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carpenters'
benefit plans
HEALTH & RETIREMENT SERVICES
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April 14, 2017

Re: Important Notice to Certain Participants of the Pension Plan of Carpenters' Pension Trust fund of St. Louis (Plan) Regarding Reduction of Anticipated Future Benefit Accruals
This Notice is made pursuant to requirements in ERISA Section 204(h)

Dear Member:

Our records indicate that you are currently a Floorlayer member in your 1st – 8th term of apprenticeship. This notice is to inform you of an important change in Future Benefit Accruals beginning May 1, 2017. Please read this carefully to determine how this may impact your future benefit accruals in the Plan.

Background (Plan as of April 30, 2017)

Currently, no employer contributions are made to the Plan on behalf of 1st – 4th term Floorlayer apprentices. As a result, these apprentices do not currently receive any benefit accruals (nor any vesting credit) for work performed for an employer who otherwise contributes to the Pension Plan.

Employer contributions are currently paid into the Plan for Floorlayer apprentices who are in their 5th – 8th terms. Floorlayer apprentices in their 5th – 8th terms currently receive the same benefit accruals (and vesting credit) as journeymen for hours worked in Covered Employment.

What's New beginning May 1, 2017

Under the Flooring Industry Council collective bargaining agreement effective on May 1, 2017, employers will be required to contribute to the Pension Plan for ALL Floorlayer apprentices, 1st – 8th term, working in Covered Employment, and all Floorlayer apprentices, 1st – 8th term, will accrue benefits at a rate that is 75% of the journeyman rate for hours worked in Covered Employment. However, for apprentices who are already in their 5th – 8th term on April 30, 2017, the benefit accrual rate will remain the same as the journeyman rate. On and after May 1, 2017, all apprentices, 1st – 8th term, will earn vesting credit on the same basis as journeymen

The changes in benefit accruals can be illustrated by the following example:

During Plan Year May 1, 2016 – April 30, 2017, apprentice Andy is in his 3rd term, and apprentice Bob is in his 5th term. Each of them works 1,200 hours for a contributing employer. Andy receives no benefit accrual. Bob accrues a benefit of \$63.08, at the journeyman rate (\$50.42 + \$0.0633 for each hour over 1,000). During Plan Year May 1, 2017 – April 30, 2018, Andy and Bob again work 1,200 hours each. Andy accrues a benefit of \$47.31 (75% of the journeyman rate). Bob again accrues \$63.08, because he was already in his 5th term before the changes took effect on May 1, 2017. When Andy begins his 5th term, after May 1, 2017, he will continue to accrue benefits at 75% of the journeyman rate until he completes his apprenticeship.

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Other Important Information

As noted, if you were a 5th – 8th term apprentice as of April 30, 2017, and remain in the apprenticeship program in accordance with the Plan rules, there will be no reduction in the rate of accrual of benefits you earn on or after May 1, 2017. Also, Journeymen will continue to accrue the same pension benefits they did prior to May 1, 2017.

Please be assured that the Plan change described above only affects future benefits that have not yet accrued. It will not affect any benefits that you have already accrued and earned as of April 30, 2017. These benefits cannot be decreased.

Should you have any questions regarding these changes, please contact the Pension Office, Monday through Friday, 7 am – 4:30 pm:

By phone: (314) 644-4802, option 2

Toll-free: (877) 232-3863, option 2

By email: pension@carpdc.org

Sincerely,

Carpenters' Pension Trust Fund of St. Louis

cc: Contributing Employers