

Northwest Carpenters Retirement Plan

Summary of Material Modification

Purpose of Notice

The purpose of this notice is to advise you the Board of Trustees amended the following rules in the Northwest Carpenters Retirement Plan:

- Credited Future Service
- Break In Service
- Normal Retirement Age
- Benefit or Accrual Factor
- Early Retirement Reduction Factors
- Single Life Benefit
- Late Retirement Increases
- Disability Qualifications and Benefits
- Preretirement Death Benefits
- Post-Retirement Service
- Trade Show

These changes were made as a result of the July 1, 2021 merger of the Carpenters Retirement Plan of Western Washington (the “Washington Plan” below) and the Oregon-SW Washington Carpenter-Employers Retirement Plan (the “Oregon Plan” below). The Board amended the Washington Plan and renamed it the Northwest Carpenters Retirement Plan effective January 1, 2022. To describe how the changes affect different groups of participants, we refer to participants in the Washington Plan prior to July 1, 2021 (the “merger date”) as “Legacy Washington Participants” and participants in the Oregon Plan prior to the merger date as “Legacy Oregon Participants.”

The changes below took effect January 1, 2022.

Credited Future Service

Effective for hours worked on and after January 1, 2022, all participants – Legacy Washington Participants as well as Legacy Oregon Participants – will earn 0.25 years of credited future service for 300-499 hours of work in a plan year. Credited future service is earned on a plan year basis. In the Northwest Carpenters Retirement Plan, the plan year coincides with the calendar year.

Under the Northwest Carpenters Retirement Plan participants earn vesting credit and credit toward rule of 80 early retirement based on the following schedule:

Hours of Service In A Calendar Year	Credited Service
Prior to January 1, 2022	
1,000 or more hours	1.00 credit
750–999 hours	0.75 credit

500–749 hours	0.50 credit
Effective January 1, 2022 (New for Legacy Washington Participants)	
300-499 hours	0.25 credit

Legacy Oregon Participants earned 0.25 credits in a plan year in which they earned 300-499 hours under the Oregon Plan and will continue to do so in the Northwest Carpenters Retirement Plan but, as noted above, the plan year coincides with the calendar year.

Break In Service

Effective January 1, 2022, a participant will incur a break in service in a plan year if he or she works less than 300 covered hours.

Prior to January 1, 2022, a Legacy Washington Participant incurred a one-year break in service if he or she worked less than 500 hours in a plan year. If, prior to vesting, a participant incurs five consecutive breaks in service, hours, credits and contributions will be forfeited.

Effective January 1, 2022, Legacy Oregon Participants will incur a one-year break in service in a plan year on the same basis as they had in the Oregon Plan, but as noted above the plan year coincides with the calendar year.

Vesting at Normal Retirement Age

Normal retirement age under the Northwest Carpenters Retirement Plan is age 65.

Prior to January 1, 2022, a Legacy Washington Participant who had not yet vested under the Plan’s three-year vesting rule at age 65, reached his or her Normal Retirement Date on the later of the date he or she reached age 65 or the fifth anniversary of commencing participation in the Plan without an intervening permanent break in service.

Effective for retirements on and after January 1, 2022, the fifth anniversary rule no longer applies. Legacy Washington Participants who do not vest based under the Plan’s three-year vesting rule, but reach age 65, will be vested and eligible to retire. This change applies to all benefits – traditional and sustainable income benefits – for Legacy Washington Participants.

Legacy Oregon Participants have always vested at age 65 if they do not satisfy the three-year vesting rule. No change occurred for Legacy Oregon Participants.

Benefit or Accrual Factor

Effective January 1, 2022, the sustainable income benefit accrual factor for all participants – Legacy Oregon Participants as well as Legacy Washington Participants is 0.87%. This is an increase for Legacy Oregon Participants from 0.83%. There is no change for Legacy Washington Participants.

Regular Early / Special Early Retirement Reduction Factors

The regular early and special early retirement reduction factors for all participants – Legacy Washington Participants and the Legacy Oregon Participants – were made the same for the

sustainable income benefit earned under both plans. This includes sustainable income benefit accruals before the merger date. There is no change to the early retirement factors applied to the traditional benefits.

Regular early retirement (participants not meeting the Plan's activity test): The Washington Plan factors have been adopted. Because the Washington Plan factors are more generous, this increases the early retirement monthly benefit for Legacy Oregon Participants retiring on and after January 1, 2022. There is no change for Legacy Washington Participants or to traditional benefits.

Special early retirement (participants meeting the Plan's activity test): The Oregon Plan factors have been adopted. Because the Oregon Plan factors are more generous, this increases the early retirement monthly benefit for Legacy Washington Participants retiring on and after January 1, 2022. There is no change for Legacy Oregon Participants or to traditional benefits.

Eligibility for special early retirement (participants meeting the Plan's activity test): The Washington Plan eligibility requirement of three years of service to be eligible for special early retirement has been adopted. Legacy Oregon Participants who meet the activity test and retire on and after January 1, 2022 will need three years of service to be eligible for special early retirement instead of ten years that were required under the Oregon Plan. There is no change for Legacy Washington Participants or to traditional benefits.

Single Life Benefit

Under the Northwest Carpenters Retirement Plan the single life benefit provides a five-year guaranteed benefit for a participant's sustainable income benefit. This means if the retiree dies prior to the payment of the first 60 payments, his or her beneficiary will receive the remaining payments until a total of 60 payments have been made.

Effective January 1, 2022, this applies to all sustainable income benefits earned by Legacy Oregon Participants, including benefits earned before the merger date. For retirements that occurred prior to January 1, 2022, the single life benefit in the Oregon Plan provided a lifetime monthly benefit for the retiree but no guaranteed payments for a surviving spouse or beneficiary.

There is no change to this benefit for Legacy Washington Participants or to the traditional benefits for Legacy Oregon Participants.

The Log Scaler Plan, which is part of the Oregon Plan, continues to provide multiple guarantee options for accruals earned prior to July 1, 2021.

Late Retirement Increases

If a participant retires after age 65, his or her monthly benefit is increased. The increase in the Washington Plan is 4%/year for sustainable income benefits. The 4%/year increase has been adopted for the Northwest Carpenters Retirement Plan for late retirements after January 1, 2022 and applies to all sustainable income benefits earned by Legacy Oregon Participants.

For traditional benefits earned by Legacy Oregon Participants, the actuarial equivalence rules in the Oregon Plan immediately before the merger date continue to apply. For traditional benefits earned by Legacy Washington Participants, the 6%/year increases continue to apply.

There is no change for Legacy Washington Participants.

Disability Benefits

The Northwest Carpenters Retirement Plan provides a disability benefit for participants who become totally and permanently disabled (as defined by the Plan document) before age 65, have ten years of vesting service, and meet the activity test. This benefit is payable in the single life form of payment and is age-reduced up to a maximum of 70%. Provided the participant remains totally and permanently disabled, this benefit is paid until the participant reaches age 65, at which point he or she may elect the form of their normal retirement benefit. Effective for disability retirement dates on and after January 1, 2022, the sustainable income benefit portion of this benefit will no longer be age-reduced and will be available to all participants who meet the activity test and have three or more years of vesting service. There is no change to disability as it applies to traditional benefits.

Legacy Oregon Participants continue to be eligible for the disability retirement benefit they earned under the terms of the Oregon Plan for hours worked through December 31, 2021. This benefit is paid based on a different definition of “total and permanent disability” which generally requires that a participant be considered disabled by either the Social Security Administration or Veteran’s Administration. Participants may elect to receive their benefit in a single life or joint and survivor form of payment. Once elected, provided they remain totally and permanently disabled, it is paid at and after age 65.

For sustainable income benefit based on hours on and after January 1, 2022, Legacy Oregon Participants are eligible for the disability benefit provided under the Northwest Carpenters Plan.

Primary Spouse’s Benefit

Effective for deaths occurring on and after January 1, 2022, Legacy Oregon Participants are eligible for a new preretirement death benefit under the Northwest Carpenters Retirement Plan.

If a participant dies prior to retirement and is vested and satisfies the Plan’s activity test, the participant’s spouse receives the total accrued benefit at the time of death until he or she attains age 62, then receives a 50% joint and survivor benefit, thereafter. If there is no spouse, dependent children receive this benefit until they attain age 18. This benefit improvement applies to the Legacy Oregon Participant’s sustainable income benefit only.

Post-Retirement Service

Two post-retirement jobs no longer require review and are considered non-suspendable post-retirement work – a carpentry training director and building inspector for a municipality.

The Board of Trustees have approved changes to the post-retirement service rules for hours earned beginning January 1, 2023. A notice will be issued shortly describing those changes.

Trade-Show Credit In 2020

If you were a trade show participant (i.e. you worked under the Pacific Northwest Master Trade Show Agreement) in 2020 and worked 500 or more hours during the plan year beginning in 2020 (January 1, 2020 for Legacy Washington Participants or July 1, 2020 for Legacy Oregon Participants), you will receive a full year's credit for 2020 for purposes of vesting and eligibility for the rule of 80 subsidy. The service credit does not apply for benefit accruals. This action was taken by the Board of Trustees to address the disruption for trade-show workers as a result of the COVID-19 pandemic.

Northwest Carpenters Retirement Plan – By the Numbers

- The Northwest Carpenters Retirement Plan was established on January 1, 1960
- Traditional benefits accrued through December 31, 2017 (Washington Plan) and June 30, 2017 (Oregon Plan)
- Sustainable income benefits accrued from January 1, 2017 (Washington Plan) and July 1, 2017 (Oregon Plan)
- The Oregon Plan was merged with the Washington Plan effective July 1, 2021
- The plan was renamed the Northwest Carpenters Retirement Plan on January 1, 2022
 - The plan was valued at \$3.29 billion as of January 1, 2022
 - The average age of active participants is 42
- On January 1, 2022 there were 15,284 active participants with benefits valued at \$1.07 billion
 - The average age of retirees is 72
 - The oldest retiree is 111
- The plan currently provides a monthly benefit to 12,309 retirees, beneficiaries and alternate payees totaling \$17,406,798 (June 1, 2022 payments)
 - The plan is funded at 91.8% as of January 1, 2022

Northwest Carpenters Individual Account Pension Plan

As a reminder, please contact Milliman Benefits Center with questions about your account and account balance in the Northwest Carpenters Retirement Plan. Your twenty-four member Board of Trustees continues to oversee this plan and review investment options. Northwest Carpenters Trust continues to administer the plan and works with Milliman on certain administrative functions such as death and a division of benefits through Qualified Domestic Relations Orders. We strongly encourage you to register on the Milliman website to monitor your account balance: MillimanBenefits.com

Questions?

Below are the most important customer service numbers for participants and dependents. Northwest Carpenters Trusts is open and staffed from 8:00 a.m. – 5:00 p.m. PST and is also working with participants and dependents in person. No appointment is required.

Northwest Carpenters Retirement Plan

Carpenters Retirement Plan – Retirement Services (800) 552-0635

Northwest Carpenters Individual Account Pension Plan

Milliman Benefit Center – (866) 767-1212

Northwest Carpenters Health and Security Plan

Medical Eligibility and Enrollment – Participant Services (800) 552-0635

Medical and Time Loss – Claims (800) 552-0635

Life Insurance – Claims (800) 552-0635

Employee Assistance Program – First Choice (800) 777-4114