



**CARPENTERS
SOUTHWEST
ADMINISTRATIVE
CORPORATION**

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To: All Participants of the Southwest Carpenters Annuity Fund

Summary of Material Modifications

August, 2021

PARTICIPANT NOTICE

This Participant Notice will advise you of certain material modifications (plan changes) that have been made to the Southwest Carpenters Annuity Fund (the Plan). This information is **very important** for you. Please take the time to read it carefully.

Aviso a los participantes que hablan español: Si tiene alguna pregunta con respecto a este aviso o necesita cualquier otra información sobre su plan de anualidades, comuníquese con la oficina administrativa al (213) 386-8590 o (800) 293-1370, donde habrá varios representantes bilingües para ayudarlo.

ADMINISTRATIVE ASSESSMENTS TO LOCATE MISSING PARTICIPANTS

The Board of Trustees has discontinued the \$40 administrative fee that was previously assessed for any Individual Account with a balance of less than \$5,000 that had no Contributions or distributions for at least 36 consecutive months. While the Plan will no longer assess this \$40 administrative fee, the Plan may assess reasonable administrative expenses to an Individual Account that are incurred in locating a missing Participant associated with that Individual Account.

CLARIFICATION AS TO CALCULATION OF GROSS INVESTMENT YIELD AND NET INVESTMENT YIELD

The Board of Trustees has also amended the Plan to clarify how the gross investment yield of Individual Accounts is calculated for the purposes of determining yearly net investment yield for each Individual Account. In essence, to determine an Individual Account's gross investment yield, the Board of Trustees will determine the pro rata fair market value (or the individual fair market value for separate investment funds) of the funds held in the Individual Account, and will adjust the Individual Account's value accordingly to match the current fair market value of the assets as of the most recent valuation date.

To determine the net investment yield, the Board of Trustees will then subtract any expenses for the administration of the Fund and such other purposes as the Trustees may determine. Plan Participants should be aware that different investment funds have different expense ratios, which may be assessed when calculating the Individual Account's net investment yield. Plan Participants should take this into account when directing their investments and evaluating investment fund options.

ADDITIONAL INFORMATION REGARDING THE AVAILABILITY OF CERTAIN INVESTMENTS

The Trustees have amended the Summary Plan Description to provide additional clarifying information regarding the availability of certain illiquid investments. In short, some investment fund options vary in their degree of liquidity (that is, how quickly they can be converted to cash and either reinvested in another investment or paid out). This is because some investment fund options are designed to be more stable (that is, they are conservative investments that aim to preserve principal investment capital and earn some investment return while avoiding volatility) and as a result are illiquid in nature.

These types of investments have a number of restrictions based on liquidity—including how quickly they can be converted to cash. As a result, if your Plan account is invested in such a fund, a decision to move from that fund to another fund, or the conversion of an investment in that fund to cash to meet a withdrawal or distribution request, may be executed by the fund manager over a period of time rather than immediately and all at once. For more information about these investment options, and whether you have invested in such a fund, please contact the plan administrator.

RECIPROcity AGREEMENTS

The Trustees have amended the Rules and Regulations to allow for the Plan to accept and honor contributions and hours that a Participant incurred from another pension plan. In order for such contributions or hours to be accepted, there must be a reciprocity agreement in place between the Plan and the other pension plan in question. How hours and contributions will be honored or forwarded to the Participant's account will be in accordance with the reciprocity agreement in place between the Plan and the other pension plan.

The Plan will also honor any prior reciprocity agreements, entered into before January 1, 2020, between another plan and the "Southern Nevada Carpenters Annuity Trust," (the Plan's predecessor) to the extent such a prior reciprocity agreement applies to the Plan's Participants. The Plan will not honor any prior reciprocity agreement to the extent that it obligates the Plan to disburse benefits or pay benefit disbursements to another plan.

Finally, in no instance will the Plan accept any form of rollovers of contributions from any other pension plan.

NOTICE OF CORRECTION TO SUMMARY PLAN DESCRIPTION

A typographical error was made on page 17 "Additional Information Required By ERISA". Line 2 should read as follows:

2. Identification Number

The Employer Identification Number ("EIN") issued by the IRS to the Board is 31-1809923.

The plan number for the Plan is 002.

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This notice constitutes a Summary of Material Modifications. You should file this notice with your copy of the summary plan description ("SPD") because it changes certain information contained in the SPD.

The Board of Trustees may, from time to time and at any time, adopt such rules and procedures that it determines to be necessary or desirable with respect to the operation of the Plan, and amend, modify, or eliminate any provision of the Plan.

Please direct any questions you may have about this summary or the Plan in general to the Administrative Office:

Carpenters Southwest Administrative Corporation
533 South Fremont Avenue, 6th Floor
Los Angeles, CA 90071
(800) 293-1370

Sincerely,

BOARD OF TRUSTEES

