62.

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Please contact the Fund Office at the above address or phone number with any questions about this new benefit.

This SMM is intended to provide you with an easy-to-understand description of certain changes to the Plan. While every effort has been made to make this description as complete and as accurate as possible, this SMM, of course, cannot contain a full restatement of the terms and provisions of the Plan. If any conflict should arise between this summary and the Plan, or if any point is not discussed in this SMM or is only partially discussed, the terms of the Plan will govern in all cases.

The Board of Trustees (or its duly authorized designee) reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the Plan and the Agreement and Declaration of Trust establishing the Plan (the "Trust Agreement"). The Trust Agreement and the full Plan document are at the Fund Office and may be inspected by you free of charge during normal business hours.

No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters arising under the Plan.