



NORTHWEST
CARPENTERS
TRUSTS

Health and Security Retirement Vacation Industry Fund

Northwest Carpenters Retirement Plan Summary of Material Modifications January 1, 2024

Purpose

The purpose of this notice is to advise you the Board of Trustees amended the Northwest Carpenters Retirement Plan as follows:

- Effective January 1, 2024, all participants (including both active and retired participants), their beneficiaries and alternate payees with a Sustainable Income Benefit (SIB) shall be credited with additional SIB units (or fractions thereof) equal to 10% of the total SIB units they have earned as of December 31, 2023.
- Effective January 1, 2024, the monthly retirement income payment made to each retired participant, beneficiary, or alternate payee in pay status shall be increased for the remainder of 2024 by 10% of their monthly SIB as of December 31, 2023.

These amendments are explained below.

Supplemental SIB Units Credited Effective January 1, 2024

The Northwest Carpenters Retirement Plan was amended to provide a one-time benefit increase to participants and retirees with a Sustainable Income Benefit (SIB). The supplemental accrual is a permanent 10% increase in the number of SIB units accrued through December 31, 2023.

For example, a participant with 50 SIB units through December 31, 2023, will be awarded 5 additional SIB units on January 1, 2024.

$$\begin{aligned} 50 \text{ units} \times 0.10 &= 5 \text{ additional SIB units} \\ 50 + 5 &= 55 \text{ SIB units on January 1, 2024} \end{aligned}$$

The SIB unit value for 2023 was \$10.8025, based on the 2021 investment return. For the participant with 50 SIB units on December 31, 2023, the underlying benefit would have been calculated as follows:

$$50 \text{ units} \times \$10.8025 = \$540.13$$

On January 1, 2024, the SIB unit value was set to \$9.3660, based the 2022 investment return. With the new unit value applied, the underlying benefit for 2024 was reduced as follows:

$$50 \text{ units} \times \$9.3660 = \$468.30$$

However, with 5 additional SIB units credited on January 1, 2024, the underlying SIB was increased to \$515.13.

$$55 \text{ units} \times \$9.3660 = \$515.13$$

While the participant's SIB on January 1, 2024, increases by 10% due to the additional units, the benefit still declines from December 31, 2023, due to the lower unit value.

Should the participant retire in 2024, the underlying benefit would be shored-up for the remainder of 2024, if necessary, to the previous "high-water mark" benefit, calculated using the number of SIB units on January 1, 2024, and the unit value of \$10.8025, as follows:

$$55 \text{ units} \times \$10.8025 = \$594.14$$

The unit values stated above are different for participants with SIB accruals in the legacy Oregon-Washington Carpenters-Employers Pension Plan. However, the method of applying the supplemental SIB units is identical.

In all future years, each participant's underlying SIB accrual will include these additional SIB units and will be larger than it would have been had this action not been taken by the Board of Trustees.

The supplemental SIB units will appear on the quarterly benefit statement for the period January 1, 2024, through March 31, 2024. These statements will be distributed in April.

SIB Retirement Income Amount Increased 10% for 2024

Effective January 1, 2024, the monthly SIB payment for each retiree, beneficiary, or alternate payee, determined as of December 31, 2023, will be increased by 10% for the remainder of 2024.

The monthly SIB payment for each retiree, beneficiary, or alternate payee in pay status as of December 31, 2023, is equal to the sum of their accumulated SIB units (increased by 10%, as described above) multiplied by the current SIB unit value (\$9.3660), plus a shore up payment in the amount required to preserve their monthly SIB payment at its "high-water mark." This high-water mark benefit is increased by 10% for all retirees, beneficiaries, or alternate payees for the remainder of 2024. Affected payees will see this benefit increase on their monthly payments through December 1, 2024, and will receive a separate payment for any retroactive benefit amounts due since January 1, 2024.

Questions

If you have any questions or concerns about these amendments, or about the Sustainable Income Benefit in general, please contact Participant Services at Northwest Carpenters Trusts. Call (800) 552-0635 or email ps@carpenterstrusts.org. Representatives are available Monday through Friday from 8 a.m. to 5 p.m. Pacific.