



CARPENTERS TRUSTS

of Western Washington

Health and Security Retirement Vacation Industry Fund

October 17, 2013

Dear Participant:

The purpose of this letter is to notify you of an important change in the Carpenters of Western Washington Individual Account Pension Plan (Plan). The Board of Trustees recently amended the Carpenters Individual Account Pension Plan to convert it from a money purchase pension plan to a 401(k) profit-sharing plan. *This change is effective January 1, 2014.*

What Is Not Changing On January 1, 2014

You are eligible to participate in the Carpenters Individual Account Pension Plan if you are a bargaining unit employee working under a collective bargaining agreement between your employer and the Pacific Northwest Regional Council of Carpenters or one of its affiliated Unions and that agreement requires a retirement contribution to Carpenters Trusts of Western Washington. Certain non-bargaining unit employees are also eligible to participate in the Carpenters Individual Account Pension Plan if covered as Associates under a contribution agreement approved by the Trustees.

Retirement contributions are generally made to the Carpenters Retirement Plan and the Carpenters Individual Account Pension Plan on your behalf for each hour worked under the collective bargaining agreement or contribution agreement. Currently, \$.60 of this retirement contribution is allocated to the Carpenters Individual Account Pension Plan. This \$.60 hourly contribution is subject to the collective bargaining agreement but will not change due to the conversion of the Plan to a 401(k) profit-sharing plan on January 1, 2014.

What Is Changing On January 1, 2014

You May Make 401(k) Contributions to the Carpenters Individual Account Pension Plan. Beginning January 1, 2014, the Carpenters Individual Account Pension Plan permits you to make elective (401(k)) contributions to the Plan. You may elect to have \$1.00, \$2.00, \$3.00, or \$4.00 per hour deducted from your paycheck and contributed to the Carpenters Individual Account Pension Plan on your behalf. Your elected amount comes out of your paycheck before income taxes, but is subject to employment taxes (FICA and FUTA). If you have had contributions to the Plan in the past ten years, the Trust Office will be providing you with an *Application For 401(k) Elective Contributions* in early November. *If you would like to make 401(k) contributions to the Carpenters Individual Account Pension Plan, please complete this application and return it to the Trust Office as soon as possible but no later than December 16, 2013.* Please submit an application even if you're not currently working for a contributing employer. Applications will also be available on the Trust website: www.ctww.org.

(over, please)

Your 401(k) election stays in place for all of 2014. You will be allowed to change your 401(k) election once each calendar year during the annual election period which will be held at the end of each calendar year. Changes become effective the first day of the next calendar year. You may make a mid-year election to stop your 401(k) election but, if you choose to stop these contributions, you may not resume 401(k) contributions until the next calendar year.

The Carpenters Individual Account Pension Plan Will No Longer Accepts 401(a) Supplemental Contributions. Beginning January 1, 2014, the Carpenters Individual Account Pension Plan will no longer accept 401(a) supplemental contributions. Currently, there are five employment classifications – Class 0 (\$0), Class I (\$1.00), Class II (\$2.00), Class III (\$3.00), and Class IV (\$4.00) – with an hourly supplemental contribution rate that corresponds with each classification. These five classifications and the corresponding supplemental contributions are being discontinued for any hours worked on or after January 1, 2014. If you have a 401(a) Supplemental Contribution Subaccount (please see your benefit statement), these funds will continue to be invested with all other Plan assets and will be available to you when you retire.

New Participants' Accounts Have Fewer Distribution Options. An annuity will no longer be a payment option for new participants who first have retirement contributions made for hours worked on or after January 1, 2014. Instead, new participants will receive payment of their account in a single lump sum, with installment payments as an available option. A surviving spouse or other beneficiary will also receive benefits as a single lump sum or in installments if the new participant dies before retirement. Participants with an account balance on December 31, 2013 will continue to have additional payment options when they retire. Details about this change will be provided later.

Questions?

You will receive annual election information, including an *Application For 401(k) Elective Contributions*, in early November. If you have any questions about the Carpenters Individual Account Pension Plan conversion or 401(k) elective contributions, please contact Participant Services at the Trust Office in Seattle:

(206) 441-6514 Seattle Area
(800) 552-0635 Nationwide
www.ctwww.org

The Federal government requires that you receive a notice when a plan converts from a money purchase pension plan to a profit-sharing plan. This Notice is intended to comply with ERISA Section 204(h).