



OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS & PARTICIPATING EMPLOYERS

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SUMMARY OF MATERIAL MODIFICATIONS TO THE PLAN OF BENEFITS

At its most recent meeting, the Board of Trustees amended the Plan of Benefits to provide a one-time increase to the Benefit Accrual Rate for Credited Future Service for the period **February 1, 2023, through January 31, 2025.**

As discussed below, this increase will apply to employer contributions for hours worked during the period February 1, 2023, through January 31, 2025, and will become effective **April 1, 2025.** It is important to note that this is a one-time accrual rate increase that only applies to hours worked during the period February 1, 2023, through January 31, 2025. Thus, for hours worked both before (April 1, 2020, through January 31, 2023) and after that period (February 1, 2025, onward), the Benefit Accrual Rate remains unchanged at 1.75%. Furthermore, because the effective date of the increase is April 1, 2025, and is not retroactive, current retirees who worked during the specified period will see an increase to their monthly benefits beginning on or after April 1, 2025, without any retroactive lump-sum back payments.

This notice summarizes the material modifications reflected in the amendment, as required by the Employee Retirement Income Security Act of 1974 (ERISA), as amended. This Summary of Material Modifications should be read in conjunction with the Summary Plan Description.

The Increase

The current Benefit Accrual Rate is 1.75% of employer contributions for hours of service on and after April 1, 2020. Effective April 1, 2025, that rate will be increased on a one-time basis to 2.00% for hours of service for the period **February 1, 2023 through January 31, 2025,** only. Employer contributions for hours of service on and after February 1, 2025, will continue to be credited using the current Benefit Accrual Rate of 1.75%.

The Future

This increase will not impede the Plan's continued growth. In that regard, the Plan continues to be healthy and in the "Green Zone" status under the Pension Protection Act. In addition, the Plan continues to have no potential withdrawal liability for its contributing employers. While future benefit increases are impossible to predict, the

Board of Trustees intends to consult with the Fund Actuary every two years to assess the feasibility of future increases. Such decisions can only be made after careful study and analysis of the long-term financial and actuarial impact on the Plan.

How Will This Change Impact Me?

The bullets below describe how different groups of Plan participants will be affected by this change:

- **Active Participants (not retired) who worked during the period** – Participants who are not yet receiving a pension from the Plan, but who worked and accrued a pension benefit during this period, will receive an accrual rate adjustment for all hours worked for the period February 1, 2023, through January 31, 2025.
- **Retirees who worked during the period** – Participants who are now retired but who had worked and accrued a benefit based on hours worked during the period February 1, 2023, and January 31, 2025, will receive an increased monthly benefit payment reflecting the amount payable due to the increase, and all subsequent monthly benefit payments will reflect the increase. Please note that increased payments will begin on or after the effective date of the increase, April 1, 2025, and there will be no retroactive lump-sum payments.
- **Retirees who did not work during the period** – Participants who are currently receiving a pension benefit from the Plan, but who did not work in covered employment during the period February 1, 2023, through January 31, 2025, are unaffected by this change (i.e. there will be no change in your monthly benefit).
- **Beneficiaries of participants described above** – If a deceased participant described above would have received an accrual rate adjustment had he or she lived, the participant's beneficiary will receive an adjustment based on the type of survivor benefit the beneficiary receives.

Accrual example under the revised accrual formula

To help provide you with an accurate picture of your pension benefit accrual formula following the April 1, 2025 effective date of this benefit improvement, please refer to the tables below, which reflect an updated example based on the tables on pages 23 and 24 of the August 2022 edition of the Central Pension Fund SPD.

CREDITED FUTURE SERVICE BENEFIT

The amount of your Accrued Benefit that is based on your Credited Future Service is determined by multiplying the employer contributions made on your behalf by a percentage referred to as the Benefit Accrual Rate. The following table summarizes the Benefit Accrual Rates that apply to required contributions for various periods of time.

Benefit Accrual Rates for Calculating Credited Future Service Benefit (Contribution Periods <u>Beginning</u> January 1, 2001)	
Contribution Period	Benefit Accrual Rates for Required Contributions
On and after February 1, 2025	1.75%
February 1, 2023 through January 31, 2025	2.00% (previously 1.75%)
April 1, 2020 through January 31, 2023	1.75%
April 1, 2015 through March 31, 2020	1.25%
April 1, 2009 through March 31, 2015	1.00%
August 1, 2005 through March 31, 2009	3.00%
January 1, 2001 through July 31, 2005	3.30%

The following example demonstrates the amount of benefit earned before and after the benefit improvement, assuming you work 2,000 hours per year and your Employers were required to make contributions on your behalf at the average contribution rates received each year by the Plan:

EXAMPLE CALCULATION: CREDITED FUTURE SERVICE BENEFIT
<p>Jean has an Initial Participation Date of February 1, 2005. Jean retires on February 1, 2025 at age 65 with 20.00 years of Credited Future Service.</p> <ul style="list-style-type: none"> - Between February 1, 2023 and January 31, 2025, Jean's Employers were required to make contributions on Jean's behalf totaling \$26,838 - Between April 1, 2020 and January 31, 2023, Jean's Employers were required to make contributions on Jean's behalf totaling \$34,355 - Between April 1, 2015 and March 31, 2020, Jean's Employers were required to make contributions on Jean's behalf totaling \$52,300 - Between April 1, 2009 and March 31, 2015, Jean's Employers were required to make contributions on Jean's behalf totaling \$50,440 - Between August 1, 2005 and March 31, 2009, Jean's Employers were required to make contributions on Jean's behalf totaling \$25,253 - Between February 1, 2005 and July 31, 2005, Jean's Employers were required to make contributions on Jean's behalf totaling \$3,070

EXAMPLE CALCULATION: CREDITED FUTURE SERVICE BENEFIT

To calculate Jean's Normal Retirement Benefit:

Before Amendment:

\$26,838 required contributions from 2/1/2023 to 1/31/2025 x 1.75% Benefit
Accrual Rate = \$469.67

After Amendment:

\$26,838 required contributions from 2/1/2023 to 1/31/2025 x 2.00% Benefit
Accrual Rate = \$536.76

Unaffected by the Amendment:

\$34,355 required contributions from 4/1/2020 to 1/31/2023 x 1.75% Benefit
Accrual Rate = \$601.21

\$52,300 required contributions from 4/1/2015 to 3/31/2020 x 1.25% Benefit
Accrual Rate = \$653.75

\$50,440 required contributions from 4/1/2009 to 3/31/2015 x 1.00% Benefit
Accrual Rate = \$504.40

\$25,253 required contributions from 8/1/2005 to 3/31/2009 x 3.00% Benefit
Accrual Rate = \$757.59

\$3,070 required contributions from 2/1/2005 to 7/31/2005 x 3.30% Benefit Accrual
Rate = \$101.31

Jean's Accrued Benefit increases by \$67.09, from \$3,087.93 before the amendment to \$3,155.02 after the amendment.

This notice describes only those changes to the Plan effective as of April 1, 2025. All other provisions, conditions and limitations not specifically mentioned in the notice remain in full force and effect. In addition, the Plan changes described in this notice have been summarized in everyday language to make them easy to read and clear to understand. However, in the event of any conflict between this description and the Pension Plan document, the Pension Plan document will govern.

Questions

This notice is intended only as a summary, and the actual Plan documents will govern your rights. If you have any questions regarding this notice or your benefits under the Plan, please contact:

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