

CARPENTERS' DISTRICT COUNCIL OF KANSAS CITY
PENSION FUND

July 1, 2018

Dear Participant:

As the Trustees of the Carpenters' District Council of Kansas City Pension Fund (the "Plan"), we are announcing a change for Plan Participants who have pension credits earned as participants with the Omaha Construction Industry Pension Fund (OCI Fund). This Notice explains the changes taking effect on December 19, 2017.

If you do not have pension credits earned as a participant with the OCI Fund, this change does not affect you.

How the Carpenters' District Council of Kansas City Pension Fund Currently Determines Pension Credits

The Plan uses Pension Credits to determine whether you are *eligible to receive* a pension benefit as well as *the amount of* your pension benefit. The Pension Credits you earn depend on whether you accrue them before or during the Contribution Period (the period during which an Employer is required to make contributions on your behalf to the Fund).

- **Before the Contribution Period:** You are eligible for one Pension Credit for each Plan Year from April 1, 1948 through March 31, 1968 during which you worked at least 400 hours (what would have been considered Covered Employment). The Plan takes into account up to 20 Pension Credits before the Contribution Period, when determining your eligibility for a pension benefit as well as your pension benefit amount.
- **During the Contribution Period:** You generally earn one Pension Credit for each Plan Year during which you work at least 400 hours in Covered Employment. For Contribution Periods after March 31, 2013, and only for determining a Service Pension, you earn one Pension Credit for each Plan Year during which you work at least 700 hours in Covered Employment.

See your Summary Plan Description (SPD) and related Summary of Material Modifications (SMMs) for additional details regarding Pension Credits, as well as how the Plan defines certain terms that are capitalized in this Notice.

How the Pension Credits You Earned as a Participant with the OCI Fund Will Apply Going Forward

You may have pension credits earned as a participant with the OCI Fund. If you do and you retire on or after December 19, 2017, the pension credits you earned under the OCI Fund will now count under this Plan and apply as Pension Credits for a Service Pension under this Plan as follows:

- **Service Pension:** You are eligible for a Service Pension benefit **at any age** if you have at least 31 Pension Credits. However, if you earn your first Hour of Service in Covered Employment on or after April 1, 2013, you must have at least 31 Pension Credits **and** be age 55 or older to be eligible for a Service Pension.

An Additional Note: Effective for participants who retire on or after December 19, 2017, the Pension

Credits used to determine your eligibility for a Service Pension *will also include* credits earned under the OCI Fund recognized for Reciprocal Pension purposes. See your SPD for details regarding who is eligible for a Reciprocal Pension under this Plan.

An Example – Service Pension

Here is an example of how the Plan, for retirements on or after December 19, 2017, will count the pension credits you earned under the OCI Fund as Pension Credits under this Plan when determining your eligibility for a Service Pension as well as your pension benefit amount.

Assume you are retiring on June 1, 2018 and you have earned 35 Pension Credits (15 Pension Credits earned with this Plan and 20 pension credits earned with the OCI Fund). Previously, only the 15 Pension Credits earned under this Plan would have been counted to determine your eligibility for the Service Pension. However, with this Plan change, the pension credits you earned under the OCI Fund now count towards your eligibility for the Service Pension under this Plan. Because this Plan will now count all 35 Pension Credits you have earned, this exceeds the 31 Pension-Credit requirement for a Service Pension under the Plan. As a result, you are entitled to retire on a Service Pension **regardless of your age**. The Plan calculates your Service Pension benefit, assuming you have not had a break in service, similar to a Regular Pension benefit as follows:

Step	Multiply/Add	Pension Credits Earned	How Your Service Pension Is Calculated	Equals (Monthly Amount)
1	Your Pension Credits Before the Contribution Period (up to a maximum of 20) TIMES \$2.00	Not Applicable	Not Applicable	\$0
2	Contributions* Between April 1, 1968 and March 31, 2000 TIMES 3.65%	17 pension credits earned under OCI Fund	Earned under OCI Fund	Paid by OCI Fund
3	Contributions* Between April 1, 2000 and March 31, 2005 TIMES 3.35%	3 pension credits earned under OCI Fund, 2 Pension Credits with this Plan)	\$13,000 (contributions to this Plan only) x 3.35%	\$435.50
4	Contributions* Between April 1, 2005 and March 31, 2006 TIMES 2.25%**	1 Pension Credit earned under this Plan	\$6,500 x 2.5%	\$162.50
5	Contributions* Between April 1, 2006 and March 31, 2007 TIMES 2.3%**	1 Pension Credit earned under this Plan	\$7,000 x 2.3%	\$161.00
6	Contributions* On or After April 1, 2007 TIMES 1.5%**	11 Pension Credits earned under this Plan	\$90,000 x 1.5%	\$1,350
7	Add Step 1 through Step 6 to Determine Your Monthly Benefit (rounded up to the nearest \$0.50)			\$2,109.00

* For purposes of this example, these are contributions paid to the Fund on your behalf between the time periods shown.

** Excludes Funding Contributions.

In this example, \$2,109.00 would be your monthly Service Pension benefit amount, payable as a Single-Life Pension at any age. Depending on the form of payment you elect (i.e., a Joint and 75% Survivor Pension), this benefit amount may be actuarially reduced or increased.

Questions

If you have questions about this Notice or about your pension benefits in general, we encourage you to contact the Fund Office.

Sincerely,

Board of Trustees

This Notice highlights recent changes to the Pension Plan. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.

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