NORTH CENTRAL STATES REGIONAL COUNCIL OF CARPENTERS' PENSION FUND

Notice of Change in Benefits

TO: Plan Participants and Beneficiaries
FROM: The Board of Trustees
DATE: April 28, 2017

As you know from the communications accompanying this Notice, the North Central States Regional Council of Carpenters' Pension Fund (the "Plan") is in "critical status" pursuant to the Pension Protection Act of 2006 ("PPA"). The Board of Trustees of the Plan is committed to assuring the security of your pension benefits. In light of this commitment to protecting your benefits, it has become necessary to make changes to the Plan. Pursuant to the PPA, the Board of Trustees adopted a Rehabilitation Plan on March 31, 2017 which is designed to put the Plan on track to emerge from its critical status and restore funding for its long-term financial stability.

As part of the Rehabilitation Plan, the Trustees amended the Plan effective for retirement applications received on or after April 28, 2017, applying to certain benefit payments made on or after July 1, 2017. This amendment resulted in a change in benefits under the Plan as described below. This Notice describes both the benefit changes required by law as well as other benefit changes made by Trustees.

Section 204(h) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 432(e)(8)(C) of the Internal Revenue Code (the "Code") require the Board of Trustees to notify you of certain changes that will be made to the Pension Plan Document. This letter is an important notice regarding changes to the Plan and the impact on your benefits and should be kept with your current Summary Plan Description for future reference.

Effective Dates of Changes and Impacted Participants

Inactive participants whose retirement application is received on or after the date this Notice is mailed will automatically have their early retirement benefits reduced as described in this notice effective with payment checks on and after July 1, 2017. **The change to the Early Deferred Retirement Benefit detailed in this notice only applies to Inactive Participants electing to receive an early retirement benefit and only if the Participant's benefit application is received on or after the date of this Notice.** The change to the early retirement benefit detailed in this Notice does **not** apply if:

- You are a Participant already in pay status as of the date of this Notice.
- You are a Participants retiring early from the status of Active Participant (as defined in the Plan).[1]

[1]Under the terms of the Plan, an Inactive Participant is a Participant that has four consecutive Plan Years or more during which the Participant has had less than 300 hours of contributions required to be paid on his or her behalf or is credited with less than 300 hours of contiguous noncovered employment (and is not otherwise protected against a break in service by any other Plan provision).

- You are an Inactive Participant that is currently receiving a benefit or has submitted an application for a benefit prior to the date of this Notice.
- You are an Inactive Participant electing to begin receiving your benefit at your Normal Retirement Age (i.e., age 62).

The changes to the lump sum benefits described in this Notice apply to all benefits payable to any participant on or after the date this Notice is mailed.

Description of the Benefit Changes

Change to Early Retirement Reduction for Inactive Vested Participants

For retirement applications received on or after the date this Notice is mailed, applying to benefit payments made on or after July 1, 2017, any Participant retiring early from the status of Inactive Participant (as defined in the Plan) shall receive a benefit reduction that is the Actuarial Equivalent of his or her Normal Retirement Benefit. As described above, **the changes to the Early Deferred Vested Retirement Benefit do not apply to eligible applications received before April 28, 2017.**

Prior to this change, the early retirement reduction factor was 2.5% per year prior to the Normal Retirement Age of 62 for Inactive Participants retiring early, provided his or her Break-in-Service was after January 1, 1999. Depending on the date when a Participant's Break-in-Service happened, different ages and slightly different reduction factors will apply. For Inactive Participants with a Break-in-Service prior to January 1, 1999, the reduction factor ranges from 2.75%-5.0% for each year prior to Normal Retirement Age, which ranges from 62-65.

After this change, the reduction factor for Inactive Participants retiring early will be the Actuarial Equivalent of his or her Normal Retirement Benefit. The following table shows the percentage of benefits payable at various ages subject to an actuarial reduction to fully reflect the time period that a Participant will receive pension payments:

Normal Age 62		
Retirement Age	Prior to 4/28/17*	Actuarial Reduction
55	82.5%	51.7%
56	85.0%	56.5%
57	87.5%	61.9%
58	90.0%	67.9%
59	92.5%	74.6%
60	95.0%	82.1%
61	97.5%	90.5%
62	100.0%	100.0%

*These prior early retirement reduction factors are for Inactive Participants retiring early whose Break in Service was after January 1, 1999. As noted above, depending on the date when a Participant's Break-in-Service happened, different ages and slightly different reduction factors will apply.

The monthly benefit available to Deferred Vested Participants at *Normal Retirement Age* (age 62*)* remains unchanged and is available at the same age and the same amount as prior to this change.

Example 1:

Jeff retired on July 1, 2017 at age 55. Jeff has been an Inactive Participant since 2012. Had Jeff retired at his Normal Retirement Age (age 62), he would have received a monthly Normal Retirement Benefit of $3,000.

Prior to the change, Jeff would have received a total monthly Early Retirement Benefit of $2,475 at age 55, calculated as follows:

> If Jeff had not retired until his Normal Retirement Age (age 62), his Normal Retirement Benefit would have equaled $3,000. As a result of his early retirement at age 55, Jeff's monthly benefit for his service would be reduced to 82.5% of his Normal Retirement Benefit. That would equal a $525 monthly benefit reduction, resulting in an Early Retirement Benefit of $2,475.

After the change providing for an early retirement benefit reduction that is the Actuarial Equivalent of his Normal Retirement Age, Jeff would receive a total monthly Early Retirement Benefit of $1,551. The Early Retirement Benefit is calculated by multiplying the total Normal Retirement Benefit of $3,000 by the correspondence actuarial reduction factor set forth in the above table for a Participant retiring at age 55 of 51.7%, which results in a monthly payment amount of $1,551 ($924 less per month than he would have received prior to the change).

Example 2:

Tom retired on July 1, 2017 at age 60. Tom has been an Inactive Participant since 1993. Had Tom retired at his Normal Retirement Age (age 62), he would have received a monthly Normal Retirement Benefit of $400.

Prior to the change, John would have received a total monthly Early Retirement Benefit of $360 at age 60, calculated as follows:

> If John had not retired until his Normal Retirement Age (age 62), his Normal Retirement Benefit would have equaled $400. Prior to this change, at the time Tom incurred a Break in Service (July 1, 1993), the reduction factor for Inactive Participants retiring early was 5/12 of 1% per month (5% per year) for each month prior to the Normal Retirement Age of 62.
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> As a result of his early retirement at age 60, Tom's monthly benefit for his service would be reduced to 90% of his Normal Retirement Benefit. That would equal a $40 monthly benefit reduction, resulting in an Early Retirement Benefit of $360.

After the change providing for an early retirement benefit reduction that is the Actuarial Equivalent of his Normal Retirement Age, Tom would receive a total Early Retirement Benefit of $328.40. The Early Retirement Benefit is calculated by multiplying the total Normal Retirement Benefit of $400 by the correspondence actuarial reduction factor set forth in the above table for a Participant retiring at age 62 of 82.1%, which results in a monthly payment amount of $328.40 ($31.60 less per month than he would have received prior to the change).

Change to Lump Sum Benefits

The PPA restricts plans in critical status from paying lump sum benefits in excess of $5,000. The following benefits are affected:

1. In the event of the death of a non-vested Active Participant, the payment of a portion of the contributions paid on the Active Participant's behalf is not available while the Plan is in critical status if such payment is more than $5,000.
2. The pre-retirement lump sum death benefit under Article VI, Section 6.2(a) of the Plan is not available while the Plan is in critical status. However, the *60-month* death benefit remains an option in the event of a Participant's death prior to retirement.
3. In the event of the death of a retired Participant who has received less than 60 monthly payments, the payment of a lump sum benefit under Article VI, Section 6.2(b)(2) and (b)(4) of the Plan is not available while the Plan is in critical status if such payment is more than $5,000. However, the *monthly* death benefit payable as a continuation of income for the remainder of the 60-month period is still available.

Miscellaneous

1. **Plan Improvements Prohibited** – While the Plan is in critical status, the PPA generally prohibits any improvements to the Plan.
2. **Beneficiaries and QDRO Alternate Payees** – The benefits of a beneficiary who has not yet started benefits (e.g. surviving spouse) will be determined based on the benefits available under the Plan as of the date of the death of the Participant. The benefits of an Alternate Payee under a Qualified Domestic Relations Order (QDRO) will be determined on the same basis as those of the Participant whose Pension Benefit is divided by the QDRO. If the benefits of the Participant are affected by the changes outlined in this Notice, the benefits of the Alternate Payee will likewise be affected.

PLEASE NOTE: Retirees and beneficiaries already in pay status as of the date of this Notice are not affected by the changes described in this Notice.

Statement of Rights under ERISA

As a Participant in the Plan, you are entitled to certain rights and protections under the ERISA. Under ERISA:

- You periodically will automatically receive a Summary Plan Description booklet. The purpose of the Summary Plan Description booklet is to describe all pertinent information about the Plan.

- If any substantial changes are made in the Plan, you will be notified within the time limits required by ERISA.

- Each year you automatically will receive a summary of the Plan's latest annual financial report. A copy of the full report also is available upon written request.

- You may examine, without charge, all documents relating to this Plan. These documents include: the legal Pension Plan Document, insurance contracts, collective bargaining agreements, and copies of all documents filed by the Plan with the Department of Labor or the Internal Revenue Service, such as annual reports (Form 5500 Series), and Plan descriptions available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA). Such documents may be examined at the Fund Office (or at other required locations such as worksites or union halls) during normal business hours. In order to ensure that your request is handled promptly and that you are given the information you want, the Trustees have adopted certain procedures which you should follow:

    - Your request should be in writing.
    - It should specify what materials you wish to see.
    - It should be received at the Fund Office at least three days before you want to review the materials at the Fund Office.

  Although all pertinent Plan documents are on file at the Fund Office, arrangements can be made upon written request to make the documents you want available at any worksite or Union location at which 50 or more participants report to work. Allow 10 days for delivery.

- You may obtain copies of any Plan documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and an updated Summary Plan Description upon written request to the Trustees, addressed to the Fund Office. ERISA provides that the Trustees may make a reasonable charge for the actual cost of reproducing any document you request. However, you are entitled to know what the charge will be in advance. Just ask the Fund Office.

- Once each year, you may request a statement telling you whether or not you have a right to receive a pension at normal retirement (age 62) and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension.

  According to ERISA, this statement must be requested in writing and the Plan is not required to give you such a statement more than once each year. No charge will be made for the statement, if requested.

- No one may take any action which would prevent you from obtaining a benefit to which you may be entitled or from exercising any of your rights under ERISA.

- In accordance with Section 503 of ERISA and related regulations, the Trustees have adopted certain procedures to protect your rights if you are not satisfied with the action taken on your claim. These procedures appear on pages 33 through 38 of your summary plan document booklet. Basically, they provide that:

  - If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to receive a written explanation of the reason(s) for the denial, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.
  - Then, if you still are not satisfied with the action taken on your claim, you have the right to have the Eligibility Committee or Executive Committee review and reconsider your claim in accordance with the Plan's claims review procedures.

  These procedures are designed to give you a full and fair review and to provide maximum opportunity for all the pertinent facts to be presented on your behalf.

- In addition to creating rights for Plan participants, ERISA also defines the obligations of people involved in operating employee benefit plans. These persons are known as "fiduciaries." They have the duty to operate your Plan with reasonable prudent care and to look out for the best interest of you and other Plan participants and beneficiaries under the Plan. The duties of a fiduciary are complex and are constantly changing as new laws and regulations are adopted, applicable to employee benefit plans. Be assured that the Trustees of this Plan will do their best to know what is required of them as fiduciaries and take whatever actions are necessary to ensure full compliance with all state and federal laws.

- Under ERISA, you may take certain actions to enforce the rights previously listed.

    - For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in federal court.

      Of course, before taking such action, you will no doubt want to check again with the Fund Office to make sure that: (a) the request actually was received; (b) the material was mailed to the right address; or (c) the failure to send the material was not due to circumstances beyond the Trustees' control.

      If you still are not able to get the information you want, you may wish to take legal action. The court may require the Trustees to provide the materials promptly or pay you a fine of up to $110 for each day's delay until you actually receive the materials (unless the delay was caused by reasons beyond the Trustees' control).

      - In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court.
      - Although the Trustees will make every effort to settle any disputed claims with participants fairly and promptly, there always is the possibility that differences cannot be resolved satisfactorily. For this reason, you may file suit in a state or federal court if you feel that you have been improperly denied a benefit. However, before exercising this right, you may wish to take advantage of all the claims review procedures provided under the Plan at no cost. If you still are not satisfied, then you may wish to seek legal advice.
      - If it should happen that Plan fiduciaries misuse the Plan's money or discriminate against you for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in federal court.

      The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you are not successful, the court may order you to pay these costs and fees. For example, if the court finds your claim is frivolous, you may be expected to pay legal costs and fees.

If you have any questions about your Plan, you should contact the Trustees by writing to the Fund Office.

If you have any questions about this statement or about your rights under ERISA or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or at: Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You also may find answers to your Plan questions, your rights and responsibilities under ERISA, and a list of EBSA field offices by contacting the EBSA by: calling 1-866-444-3272; sending electronic inquiries to www.askebsa.dol.gov; or visiting the website of the EBSA at www.dol.gov/ebsa/.

Conclusion

The Board of Trustees has taken the actions described in this Notice after reviewing many factors which determine the level of benefits that can be promised and paid. As described above, the PPA dictates that the Trustees must act to address the Plan's funding situation. The professionals retained by the Plan have advised the Trustees that the amendments described in this Notice combined with increased contributions from participating employers are needed to promote the financial stability of the Plan and preserve the Plan's ability to pay core pension benefits. We will continue to monitor the funding and financial status of the Plan and will take whatever action is possible and necessary from time to time to preserve the long-term financial health of the Plan.

We urge you to read this Notice carefully, and keep it as a reference. The Board of Trustees will keep you informed on the financial status of the Plan. If you have any questions regarding this benefit change, please contact the Fund Office at P.O. Box 4002, Eau Claire, Wisconsin 54702 or by calling (715) 835-3174.

BOARD OF TRUSTEES OF THE
NORTH CENTRAL STATES REGIONAL
COUNCIL OF CARPENTERS' PENSION
FUND