

Important Notice of Changes in Your Benefits – Effective January 1, 2020

The Rhode Island Laborers' Pension Plan has adopted benefit changes. In accordance with the requirements of Section 204(h) of ERISA, notice is given to Plan participants and employee and employer organizations of a Plan amendment which modifies Plan provisions on and after January 1, 2020 as follows:

When is the Amendment Effective?

The amendment is effective January 1, 2020.

Who is affected by the amendment?

Participants who earn Pension Credits after January 1, 2020.

What does the amendment do?

- Early Retirement – this change may result in a larger reduction in your benefit if you elect an Early Retirement Pension.
 - Benefit Improvement – the benefit rate will increase for Pension Credits earned in 2020 and later.
1. Early Retirement - The reduction for an Early Retirement Pension will change January 1, 2020. Currently, the amount of your Regular Pension will be reduced by $\frac{1}{4}\%$ for each month you are younger than age 62 on your Annuity Starting Date. For Pension Credits earned after January 1, 2020, the amount of your Regular Pension based on the Pension Credits you earn after January 1, 2020 will be reduced by $\frac{1}{4}\%$ for each month you are younger than age 65 on your Annuity Starting Date. This means your Early Retirement Pension will be calculated in two steps, for Pension Credits earned before January 1, 2020 and for Pension Credits earned after January 1, 2020.

For example, let's say you retire at age 58 in December, 2022. You earned 13 Pension Credits (\$1,310) prior to January 1, 2020 and 3 Pension Credits after January 1, 2020 (\$345).

Under the old rule, your Early Retirement Pension would be calculated as follows:

$$\$1,655 \times 12\% (48 \text{ months} \times \frac{1}{4}\% \text{ for age } 62-58) = \$198.60$$

$$\$1,655 - \$198.60 = \$1,456.40$$

Under the new rule, your Early Retirement Pension would be calculated as follows:

$$\$1,310 \times 12\% (48 \text{ months} \times \frac{1}{4}\% \text{ for age } 62-58) = \$157.20$$

$$\$345 \times 21\% (84 \text{ months} \times \frac{1}{4}\% \text{ for age } 65-58) = \$72.45$$

$$\text{Total Reduction} = \$229.65$$

$$\$1,655 - \$229.65 = \$1,425.35$$

2. Benefit Improvement – the benefit rate for Pension Credits earned in 2020 and later is \$115, provided you earned at least ½ Pension Credit during 2019 or later.

For example, let's say you retire at age 65 on July 1, 2022 with 24.5 Pension Credits. Your Regular Pension amount is calculated as follows:

2-½ years of pension credit earned from 1/1/2020 through June 30, 2022 x \$115 = \$287.50

Plus

2 years of pension credit earned between 1/1/2018 and 12/31/2019 x \$105 = \$210.00

Plus

11 years of pension credit earned between 1/1/2007 and 12/31/2017 x \$100 = \$1,100.00

Plus

9 years of pension credit earned between 1/1/1998 and 12/31/2006 x \$90 = \$810.00

Total Benefit = \$2,407.50

If you have any question about how these changes affect your personal situation, please call the Fund Office at 401-942-8690.

For the Pension Plan's Board of Trustees

cc: Locals
Contributing Employers

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