

Heating, Piping, and Refrigeration Pension Fund

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Administered by
Welfare & Pension Administration Service, Inc.

October 16, 2024

Summary of Material Modifications Heating, Piping and Refrigeration Pension Fund

This is a Summary of Material Modification describing changes to your pension plan recently adopted by the Board of Trustees. Please read this notice carefully and keep this document with your Summary Plan Description Booklet.

The Board of Trustees of the Heating, Piping and Refrigeration Pension Fund ("Fund") is pleased to announce the following changes to the Plan:

For Active Participants, effective September 1, 2024:

- The Accrued Benefit Rate for each year of service will increase from \$200.00 to \$225.00, effective for hours worked on or September 1, 2024.
- The Joint & Survivor (J&S) factors will be applied based on updated mortality and interest rate assumptions for retirements on and after September 1, 2024. This change will result in a slightly lower reduction for Participants who elect a Joint & Survivor option for their benefits.

For Pensioners, effective September 1, 2024 and implemented on or before February 1, 2025:

- All Pensioners receiving a pension benefit from the Fund on September 1, 2024 will be eligible to receive a 6% increase to their monthly pension benefit amount. The 6% increase will be implemented on or before February 1, 2025 and will be applied: 1) retroactively to monthly pension benefit payment(s) received on or after September 1, 2024; and 2) prospectively to any payments received after the implementation date – *i.e.*, on or before February 1, 2025. Specifically, on or before February 1, 2025, Pensioners will receive a one-time, lump-sum retroactive payment reflecting the 6% increase to payments received on and after September 1, 2024. Thereafter, the increase will be reflected in a Pensioner's monthly pension benefit payments.
- Alternate payees receiving a monthly pension benefit as a result of a shared interest Qualified Domestic Relations Order ("QDRO"), will be eligible to receive the increase, provided the Participant is an eligible Pensioner meeting the below criteria. Alternate Payees who are receiving a monthly benefit as a result of a separate interest Qualified Domestic Relations Order, will NOT receive the increase, unless the QDRO explicitly requires that the Alternate Payee receive a share of such payment.

In addition, by year end, the Fund will make a **one-time payment** to Pensioners who meet the requirements set forth below, and any surviving spouses receiving a regular monthly pension payment from the Pension Fund irrespective of the requirements set forth below:

1. The Pensioner must have originally retired as an active Participant. For this purpose, the Pensioner must have worked in Covered Employment for at least one hour at any time during the period that consists of the Plan Year in which he retired plus the preceding two Plan Years; or
2. The Pensioner must have retired on the basis of Total and Permanent Disability at any time before age 62 and began receiving a Disability Pension at the time of retirement; and
3. The Pensioner must also have been sent a regular monthly pension payment for September 1, 2024, and have been alive on that date.

Each recipient will be sent a one-time, non-recurring payment equal to the greater of: 1) their current monthly benefit; or 2) a minimum amount of \$1,500.00. Alternate payees receiving a monthly pension benefit as a result of a shared interest Qualified Domestic Relations Order ("QDRO"), will receive a portion of the payment to the Participant, provided the Participant is an eligible Pensioner meeting the above criteria. The alternate payee's share of the payment made to the Participant will be equal to the percentage of the Participant's pension benefit granted to the alternate payee under the shared interest QDRO. Alternate Payees who are receiving a monthly benefit as a result of a separate interest Qualified Domestic Relations Order, will NOT receive any portion of the payment to an eligible Pensioner, unless the QDRO explicitly requires that the Alternate Payee receive a share of such payment.

In addition, the Boards of the Trustees are considering additional benefit improvements that may be forthcoming. A subsequent Summary of Material Modifications and additional information will be provided if additional benefit improvements are adopted with a concrete implementation date.

If you have any questions about the contents of this notice, please feel free to contact the Fund Office at (800) 618-2879. In the event of a discrepancy between this notice and the official Plan documents, the official Plan documents, as interpreted and applied solely by the Trustees pursuant to their exclusive discretionary authority, will prevail.

Sincerely,

The Board of Trustees

Important Reminder - You must advise the Administration Office of any changes in your basic demographic data, including changes in your name, marital status, designated beneficiary, home address, email address and telephone number. Provide information changes by completing and sending a new Enrollment Form or Beneficiary Designation Form to the Administration Office. If you divorce your spouse, please also provide a complete filed copy of your divorce decree and any accompanying court orders.

Failure to update your information on file may delay the timely payment of your benefits, and communication of important Plan information.