



# SHEET METAL WORKERS' NATIONAL PENSION FUND

## SUMMARY OF MATERIAL MODIFICATIONS & ANNUAL UPDATE

This notice contains a Summary of Material Modifications to the 2019 Summary Plan Description (SPD) and additional important information concerning the Sheet Metal Workers' National Pension Fund. It should be read and kept for future reference. For more information about your benefit or to review the SPD, go to the Fund's website at [www.smwnpf.org](http://www.smwnpf.org).

**JULY 2023**

### SUMMARY OF MATERIAL MODIFICATIONS

This Summary notifies you of material modifications that were made to the National Pension Fund's Plan Document between July 1, 2022, and June 30, 2023. This Summary also has other information about the NPF that you may find helpful, including changes to other information found in the SPD. You may have been notified already about some of the modifications or changes described in this Summary.

This Summary is intended to be consistent with the terms of the Plan Document. However, if there is any conflict or inconsistency between the terms of the Plan Document and the terms of this Summary, **the terms of the Plan Document will always control**. For a copy of the Plan Document, or the SPD, a Participant or Beneficiary should write to the Fund Office at the address below or go to [www.smwnpf.org](http://www.smwnpf.org). Additionally, Participants and Beneficiaries may inspect the Plan Document and other pertinent documents, including Collective Bargaining Agreements, at the Fund Office during normal business hours.

Not all the information summarized here affects every Participant and Beneficiary. Whether a modification or change affects an individual Participant or Beneficiary will depend upon the individual's circumstances. If you have any questions about how the information summarized below may affect you, please write to the Fund Office at the address below or go to [www.smwnpf.org](http://www.smwnpf.org) and click on "Contact Us" found at the top of the Fund's homepage.

### VARIABLE BENEFIT ACCRUAL RATE (VBAR) FOR 2023 CONTRIBUTION HOURS

Under the VBAR formula, your benefit is based on a percentage of contributions required to be made on your behalf to the Fund, and that percentage, called the "Applicable Percentage" may vary from year to year because it is based on historical investment returns. Specifically, the formula uses an historical 3-year average market value investment return percentage, as reported in the prior year's Actuarial Valuation.

Each year, the Fund's actuary issues an Actuarial Valuation, which, among other things, reports the average market value investment return for the three preceding years. The average market value investment return will fall between ranges shown in the table below. Under VBAR, the Applicable Percentage is shown in the table below:

Average Market Value Investment Return	Applicable Percentage for Normal Retirement Pension Benefit
10.0% or higher	1.25%*
8.5% but less than 10%	1.0%*
6.5% but less than 8.5%	0.75%*
more than 0% but less than 6.5%	0.50%*
0% or less	0%*

\*If a 55/30 Rate applies, the Applicable Percentage is only applied to 70% of your Contribution Rate (called the "Benefit Rate"). You can find the VBAR Normal Retirement Pension formula under Section 5.03 (g) of the Plan Document, which can be viewed from the NPF's website at [www.smwnpf.org](http://www.smwnpf.org) (under "About the Fund").

The 2022 Actuarial Valuation is used to determine the Applicable Percentage for 2023. It shows the market

value investment return percentages for 2019, 2020, and 2021 (the three preceding years) as follows:

2019	17.18%
2020	11.60%
2021	14.20%

The average of those investment return percentages is **14.33%**. Because that percentage is greater than 10%, the Applicable Percentage is **1.25%\*** for 2023 Contribution Hours.

### REQUIRED INCREASES

Under the former Funding Improvement Plan certain early retirement subsidies, in addition to other adjustable benefits offered under the First Alternate Option, e.g., 55/30 Pension and Special Early Retirement Pension, and Second Alternative Option, e.g., 60/30 Pension and Age 62 Pension were offered provided the bargaining parties increased the NPF Contribution Rates as required under the Plan. The Plan was amended to require the following increases to maintain these benefits:

Former First Alternative Option:

- 2025 Plan Year Increase: 2% times the Contribution Rate in effect on 12/31/2024.
- 2026 Plan Year Increase: 2% times the Contribution Rate in effect on 12/31/2025.

Former Second Alternative Option:

- 2025 Plan Year Increase: 1% times the Contribution Rate in effect on 12/31/2024.
- 2026 Plan Year Increase: 1% times the Contribution Rate in effect on 12/31/2025.

### ANCILLARY RETIREE HEALTH BENEFIT

The Fund currently provides a monthly benefit of \$31 towards the cost of Medicare supplemental insurance coverage or Medicare health plan coverage with a multiemployer health plan that has been approved as an Eligible Provider. In addition to other requirements, the Plan requires that within five years of his/her retirement, the Pensioner must have worked a minimum of 3,500 hours in a job classification under a Collective Bargaining Agreement or other agreement that provides an hourly Contribution Rate on behalf of his/her classification of at least:

Effective Date	Construction Work	Non-Construction Work
September 1, 2024	\$3.20	\$2.30
September 1, 2025	\$3.35	\$2.45
September 1, 2026	\$3.50	\$2.60

Additionally, if the Pensioner's former bargaining unit does not meet the minimum Contribution Rate as described above, the Pensioner and his/her spouse will lose entitlement to this benefit effective January 1 of the following year. For example, suppose September 1, 2025, the hourly NPF Contribution Rate in your former unit is lower than \$3.35 (Construction Work) or \$2.45 (Non-Construction Work); all Pensioners and their spouses from that bargaining unit will lose the \$31 supplemental insurance subsidy effective January 1, 2026. Please keep in mind that this retiree health benefit is not a vested benefit, and may be modified or terminated at any time.

Additionally effective January 1, 2023, SMART Local 25 New Jersey Benefit Funds was approved as an Eligible Provider for this benefit.

### WORK FOR WITHDRAWN / TERMINATED EMPLOYERS

To earn pension benefits with the Fund, you must be working in Covered Employment for an NPF Contributing Employer. If you work for an employer that is no longer obligated to contribute to the Fund (i.e., has withdrawn from the Fund or has been terminated as a Contributing Employer), you will not earn additional pension benefits for any work with that employer. Working for a withdrawn employer instead of a Contributing Employer can have other adverse consequences, such as delaying the start of Early Retirement Pension benefits or losing eligibility for a 55/30 Pension (if applicable). With that in mind, the Fund learned of the following withdrawals since July 1, 2022.

If you are employed by any of these employers on or after the date specified above, you will not earn any additional benefits from the Fund for any work you perform for these businesses, and you will not be credited with any type of service under the Plan for that work, including, but not limited to Future Service Credit and Hours of Work in Covered Employment (relevant to Vested Status, Breaks in Service and other eligibility requirements).

Employer	Local	Date
J D Schell Ltd	1	11/1/2022
J P G Engineering	9	12/31/2021
MAG Mechanical	10	12/31/2020
Northland Metal Exteriors	10	12/1/2022
Gustafson Mechanical, Inc.	10	5/1/2022
Conditioned Air/Culpepper Heating & Cooling	10	7/1/2018
Mike's Custom Mechanical, Inc.	10	10/1/2022
Platinum Specialty Services	15, 32	7/31/2021
Bassett Construction	16	5/31/2021
Feldmann, Inc./Appleton Stainless	18	9/18/2018
Lighthart HVAC, Inc.	18	5/25/2022
Andrew B Duffy, Inc.	19	9/30/2021
Fuzion Industries	20	1/1/2022
Precision Services	20	3/1/2022
Ewing Residential Services	20	2/7/2023
Geiler Company	24	5/31/2022
Columbus Roofing & Sheet Metal/Progressive Roofing	24	7/27/2018
You Nailed It Contracting	25	1/17/2022
Cinnaminson Mechanical Contractors	27	4/16/2023
Airtight, LLC	28	4/16/2023
Alliance Industries, LLC	28	2/18/2022
Blue Diamond Air Systems, Inc.	28	1/24/2023
Gentlemen Sheet Metal LTD	28	8/31/2022
X Cell Management Inc.	29	12/31/21
Heath Johns Contracting	33	4/16/2023
Leslie Phares Electric, Heating & Coolings	33	6/1/2022
SAFCO Heating & Air Conditioning/ J&J Plumbing Heating & Cooling, LLC	33	6/1/2022
Ideal Service LLC	36	7/12/2022
Price Heating & Air	48	6/1/2022
FA Muniz Plumbing & Mechanical LLC	49	7/11/2022
Design Balance Inc.	49	1/25/2022
Ultima Mechanical	71	4/16/2023
GM Mechanical HVAC LLC 1	71	5/30/2022
F&M Installations/Fabco	73	2/3/2021

Metal Design LLC/One Metal Design LLC	73, 265	6/30/2018
Bi-State Sheet Metal, Inc.	91	7/1/2022
F S I	104	12/31/2022
Melrose Metal Products	104	4/1/2021
Jeffco Custom Metals	104	9/30/2022
Boss Air Mechanical	105	7/1/2021
Loudon Sheet Metal Co., Inc.	110	9/1/2022
Red Hook Sign & Electric, Ladder 3, RH Media Services	137	10/1/2021
John W. McDougall, Co.	177, 214	4/1/2022
Nix Sheet Metal	214	1/1/2022
Integrated Facility Services	359	9/16/2022

#### DEFINITION OF SHEET METAL INDUSTRY

Effective January 1, 2023, the definition of work in the Sheet Metal Industry no longer includes the reference to related building trades.

#### NON-SIGNATORY EMPLOYMENT

Under the Plan, a Participant's eligibility for early retirement benefits, a Disability Benefit, or a pre-retirement Lump Sum Death Benefit may be affected if he or she worked in the Sheet Metal Industry in a position that was not covered by a SMART collective bargaining agreement. The Plan was amended for benefits payable on or after January 1, 2023, to provide that a Participant's benefit in the Plan will not be affected for work that meets any of the exceptions provided below:

- 1.) All non-covered employment with an employer signed to a SMART collective bargaining agreement;
- 2.) any employment in a related building trade; and
- 3.) all employment in the Sheet Metal Industry resulting in income of less than \$5,000 in a calendar year.

Additionally, a Participant who worked exclusively as a production worker will no longer be subject to the rules concerning non-signatory employment.

Recognizing that some Participants may have chosen to postpone the receipt of his or her pension because of work in Non-Signatory Employment, the Trustees amended the Plan to allow any Participant to apply for

benefits as early as January 1, 2023, provided the following conditions are met:

- 1) his or her benefit was affected by their Non-Signatory Employment;
- 2) the Participant has not been engaged in any Disqualifying Employment since January 1, 2023; and
- 3) the Participant files an application in writing to the Fund Office before December 31, 2023.

#### **THE CURE PERIOD FOR WORK IN NON-SIGNATORY EMPLOYMENT**

If a Participant's benefit is affected due to his or her work in Non-Signatory Employment, the Plan offers an opportunity to restore benefits. A Participant can reduce or eliminate the effects of Non-Signatory Employment if he or she returns to Covered Employment and earns Pension Credit equal to the period they worked in Non-Signatory Employment. Prior to January 1, 2023, a Participant was limited to their first return to Covered Employment after working in Non-Signatory Employment. The Plan was amended to allow a Participant a second opportunity to return to Covered Employment to restore benefits.

#### **DISQUALIFYING EMPLOYMENT**

The definition of Disqualifying Employment was amended to clarify that if a retiree works in the jurisdiction of the Ironworkers, Plumbers & Pipefitters, Roofers, Insulators, Boilermakers, and Electrical Workers, such work will result in a suspension in early retirement pension benefits.

#### **EXCLUSIONS TO THE DEFINITION OF DISQUALIFYING EMPLOYMENT**

The Trustees have amended the Plan to exclude, or extend the exclusion, from work in the Sheet Metal Industry and Disqualifying Employment as described below:

- work that a Pensioner performs after March 17, 2022, but before April 1, 2023, as an instructor in an MC3 Apprenticeship Program, provided that the Pensioner performing such work retired before 2022,
- work that a Pensioner performs after December 15, 2022, but before January 1, 2026, as a proctor of exams for the American Welding Society, and

- Pensioners who are active members of SMART may work through December 31, 2025, without a suspension of his or her pension, as both the Master HVACR contractor and the "Bona fide representative" as defined by New Jersey's State Board of Heating, Ventilating, Air Conditioning and Refrigeration Contracting License, provided that this work is not Covered Employment and that, but for the licensure, the Pensioner would otherwise continue to satisfy the eligibility requirements to receive a Pension Benefit.

Additionally, the Plan was amended to allow a Pensioner who retired before March 23, 2023, to work without a suspension of his or her pension, for an employer signatory to a SMART collective bargaining agreement in the jurisdiction of a Local Union, approved by the Trustees, and identified in Appendix H of the Plan Document. This exclusion stays in effect through December 31, 2025. Information about local unions identified in Appendix H can be found at [www.smwnpf.org](http://www.smwnpf.org).

**NOTE:** A Participant or Pensioner who wants to do this work should contact the Fund Office ***before*** accepting any employment to verify that it meets these requirements.

#### **THE DEFINITION OF RETIRED**

To qualify for pension benefits a Participant must have a bona fide retirement. For Effective Dates of Pension January 1, 2024, or later, the Plan was amended to require a Participant remain out of Covered Employment or Disqualifying Employment for a minimum of sixty (60) days before returning to Covered Employment or Disqualifying Employment. Failure to meet this minimum will constitute a termination of your benefits and the loss of your effective date.

#### **GREEN ZONE STATUS**

The NPF's actuary continues to certify that the Fund is in the "Green Zone." You can find a copy of the 2023 Actuarial Certification of Plan Status at [www.smwnpf.org](http://www.smwnpf.org) under Plan Documents.

#### **NOTICE OF NPF BENEFIT STATEMENT AVAILABILITY**

Enclosed with this Summary please find an annual notice about the availability of a pension benefit statement to our active and inactive Participants. The enclosed notice explains how you can request an estimate of your accrued benefit and your vested status.