



Electrical Construction Industry
PENSION PLAN
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IMPORTANT NOTICE TO PARTICIPANTS

Dear Participant:

April 30, 2018

This is to notify you of a change in the formula for determining the amount of your pension benefit under the Plan. The change is effective June 1, 2018 and applies to the benefit you earn on and after that date. There is no change to the amount of the benefit you earned under the Plan for periods of employment through May 31, 2018.

The remainder of this communication describes the change to the Plan, and is being provided to you in accordance with Section 204(h) of the Employee Retirement Income Security Act. You should place this notice with your Summary Plan Description and save it for future reference.

NEW BENEFIT FORMULA

The Plan's formula for determining the amount of your pension benefit will change effective for periods of employment on and after June 1, 2018. The change is summarized below.

Prior to June 1, 2018. In general, for Plan Years prior to June 1, 2018, your monthly pension benefit payable at age 62 is equal to the years of Benefit Credit you earn multiplied by the benefit rates in effect for the relevant years. You earn a year of Benefit Credit based upon the number of Hours of Service you accumulate during a Plan Year. You earn a quarter year of Benefit Credit after completing 375 Hours of Service, and a full year of Benefit Credit after completing 1,500 Hours of Service. No additional Benefit Credit was earned for Hours of Service in excess of 1,500. If you elect to commence your pension before age 62, the monthly pension amount will be reduced by 3% per year for each year payments are made before age 60, and 1% per year for each year payments are made after age 60 and before age 62.

On and After June 1, 2018. The benefit formula for employment on or after June 1, 2018 will be converted to a "percent of contributions" formula whereby each Plan Year you earn a benefit equal to 0.8% of the contributions paid to the Plan on your behalf under the Collective Bargaining Agreement (or participation agreement, if applicable), provided you accumulate at least a quarter year of Benefit Credit during such Plan Year. Your total monthly pension benefit at age 62 equals the sum of (1) the benefit you earned under the Plan's formula as in effect prior to June 1, 2018, PLUS (2) the benefit you earn under the percent of contributions formula for contributions paid on and after June 1, 2018. If you elect to commence your pension before age 62, the monthly pension amount will be reduced by 3% per year for each year payments are made before age 60, and 1% per year for each year payments are made after age 60 and before age 62.

This new formula allows you to earn a pension benefit for all hours worked during a Plan Year (again, provided you accumulate at least a quarter year of Benefit Credit in the Plan Year). Prior to this change, you did not earn additional pension benefits by working more than 1,500 Hours of Service during the Plan Year. Therefore, under the new formula, the amount of your benefit is directly tied to all of the hours you work--the more you work, the greater your benefit. Also, because the new formula is based on the amount of contributions paid to the Plan on your behalf each Plan Year, the amount of the benefit you earn in future Plan Years will increase to the extent the contribution rate is increased in later Plan Years.

Note, that the new percent of contribution formula takes into account all contributions made on your behalf, except that \$.25 of the inside wireman hourly rate is not included in the benefit formula for that group.

Example: Jim is an inside wireman who works 1,800 hours each year from June 1, 1992 until he retires on May 31, 2022 at age 62. Assume Jim qualified for the \$66 accrual rate from June 1, 1992 through May 31, 1995, the \$92 accrual rate from June 1, 1995 through May 31, 2010, and the \$75 accrual rate from June 1, 2010 through May 31, 2018. With the amendment, the amount of Jim's monthly pension benefit would be calculated as the sum of the following:

June 1, 1992 - May 31, 1995 = 3 years at \$66 = \$198.00 per month PLUS

June 1, 1995 - May 31, 2010 = 15 years at \$92 = \$1,380.00 per month PLUS

June 1, 2010 - May 31, 2018 = 8 years at \$75 = \$600.00 per month PLUS

June 1, 2018 - May 31, 2022 = 4 years * (\$6.45 per hour * 1,800 hours * .008) = \$371.52 per month

Total benefit = \$2,549.52 per month

***NOTE:** This example assumes the hourly contribution rate that is taken into account under the new formula is the current hourly rate for Milwaukee inside wiremen (\$6.70), minus the \$.25 non-credited contribution for that group, and that this contribution rate remains unchanged until Jim's retirement. Future contribution rate changes will be determined by the bargaining parties.*

With the change, Jim would earn a benefit payable at age 62 equal to \$2,549.52 per month. Without the change, Jim would have earned a benefit payable at age 62 equal to \$2,478 per month (3 years at \$66 PLUS 15 years at \$92 PLUS 12 years at \$75). This means the change results in an increased benefit of \$71.52 per month for Jim.

The same percent of contribution formula (.8%) applies to all Plan participants as of June 1, 2018. If you are not in the classification of inside wireman, see the Plan's website for example for your class of employment.

You should place this Notice with your Summary Plan Description and save it for future reference. If you have questions concerning this notice, please contact the Plan Administrative Office at 414-778-0068.