

MICHIGAN CARPENTERS' PENSION FUND

Michigan Carpenters' Pension Fund
December 2018

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

To: All Participants, Beneficiaries, Alternate Payees, Employers and Bargaining Parties

This notice includes the Pension Fund's Notice of Endangered Status, Annual Funding Notice and other Notices for the Plan Year ended August 31, 2018.

- Notice of Your Responsibility to Keep Records Page 1
- Notice of Endangered Status Page 2
- Annual Funding Notice Pages 3 – 5
- Notice to Plan Participants Approaching Normal Retirement Age Pages 6
- Important Notice to Plan Participants Who Begin Receiving Pension Payments Before Age 55 Page 6
- Summary of Material Modifications Pages 7
- Notice of Suspension of Benefits Provisions to Retired Participants Page 8
- Delaying the Date Your Pension Starts Could Affect Your Benefit Amount Pages 9 – 10
- Social Security Number Privacy Policy Page 10

We encourage you to read these Notices in their entirety. If you want any information about the Plan or you wish to file a claim for benefits, contact the Board of Trustees of the Michigan Carpenters' Pension Fund at (800) 273-5739 or 6525 Centurion Drive, Lansing, Michigan 48917-9275.

Fraternally,
Boards of Trustees, Michigan Carpenters' Pension Fund

NOTICE OF YOUR RESPONSIBILITY TO KEEP RECORDS

The Fund has set up an Employer audit and collection program to make sure that your Employers pay the pension contributions owed to the Fund for your Hours of Work. But, it is your responsibility to keep records of your employment, including the names of your Employers, your pay stubs, and other information that proves you worked and for how many hours, so that if one of your Employers fails to pay the required contributions or keep records of your work, the Fund will have the information necessary to grant you the Years of Service and benefits to which you are entitled. Each year you will receive a Benefit Estimate Statement, which provides you with information concerning your pension benefits based on information available to the Pension Fund. If you believe that information is incorrect or incomplete, you must notify the Fund in writing immediately. Any action in law or equity brought against the Fund, the Board of Trustees, any of the Trustees individually, or any agent of any of the foregoing is barred unless the complaint is filed within eighteen months from the date the incorrect information was first reported in the Statement; however, you must first go through the Fund's claim and appeal process before you can bring a suit in Court.

NOTICE OF ENDANGERED STATUS

This is to inform you that on November 29, 2018 the Plan's actuary certified to the U.S. Department of the Treasury and to the Board of Trustees (the Plan sponsor or Trustees) that the Plan is in endangered status for the Plan Year beginning September 1, 2018. Federal law requires that you receive this Notice. In the future, you will receive an annual update of the Fund's status and the progress it is making toward the goals described below.

Endangered Status

The Fund is considered to be in endangered status because the funded percentage is less than the 80% threshold established for endangered status. The Fund's actuary determined that the Fund's funded percentage was 61.6% on September 1, 2018. The funded percentage is the fraction of earned benefits that could be funded with existing Fund assets.

Funding Improvement Plan

Federal law requires pension plans in endangered status to adopt a funding improvement plan aimed at restoring the financial health of the plan. The funding improvement plan was adopted by the Board of Trustees effective June 1, 2018, and requires that the funded percentage improve at least 33% of the way to 100% during the "funding improvement period". The funding improvement period will be the ten year period from September 1, 2020 through August 31, 2030 or, if earlier, the date the Fund's Actuary certifies that the Fund has emerged from endangered status.

Future Experience and Possible Adjustments

The funding improvement plan is based on a number of assumptions about future experience and may need to be adjusted if those assumptions are not met. Additional contribution rate increases and/or benefit reductions may be needed if those assumptions are not met. You will receive a separate notice identifying and explaining any changes in benefits.

Commitment to Continued Improvement

The Board of Trustees and Bargaining Parties have taken steps to improve the funding of the Plan. The goal of the Board of Trustees is that the Fund will emerge from endangered status and continue to see improved funded percentages. The Trustees remain committed to the proper funding of your pension benefits and assure you that they will take appropriate actions to meet this goal.

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees of the Michigan Carpenters' Pension Fund at 6525 Centurion Drive, Lansing, Michigan 48917 or by telephone at (517) 321-7502 or Toll Free (800) 273-5739. Once adopted, you have a right to receive a copy of the Funding Improvement Plan from the Plan.

ANNUAL FUNDING NOTICE

Introduction

This notice includes important information about the funding status of your multiemployer Pension Plan, the Michigan Carpenters' Pension Fund (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the Plan Year beginning September 1, 2017 and ending August 31, 2018 (referred to hereafter as "Plan Year").

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the Plan Year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding Plan Years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Funded Percentage			
	2017	2016	2015
Valuation Date	September 1	September 1	September 1
Funded Percentage	60.3%	59.1%	58.8%
Value of Assets	\$531,018,415	\$514,965,430	\$505,653,996
Value of Liabilities	\$880,913,514	\$871,847,265	\$859,958,299

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan's assets for each of the two preceding plan years:

	August 31, 2018	August 31, 2017	August 31, 2016
Fair Market Value of Assets	\$563,710,020	\$519,215,951	\$472,850,924

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan was in "endangered" status in the Plan Year because of an estimated funded ratio of 59.7%, no projected funding deficiency in the funding standard account (recognizing amortization extensions) within 10 years and no projected insolvency within 30 years. In an effort to improve the Plan's funding situation, the trustees adopted a Funding Improvement Plan (FIP) effective June 1, 2018. The Funding Improvement Period is September 1, 2020 through August 31, 2030 or the date the Fund's Actuary certifies it has emerged from endangered status.

The FIP has two goals which must be met before the end of the Funding Improvement Period: (1) improve the funding percentage to at least 73.4% by August 31, 2030 and (2) project no funding deficiencies during the Funding Improvement Period. Two required schedules were presented to the bargaining parties. At the current time, there is no difference between the two schedules; however, the Board of Trustees is required to annually review and update the schedules as needed. Both schedules provide for no benefit changes or additional contribution rate increases. You may obtain a copy of the Plan's FIP and

the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Board of Trustees of the Michigan Carpenters' Pension Fund as indicated on the last page of this Notice.

Federal law requires the Board of Trustees to continue to monitor the progress toward achieving the objectives and annual standards of the FIP. The Board of Trustees remains committed to the proper funding of your pension benefits and assures you that they will take appropriate actions to meet this goal. The FIP plan is based on a number of assumptions about future experience and may have to be adjusted if those assumptions are not met. Additional contribution rate increases and/or benefit reductions may be required. You will receive a separate notice identifying and explaining any additional changes in benefits, if necessary, and you will receive an annual notice, like this one, identifying any event that has a material effect on Plan assets or liabilities.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the Valuation Date was 9447. Of this number, 3,512 were active participants, 3,496 were retired, separated from service or otherwise receiving benefits, and 2,439 were retired, separated from service or otherwise have a right to future benefits.

Funding and Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan can be summarized as follows:

Benefits under the Plan are provided through a trust. Contributions and investment returns together fund current and future liabilities. Contributions are obtained directly from participating employers. These contributions are based on hours worked by Plan participants at rates specified in the collective bargaining agreements.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan can be summarized as follows:

Investment income is one significant contributor to the funding of the Plan. The federal law provides that the Fund's Trustees are responsible for investing the assets of the Plan. To assist them in carrying out this responsibility, the Trustees have delegated authority to manage the assets, as permitted by federal law, to Investment Managers with the skills and specialized research facilities needed to assure expertise in financial market investments. The Trustees have also engaged the services of an Investment Consultant to assist them in selecting and evaluating the performance of the Investment Managers. The Trustees, Investment Managers and Investment Consultant shall, as fiduciaries, adhere to the "prudent man rule" under the federal laws that apply or may in the future apply to the Fund's investments. More specifically, they must adhere to the safeguards and diversification standards that a prudent investor would adhere to and all transactions undertaken on behalf of the Plan must be for the sole interest of Plan Participants and their Beneficiaries. Under the terms of the policy, the Fund's assets are invested in a manner consistent with a primary emphasis upon consistency of performance; i.e., the achievement of growth in such a manner as to protect the Fund from excessive volatility in market value from year to year. Significant emphasis is also placed upon capital protection; i.e., the achievement of adequate investment growth such that the purchasing power of the principal amount of these assets is maintained over the investment horizon.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

<u>Asset Allocation</u>	<u>Percentages</u>
Stocks	50.6%
Investment Grade Debt	9.0%
Real Estate	5.5%
Other	34.9%

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N- 1513, Washington, DC

20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the Board of Trustees. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact the Board of Trustees if you want information about your accrued benefits. Contact information for the Board of Trustees is provided on the next page under "Where To Get More Information."

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal.

The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each credited Year of Service. Thus, the PBGC's maximum guarantee is \$35.75 per month times a Participant's credited Years of Service.

Example 1: If a Participant with 10 credited Years of Service has an accrued monthly benefit of \$600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($\$600/10$), which equals \$60. The guaranteed amount for a \$60 monthly accrual rate is equal to the sum of \$11 plus $\$24.75$ ($.75 \times \$33$), or \$35.75. Thus, the Participant's guaranteed monthly benefit is $\$357.50$ ($\$35.75 \times 10$).

Example 2: If the Participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus $\$6.75$ ($.75 \times \$9$), or \$17.75. Thus, the Participant's guaranteed monthly benefit would be $\$177.50$ ($\$17.75 \times 10$).

The PBGC guarantees pension benefits payable at Normal Retirement age and some Early Retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information About Your Plan," below.

Where to Get More Information About Your Plan

For more information about this notice, you may contact the Board of Trustees of the Michigan Carpenters' Pension Fund at (800) 273-5739 or 6525 Centurion Drive, Lansing, Michigan 48917-9275. For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number or "EIN" are the Board of Trustees of the Michigan Carpenters' Pension Fund and 38-6233978.

NOTICE TO PLAN PARTICIPANTS APPROACHING NORMAL RETIREMENT AGE

This notice applies only to Plan Participants who do **NOT** elect to retire at the normal retirement age and who may choose to continue working. “Normal Retirement Age” under the Pension Plan is age 65.

If you continue to work after reaching the normal retirement age, your Plan’s Suspension of Benefit Rules will be applied even though you have not actually retired.

Under the Suspension of Benefit Rules, no benefits are payable for any month in which you work 40 hours or more in the same industry, same trade or craft, and within the State of Michigan, or within the jurisdiction of any Participating Local whether within or without the State of Michigan. This suspension is applicable until the April 1st following the calendar year in which you reach age 70 ½ or unless waived on a temporary basis by this Board of Trustees. Thereafter, you may both work and receive your monthly pension.

If you continue to work after reaching the normal retirement age, but work less than 40 hours per month or do not work at all, no pension benefits will be paid during such months. However, when you do retire, you may be entitled to additional benefits for those months between your normal retirement age and your actual date of retirement if you did not work at least 40 hours in the same industry, same trade or craft, and within the State of Michigan, or within the jurisdiction of a Participating Local whether within or without the State of Michigan.

Be assured that application of the Suspension of Benefits Rules while you are working after reaching the normal retirement age will in no way affect your current vesting or benefit accrual status under the Plan. When a Participant who continues to work after his normal retirement age decides to actually retire, his normal retirement benefit will be determined in accordance with the regular Plan provisions. Such provisions give credit for work performed under the Plan prior to actual retirement if the requirement of a minimum 500 hours of work in a Plan Year is met.

If you disagree with how the Suspension of Benefit Rules is being applied to your particular case, you have the right to appeal to the Board of Trustees. The Appeal Procedure is set forth on Page S-38 of the Summary Plan Description.

IMPORTANT NOTICE TO PLAN PARTICIPANTS WHO BEGIN RECEIVING PENSION PAYMENTS BEFORE AGE 55

Like many other construction industry pension plans, the Michigan Carpenters’ Pension Fund will, in accordance with the Pension Fund’s plan document and Department of Labor regulations, suspend your monthly pension benefits if, after retiring, you return to work for 1 or more hours per month in the same trade in the construction industry in Michigan (“suspendible service”) unless these provisions have been waived by Plan Modification.

In addition, if your pension payments are suspended before you have both reached age 59 ½ and received pension payments for five years, you may be required, under the Federal Tax Code, to pay an additional 10% “penalty” income tax on all or a portion of the pension payments you previously received.

Accordingly, if you consider returning to work in the same trade in the construction industry in Michigan, you should first contact both: (1) the Pension Department at the Fund Office to learn what the Fund’s suspension-of-benefits rules are at that time; and (2) your tax advisor to consider the potential income tax effects of returning to work and having your pension benefits suspended at that time.

NOTICE OF SUMMARY OF MATERIAL MODIFICATIONS TO THE PENSION PLAN

This notice, known as a Summary of Material Modifications (SMM), describes changes to the Fund's Plan adopted by the Trustees since publication of the Summary Plan Description (SPD). A summary plan description was distributed to participants during 2017, which reflected the provisions of the Pension Plan in effect on July 1, 2017. It has continued to be distributed to new participants. If you have not received one, contact your local union or the Plan's administrative office. You should keep this SMM with your SPD for future reference.

Effective September 1, 2017, the Plan was amended to provide a temporary and limited waiver of the suspension of benefit rules for the period from September 1, 2017 through April 30, 2018 for a Retiree, who retired as of November 1, 2016 and is employed by a contributing Employer as a Millwright. The amendment provides for the Retiree to receive the greater of the monthly benefit that would have otherwise been suspended, or the present value of the additional benefit accrual that the Retiree would have earned during the period of his or her return to work.

Effective June 1, 2018, the Plan was amended to provide a temporary and limited waiver of the suspension of benefit rules for the period from June 1, 2018 through May 31, 2021 for a Retiree, who retired as of November 1, 2017 and is employed by a contributing Employer as a Millwright. The amendment provides for the Retiree to receive the greater of the monthly benefit that would have otherwise been suspended, or the present value of the additional benefit accrual that the Retiree would have earned during the period of his or her return to work.

Effective September 1, 2018, the Plan was amended to provide a temporary and limited waiver of the suspension of benefit rules for the period from September 1, 2018 through August 31, 2019 for a Retiree, who retired as of November 1, 2017 and is employed by a contributing Employer as a Floor Layer or Carpenter. The amendment provides for the Retiree to receive the greater of the monthly benefit that would have otherwise been suspended, or the present value of the additional benefit accrual that the Retiree would have earned during the period of his or her return to work.

The Fund's Current Trustees are:

Employer Trustees

Todd Doenitz, Chairman
Gary Benjamin
William Hendrick, III
Greg Krueger
Jim Like
Bob Spence

Union Trustees

Leon Turnwald, Secretary
Brian Kerrigan
Kevin Klingler
Kevin Krieg
Todd McCastle
Jeffrey Taylor

Administered for the Trustees by:
TIC International Corporation

Legal Counsel
Derek Watkins
Sachs Waldman, Professional Corporation
1423 East Twelve Mile Road
Madison Heights, Michigan 48071

NOTICE OF SUSPENSION OF PENSION BENEFITS PROVISIONS TO RETIRED PARTICIPANTS

This Notice is to remind you of the provisions of the Pension Plan governing Suspension of Pension Benefits for returning to work at the Carpentry Trade after you have Retired (separated from service). Under these provisions, Pension Benefits being paid to a Retiree who first began to receive Unreduced Early Retirement Benefits effective on or after January 1, 2009 may be suspended only if **ALL** of the following conditions are met:

1. A Retiree is working **one (1)** or more hours during any given month (or during the payroll periods ending within that month); and
2. The work is in the same industry as the type of business activity engaged in by Employers that contribute to the Plan even though the employer may not be a contributing Employer (e.g., non-union); and
3. The work is at the same trade or craft in which the Retiree was working when earning benefits under the Plan. (Self-employed work, as well as supervisory or managerial work can be considered as a return to work so long as the Retiree is using the same skill or skills acquired while working under a union collective bargaining agreement); and
4. The work is performed within the State of Michigan, or within the jurisdiction of a Participating Local whether within or without the State of Michigan.

The rule is applicable for any period from November 1, 2012 up to the first day of the calendar month in which the Retiree reaches age sixty-five (65). Thereafter, pension benefits of a Retiree receiving Unreduced Early Retirement Benefits who reaches age sixty-five (65) or who commenced receiving Unreduced Early Retirement Benefits prior to January 1, 2009 and any Retiree or future Retiree who receives or will receive Normal Retirement Benefits, Reduced Early Retirement Benefits or Vested Retirement Benefits may be suspended only if the retiree is working **forty (40)** or more hours during any given month (or during the payroll periods ending within that month) and meets the criteria set out in 2 through 4 above. This rule is applicable until the April 1st following the calendar year in which the Retired Participant reaches age 70 ½. Thereafter, you may both work and receive your monthly pension.

Notwithstanding the above, the Board of Trustees have adopted a number of limited waivers of the Suspension of Benefit provision which generally provide that certain retirees performing certain types of work will receive the greater of the monthly benefit that would have otherwise been suspended or the present value of the additional benefit accrual that the Retiree would have earned during the period of his or her return to work. If the present value of Future Benefit Credit accrued by the Retiree during any month that he returned to work is lower than the actuarial value of the Retiree's benefit paid to the Retiree for that month, the Fund will not seek to recoup the difference; meaning, that the Retiree's current monthly benefit would not be reduced if the Retiree returns to work during this period.

Under the Plan provisions, every Retiree is required to immediately notify the Pension Department at the Fund Office if he or she returns to work in **any capacity** regardless of whether the Retiree returns to work for a non-contributing employer (e.g., non-union) or in a self-employed, supervisory, or managerial capacity. Failure to notify the Pension Department in a timely manner of a return to work may subject the Retiree to possible suspension of current and/or future Pension Benefits. Should a Retiree who returns to employment without notifying the Trustees be discovered on a job, the Trustees may presume that the Retiree has been re-employed under the conditions set forth above for the entire period that his employer has been working on that particular jobsite and suspend his monthly benefits for such period. This presumption shall be rebuttable but it shall be the responsibility of the Retiree to submit evidence to rebut said presumption.

Note: Returning to work for fewer than 40 hours a month after you Retire may not result in a suspension of your monthly Retirement benefit, but it could, depending on the circumstances, be evidence that you did not intend to Retire and is likely to result in a determination that you were not eligible to begin receiving Retirement Benefits.

DELAYING THE DATE YOUR PENSION STARTS COULD AFFECT YOUR BENEFIT AMOUNT

Normal Retirement Benefit: If you are an Active Participant and you retire at or after age 65 with at least 5 Years of Service, you are eligible for a Normal Retirement Benefit. The Normal Retirement Benefit is calculated based on the contributions required to be made on your behalf. You will find information about how to estimate your monthly Pension Benefit in the Summary Plan Description and any subsequent announcement letters. You may also request that the Fund Office calculate your Pension Benefit.

If your retirement date is after your Normal Retirement Age, age 65, then your monthly Pension Benefit will be actuarially increased for each month after your Normal Retirement Age that you do not receive your Pension Benefits or earn additional Benefits by continuing to work.

Unreduced Early Retirement Benefit: If you are an Active Participant and you retire when your age plus your Years of Service equals at least 80 or 90¹, you will be eligible for an Unreduced Early Retirement Benefit, as explained in the Summary Plan Description. Your Benefit will be calculated exactly the same way your Normal Retirement Benefit would be calculated without any reduction for retiring early.

Example of an Unreduced Early Retirement Benefit:

Jim is retiring at age 58 with at least 32 Years of Service. His age plus his Years of Service equals 90, so he is eligible for an Unreduced Early Retirement Benefit. His Normal Retirement Benefit is calculated to be \$3,700 per month, so Jim's Unreduced Early Retirement Benefit is \$3,700 per month.

Early Retirement Benefit: If you are an Active Participant and you retire at or after age 58 with at least 10 Years of Service, you may be eligible for an Early Retirement Benefit, as explained in the Summary Plan Description. The amount of the reduction is 6 and 2/3% per year of age less than age 65 (5/9ths of one percent for each complete calendar month you are under age 65 when your Pension Benefits begin).

Example of an Early Retirement Benefit:

Tom is retiring at age 59 with 13 Years of Service, so he is **not** eligible for an Unreduced Early Retirement Benefit. His Normal Retirement Benefit is calculated to be \$2,500 per month. Because Tom is retiring six years before age 65, his Benefit is reduced by 40% (6 years x 6 and 2/3%). So Tom's Early Retirement Benefit is \$1,500 per month.

Delaying Retirement Will Increase Your Pension:

If you continue to work at the trade and delay your retirement, the monthly Pension amount you will receive when you retire will increase because you are earning additional Benefits.

If you are eligible for a Vested Retirement Benefit that is subject to reduction for early payment, the closer you are to age 65 when you start receiving your Pension the higher your monthly Pension amount will be when you retire because the reduction will be smaller.

Vested Retirement Benefit: If you terminate covered employment before age 65 with at least 5 Years of Service, you may be eligible for a Vested Retirement Benefit, as explained in the Summary Plan Description. The Vested Retirement Benefit is payable at age 65 or later, unless you have at least 10 Years of Service. If your retirement date is after your Normal Retirement Age, age 65, then your monthly Pension Benefit will be actuarially increased for each month after your Normal Retirement Age that you do not receive your Pension Benefits.

¹ The Index 80 and Index 85 Unreduced Early Retirement Benefit were modified effective September 1, 2009, and shall thereafter be an Index 90 Unreduced Early Retirement Benefit at age 58 or older for all Participants except those Active Participants who had at least 78 points on September 1, 2009 shall be eligible for an Unreduced Early Retirement Benefit when they reach 80 points.

Example of a Vested Retirement Benefit:

Frank worked in covered employment from age 22 to age 31 and earned 7 Years of Service. He then pursued a career as a building inspector and did not return to covered employment. His Normal Retirement Benefit is calculated to be \$475 per month. When Frank reaches age 65, he will be entitled to a Vested Retirement Benefit based on the benefit rate in effect when he became an Inactive Participant (at the end of the second consecutive Plan Year during which he did not earn a Year of Service) and the amount of his vesting. If Frank waits until after age 65 to receive his Pension, his Benefit will be actuarially increased to account for the delay.

If you have any questions about this information, please review the Summary Plan Description or contact the Fund Office at 517-321-7502.

SOCIAL SECURITY NUMBER PRIVACY POLICY **(Effective January 1, 2006)**

The Michigan Carpenters' Pension Fund is required by Michigan law to make sure that your Social Security number and the Social Security numbers of your family members are kept private as set forth in that law.

The law permits the Fund to use Social Security numbers to verify your identity and the identities of your family members and to perform other functions related to providing retirement benefits under the Fund's Plan. Therefore, the Fund will continue to require Social Security numbers on application and other forms. When your employer pays contributions on your behalf, the law permits your employer to provide the Fund with your Social Security number so that the Fund may determine your eligibility status. The law also permits the Fund to use Social Security numbers when authorized or required to do so by state or federal statute, by court order, or pursuant to legal discovery or process. The Fund will ensure to the extent practicable the confidentiality of those Social Security numbers.

In order to protect your privacy and in compliance with the law, the Fund's third-party administrator, TIC International Corporation ("TIC"), will use alternate identification numbers wherever feasible, including on monthly notices of contributions. TIC does not print Social Security numbers on the exterior of any envelope or package sent through the mail or in a manner that can be seen from the exterior of such envelope or package. The Fund's website is secure and permits participants to access information through use of a password other than their Social Security number.

Only TIC's employees and agents and employees and agents of other Fund service providers may access the Social Security numbers of Fund participants and family members and only as necessary to provide services to the Fund. TIC uses practical means to limit access to written and electronic records in its possession that contain Social Security numbers to those employees and agents whose job duties require such access, such as securing areas where Social Security number information is located when not in use and requiring the use of passwords for access to electronic files containing Social Security numbers. TIC disposes of documents that contain Social Security numbers that the Fund is not actively using or is not otherwise obligated to retain by shredding and other processes that protect the confidentiality of the Social Security numbers. TIC's employees and agents must not disclose Social Security numbers by publicly displaying more than four sequential digits of a Social Security number or in any other manner prohibited by law.

The Fund notifies all service providers that they must ensure, to the extent practicable, the confidentiality of all Social Security numbers related to Fund participants and their families as required by law. The Fund may take action regarding service providers who fail to protect adequately the confidentiality of those Social Security numbers, including the termination of contracts.