



**CARPENTERS  
SOUTHWEST  
ADMINISTRATIVE  
CORPORATION**

533 South Fremont Avenue  
Los Angeles, CA 90071-1706

**Tel:** 213-386-8590 • **Toll Free:** 800-293-1370  
[www.carpenterssw.org](http://www.carpenterssw.org)

**TO: ALL PARTICIPANTS OF THE SOUTHWEST CARPENTERS PENSION TRUST**

## Summary of Material Modification

**FEBRUARY 2024**

### PARTICIPANT NOTICE

This Participant Notice will advise you of certain material modifications (plan changes) that have been made to the Southwest Carpenters Pension Plan (the Plan). This information is **very important** and should be read carefully.

***Aviso a los participantes que hablan español: Si tiene alguna pregunta sobre este aviso, por favor de comunicarse con la Oficina Administrativa al (213) 386-8590 o (800) 293-1370, donde habrá varios representantes bilingües que le ayudarán.***

### BENEFIT ACCRUAL RATE IN A PARTIAL YEAR

Under most circumstances, Participants who work less than 700 hours in a calendar year in Covered Employment will not accrue any benefits for that period.

However, starting January 1, 2023, Participants who receive employer contributions based on a new agreement, merger, or transfer from another plan will accrue benefits in the first year according to the work month in which the employer was obligated to begin reporting benefits. The benefit accrual rate is based on the schedule below.

Hours Worked in Covered Employment During the Partial Year	Benefit Accrual Rate Based on Employer's First Month of Obligation					
	January or February	March or April	May or June	July or August	September or October	November or December
0-99	None	None	None	None	None	None
100-199	None	None	None	None	None	\$11.11
200-299	None	None	None	None	\$22.22	\$22.22
300-399	None	None	None	\$33.33	\$33.33	\$33.33
400-499	None	None	\$44.44	\$44.44	\$44.44	\$44.44
500-599	None	\$55.56	\$55.56	\$55.56	\$55.56	\$55.56
600-699	None	\$66.67	\$66.67	\$66.67	\$66.67	\$66.67

For each calendar year thereafter, the Benefit Accrual Rate table, effective for plan years after 2020, applies to hours worked in Covered Employment.

Benefit accruals are based on your hours worked in Covered Employment during a calendar year, multiplied by your Benefit Factor, which is based on the average hourly contribution rate for that year. An hourly contribution rate of \$5.00

per hour or greater will earn you 100% of your Benefit Accrual Rate. For contribution rates below \$5.00 per hour, the Benefit Accrual Rate is multiplied by separate Benefit Factors.

The Benefit Accrual Rate table and the Benefit Factors by average contribution rate, effective for plan years after 2020, are found on pages 29 and 30 of the Summary Plan Description (SPD) as of January 1, 2022.

**WAIVER OF SUSPENSION OF PENSION BENEFITS**

Effective October 2020, the Board of Trustees of the Southwest Carpenters Pension Trust adopted a waiver of the suspension of benefits rules, under certain conditions, for Retired Employees who return to work for a contributing employer. This waiver, subject to renewal each year by the Board of Trustees, is now extended through December 2024 and will sunset as of December 31, 2024, unless further extended by the Board of Trustees.

As a Retired Employee, you are eligible for this waiver of suspension when you work for a Contributing Employer and all the following conditions are met:

- You are retired and receiving a Normal, Vested, Regular, or Service Pension from the Southwest Carpenters Pension Trust. Pensioners receiving an Early or Disability pension will not qualify for the waiver.
- You are hired by an employer signatory to a collective bargaining agreement requiring payment of contributions to the Southwest Carpenters Pension Trust on behalf of its bargaining unit employees performing covered work.
- Your employer has been approved in writing to offer employment to Retired Employees under conditions specified by the Board of Trustees.
- You do not perform services for the employer that involves any type of Covered Employment that would require payment of contributions to the Southwest Carpenters Pension Trust.
- You submit a written application with the Administrative Office of the Pension Plan to work without suspension of your pension and agree in writing to comply with all terms specified in the agreement before you commence such employment.

Your approval to work without suspension of your pension must be reconfirmed during January of each subsequent calendar year otherwise such approval shall terminate effective the following February 1<sup>st</sup>.

If you perform Covered Employment after retirement, you will not qualify for a waiver of the suspension of benefits rules and you must pay back any pension benefits received during the period of such employment.

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If you have any questions about this notice, contact the Administrative Office at (800) 293-1370 or (213) 386-8590.

Sincerely,

THE BOARD OF TRUSTEES

This notice constitutes a Summary of Material Modifications. 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. You should file this notice with your copy of the Summary Plan Description (“SPD”) because it changes certain information contained within the SPD.



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**TO: ALL PARTICIPANTS OF THE SOUTHWEST CARPENTERS PENSION TRUST**

## **Summary of Material Modifications**

**April 2023**

### **PARTICIPANT NOTICE**

This Participant Notice will advise you of certain material modifications (plan changes) that have been made to the Southwest Carpenters Pension Plan (the Plan). This information is **very important** and should be read carefully.

***Aviso a los participantes que hablan Español: Si tiene alguna pregunta tocante este aviso, por favor de comunicarse con la Oficina Administrativa al (213) 386-8590 o (800) 293-1370, donde habrá varios representantes bilingües que le ayudarán.***

### **REQUIRED BEGINNING DATE**

Federal law, in accordance with the SECURE 2.0 Act of 2022, requires the Plan to begin payment of benefits owed to Plan Participants no later than the Required Beginning Date (RBD). For Participants in the Plan, the RBD is April 1<sup>st</sup> following the calendar year in which you reach:

- Age 70 ½ if you were born before July 1, 1949
- Age 72 if you were born between July 1, 1949 and December 31, 1950
- Age 73 if you were born between January 1, 1951 and December 31, 1958

If a married Participant dies prior to retirement, payments to the Participant's surviving spouse will begin no later than December 31<sup>st</sup> of the calendar year in which the Participant died or by the December 31<sup>st</sup> of the calendar year that the Participant would have reached the age listed above.

Rules for dates of birth in 1959 and later will be determined by future Internal Revenue Code regulations.

### **RECOVERY OF OVERPAYMENTS**

In compliance with the SECURE 2.0 Act of 2022, the Board of Trustees has revised the policy of the Southwest Carpenters Pension Plan regarding the recovery of overpayments made to Participants or Beneficiaries receiving benefits.

Effective December 29, 2022, where the overpayment is inadvertent and not due to fraud, misrepresentations or omission, efforts to recover the overpayment are limited by the following conditions:

- a. Collection agencies generally may not be used.
- b. Interest, collection costs, including attorney's fees may not be recovered.
- c. Participants and beneficiaries from whom an overpayment is sought may appeal under the Plan's claims procedures.
- d. Recovery of past overpayments to a Participant will not be sought from the Participant's Beneficiary or surviving spouse.

- e. The Plan will not seek recovery of an overpayment if the overpayment occurred more than three (3) years before the Participant or Beneficiary is first notified, in writing, of the error.
- f. The Plan may seek recovery of the overpaid amounts from the Participant or Beneficiary in installment payments but may not seek to collect more than 10 percent (10%) of original amount of the overpayment in any calendar year.
- g. The Plan may seek to recover the inadvertent overpayment from future benefit payments subject to the following conditions:
  - o The amount recouped each calendar year by reducing monthly payments may not exceed 10% of the full amount of the overpayment.
  - o The benefit may not be reduced below 90% of the periodic payment and the reduction must stop as soon as the full amount of the overpayment has been recovered.

**APPLICABLE INTEREST RATE FOR WIM PARTICIPANTS’ PRE-MERGER ACCRUED BENEFITS**

As of January 1, 2023, the Retirement Plan of the Washington-Idaho-Montana Carpenters-Employers Retirement Trust (“WIM Plan”) was merged into this Southwest Carpenters Pension Plan (“Southwest Plan”). The most recent WIM Plan Year started on June 1, 2022 and will end on May 31, 2023.

Effective June 1, 2023, when the latest WIM Plan Year ends, the Applicable Interest Rate for the WIM Participants will be based on the calendar year to align it with the Southwest Plan.

During the one-year period beginning on June 1, 2023, the present value of any WIM Benefit for purposes of determining the amount of a lump sum distribution will be the greater of the amount determined using the Southwest Plan calendar year method or the amount determined using the calculation method of the WIM Plan, which was based on the June 1-May 31<sup>st</sup> plan year.

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Please contact the Administrative Office at (800) 293-1370 or (213) 386-8590 for any questions.

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THE BOARD OF TRUSTEES

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