



OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS & PARTICIPATING EMPLOYERS

4115 Chesapeake Street, NW, Washington, DC 20016

202-362-1000, ext. 603 | Fax 202-448-8203 | www.cpfuoe.org

SUMMARY OF MATERIAL MODIFICATIONS TO THE PLAN OF BENEFITS (March 2026)

At its most recent meeting, the Board of Trustees of the Central Pension Fund of the International Union of Operating Engineers and Participating Employers (the “Plan”) amended the Plan of Benefits to provide a one-time increase to the Benefit Accrual Rate for the period February 1, 2025, through January 31, 2026. For that period only, the Benefit Accrual Rate will be increased to 2.25%. Employer contributions for hours of service on and after February 1, 2026, will continue to be credited using the current Benefit Accrual Rate of 1.75%.

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, 2025, through January 31, 2026. Thus, for hours worked after January 31, 2026, the Benefit Accrual Rate remains unchanged at 1.75%. Furthermore, because the effective date of the increase is May 1, 2026, and the increase is not retroactive, current retirees who worked during the specified period will see an increase to their monthly benefits beginning on or after May 1, 2026, 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 (“SPD”).

The Increase

As noted above, the current Benefit Accrual Rate is 1.75%. While maintaining the 1.75% Accrual Rate on a going forward basis, the rate was previously increased on a one-time basis to 2.00% for hours of service for the period February 1, 2023, through January 31, 2025. Now, as a result of this most recent one-time increase, employer contributions for hours of service for the period February 1, 2025, through January 31, 2026, will be subject to an Accrual Rate of 2.25% for that period only.

Accordingly, employer contributions for hours of service on and after February 1, 2026, 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 will continue to consult with the Fund Actuary on a periodic basis 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 time period, will receive the retroactive accrual rate adjustment for all contributions Employers were required to make on your behalf for hours worked for the period February 1, 2025 through January 31, 2026.
- **Retirees who worked during the period** – Participants who are currently receiving a pension from the Plan that includes a pension benefit accrued between February 1, 2025, and January 31, 2026, will receive an increased pension 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, May 1, 2026, 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 hours for which Employers were required to make contributions on your behalf for February 1, 2025, through January 31, 2026, are unaffected by this change.
- **Beneficiaries of participants described above** – If a deceased participant described above would have received an increased benefit had he or she lived, the participant's beneficiary will receive an increased benefit based on the type of survivor benefit the beneficiary receives.

Accrual Rates under the revised accrual formula

To help provide you with an accurate picture of your pension benefit accrual formula following the May 1, 2026 effective date of this benefit improvement, please refer to the tables below, which effectively update the tables on pages 23 and 24 of the August 2022 edition of the Central Pension Fund Summary Plan Description ("SPD").

CREDITED FUTURE SERVICE BENEFIT

The amount of your Accrued Benefit that is based on your Credited Future Service is determined by multiplying the contributions required to be made on your behalf by Participating Employers by a percentage called that 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, 2026	1.75%
February 1, 2025, through January 31, 2026	2.25% (previously 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
Jean has an Initial Participation Date of February 1, 2006. Jean retires on February 1, 2026, at age 65 with 20.00 years of Credited Future Service.
- Between February 1, 2025, and January 31, 2026, Jean's Employers were required to make contributions on Jean's behalf totaling \$13,560
- 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 February 1, 2006, and March 31, 2009, Jean's Employers were required to make contributions on Jean's behalf totaling \$22,695

EXAMPLE CALCULATION: CREDITED FUTURE SERVICE BENEFIT

To calculate Jean's Normal Retirement Benefit:

Before Amendment:

\$13,560 required contributions from 2/1/2025 to 1/31/2026 x 1.75% Benefit Accrual Rate = \$237.30

After Amendment:

\$13,560 required contributions from 2/1/2025 to 1/31/2026 x 2.25% Benefit Accrual Rate = \$305.10

Unaffected by the Amendment:

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

\$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

\$22,695 required contributions from 2/1/2006 to 3/31/2009 x 3.00% Benefit Accrual Rate = \$680.85

Jean's Accrued Benefit increases by \$67.80, from \$3,214.27 before the amendment to \$3,282.07 after the amendment.

This notice describes only those changes to the Plan effective as of May 1, 2026. 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:

Joseph Shelton, Chief Executive Officer
Central Pension Fund of the International Union of Operating Engineers and Participating Employers
4115 Chesapeake Street, N.W.
Washington, D.C. 20016-4665