



SHEET METAL WORKERS'
International Association • Local Union No. 73
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Welfare and Pension Funds

2021 Pension Benefit Improvements

December 19, 2020

**To: Sheet Metal Worker's Local 73
Pension Participants and Retirees in Pay Status**

Re: SMW Local 73 Pension Fund

Dear Participant:

The Trustees of the Sheet Metal Workers Local 73 Pension Fund ("Pension Fund") are pleased to announce a 2021 benefit improvement that is designed to protect the long-term health and sustainability of the Pension Fund while enhancing benefits for members and retirees.

2021 Benefit Improvements

The Trustees have approved a \$13.00 increase in the value of each pension credit earned after January 1, 2021. The value of each pension credit earned for work performed on and after January 1, 2021 will increase from \$58.50 to \$71.50.

Future Benefit Improvements Subject to Funding Requirement

As previously communicated, the Trustees have also agreed to approve additional benefit improvements in 2022 and 2023 if the Pension Fund remains above 110% funded and there are no "unfunded vested benefits" projected for the following four years. All of the Pension Fund's Trustees – Union and Management – want you to receive the pension benefits you have earned. The Pension Fund must maintain a high level of assets in relation to its liabilities in order to fulfill this promise. Establishing this ongoing funding requirement allows the Trustees and Pension Fund participants like you to be confident that all promised benefits will be paid and that the Trustees have ample time to react to any market changes that may affect the Pension Fund.

Please note that these future benefit improvements remain subject to the satisfaction of very specific funding requirement guidelines that the Trustees have established. As such, these additional improvements are not final at this time and are not yet part of your accrued benefit. Nonetheless, based on funding projections from the Pension Fund's actuary, the Trustees are optimistic that the funding requirement will be met through 2023, and well into the future. The Trustees will issue future announcements if and when the funding requirement is met in future years and these future benefit improvements are implemented. If the funding requirement is not met in a particular year, the applicable benefit improvement will not be implemented until the funding requirement is met. Any delayed benefit improvement will be implemented if and when the funding requirement is later met, and will not have retroactive effect.

2022 Benefit Improvement

If the funding requirements described above continue to be met, the value of each pension credit earned after January 1, 2022 will increase by \$13.00. In that event, each pension credit earned for work performed on and after January 1, 2022 would increase from \$71.50 to \$84.50.

2023 Benefit Improvement

If the funding requirements described above continue to be met, a 13th check will be paid to all retirees and beneficiaries in pay status as of January 1, 2023.

Please contact the Pension Office at 708-449-7373 and press #3 and if you have any questions.

Raymond Suggs
Union Co-Chairman

James Billard
Management Co-Chairman

This announcement serves as a Summary of Material Modifications (SMM) for the Sheet Metal Workers' Local No. 73 Pension Fund. 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. Please keep this SMM with your Summary Plan Description (SPD) for future reference.