

**NOTICE TO PARTICIPANTS IN THE
GREATER PENNSYLVANIA CARPENTERS' PENSION FUND**

**AS REQUIRED BY SECTION 204(h) OF THE
EMPLOYEE RETIREMENT INCOME SECURITY ACT**

March 20, 2009

The purpose of this notice (the “**Notice**”) is to inform you of an amendment (“**Amendment**”) to the Greater Pennsylvania Carpenters’ Pension Fund (“**Plan**”). The Amendment makes changes that are necessary to satisfy federal law as a result of investment conditions in 2008. The changes made by the Amendment are **effective as of July 1, 2009**.

The changes made by the Amendment fall within two broad categories: (1) changes to early retirement benefits and (2) changes to the future rate of benefit accruals for determining the retirement benefit. This Notice explains the formulae for calculating both types of benefits before and after the changes become effective. There is an Attachment A to this Notice that provides various examples.

Please read this entire Notice to fully understand what the changes are and how they may impact you.

EARLY RETIREMENT BENEFITS

The changes made by the Amendment reduce all of the early retirement benefits available under the Plan for participants who became a participant before January 1, 2009. Below is a description of the early retirement benefits that are currently in effect and a description of what the early retirement benefits will be after the changes become effective – for those members who were participants in the Plan before January 1, 2009.

Note that the changes described below do not apply to members who became participants on or after January 1, 2009 because the Plan was amended in 2008 to make similar changes for those new participants.

Early Retirement Benefits BEFORE July 1, 2009

There are three types of early retirement benefits presently available under the Plan that will be changed by the Amendment. Each type is described below.

- The first type of early retirement benefit is available for participants who have less than 30 years of credited service and who retire after reaching age fifty-five (55) and before reaching age sixty-five (65). If this type of early retirement benefit applies to you, your benefit would be calculated by reducing your normal retirement benefit by one-twelfth (1/12) of one percent (1%) for each completed month between age fifty-five (55) and age sixty-five (65).
- The second type of early retirement benefit is available for participants who have 30 or more years of credited service and who retire after reaching age fifty-five (55) and before reaching age sixty-five (65). If this type of early retirement benefit applies to you, there would be no reduction in your benefit for retiring early.
- The third type of early retirement benefit is available for participants whose age plus years of credited service equals ninety-one (91) or more. If this type of early retirement benefit applies to you, there would be no reduction in your benefit for retiring early.

Early Retirement Benefits **ON** or **AFTER** July 1, 2009

Beginning on July 1, 2009, the early retirement benefits will be calculated under one formula (with one limited exception). The formula is described below.

- If you retire on or after reaching age sixty-two (62) but before age sixty-five (65), your benefit will be calculated by reducing your normal retirement benefit by one-twelfth (1/12) of one percent (1%) for each month you retire before reaching age sixty-five (65).
- If you retire after reaching age fifty-five (55) but before the age of sixty-two (62), your benefit will first be reduced as described in the immediately preceding bullet point and then another one-half (1/2) of one percent (1%) for each month you retire before reaching the age of sixty-two (62).

The one limited exception applies to participants who are eligible for early retirement benefits under the Plan by June 1, 2009 and who actually retire on or before June 1, 2009 (in order to retire on June 1, 2009, the participant may not work at all during the month of June 2009). This group of participants includes anyone who retired in the past under the Plan. If the participant later returns to work in disqualifying employment, his or her early retirement benefits will be suspended. Then, the participant's early retirement benefit under the Plan will be the greater of: (1) the early retirement benefit he or she was receiving before returning to work or (2) the benefit calculated under the Plan's new benefit calculation.

NORMAL RETIREMENT BENEFIT

The changes made by the Amendment reduce the rate of future benefit accruals. What that means is that your benefit will not grow as quickly as it did before the changes were made. Below is a description of how the normal retirement benefit is presently calculated and a description of what the normal retirement benefit calculation will be after the changes become effective.

Monthly Benefit Accrual **BEFORE** July 1, 2009

Your current monthly benefit accrual is 1.75% of the contributions made on your behalf for all work performed.

Monthly Benefit Accrual **ON** or **AFTER** July 1, 2009

Beginning on July 1, 2009, your monthly benefit accrual will be 1.00% of the contributions made on your behalf for all work performed.

The Amendment does not change any other provisions of the Plan. Please consult your Summary Plan Description to review the Plan provisions. If you have any questions regarding the Plan or the changes described in this Notice, please contact the Fund Office at:

Greater Pennsylvania Carpenters' Pension Fund
650 Ridge Road, Suite 300
Pittsburgh, PA 15205
412.922.5330

Please refer to **Attachment A** for examples of the changes described above.

ATTACHMENT A
to the
NOTICE TO PARTICIPANTS IN THE
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Benefit Examples

NOTE: FOR A PARTICIPANT TO RETIRE ON JUNE 1, 2009, THE PARTICIPANT MAY NOT WORK AT ALL DURING JUNE OF 2009.

*Scenario #1: For anyone who is a participant before January 1, 2009 who retires **after June 1, 2009***

If a participant is eligible to retire (minimum age 55) and elects to retire on or after July 1, 2009, the benefit will be calculated based on the amended Plan provisions. Regardless of the number of years of credited service earned at retirement, the benefit will be reduced by **1/12% for each month that retirement age precedes 65 for the first 36 months and ½% for each month thereafter**. For example, if a participant retires at age 60 with 30 years of service, the participant will have retired 60 months prior to age 65 and therefore the benefit will be **reduced by 15%** (1/12% for each of the first 36 months +½% for each of the additional 24 months.)

*Scenario #2: For anyone who is a participant before January 1, 2009 who is **retired on June 1, 2009***

If a participant is eligible to retire (minimum age 55) and elects to retire on or before June 1, 2009, the benefit will be calculated based on the old Plan provisions. The benefit will be reduced by **1/12% for each month that retirement age precedes 65**. If the participant has at least 30 years of credited service or meets the "Rule of 91", no reduction will apply to the benefit. For example, if a participant retires at age 60 with 30 years of service, the participant's benefit will not be reduced since he or she meets the criteria outlined above for an unreduced benefit. If the participant retired at age 60 and had less than 30 years of service, the participant will have retired 60 months prior to age 65 and therefore the benefit will be **reduced by 5%** (1/12% for each of the 60 months.)

*Scenario #3: For anyone who is a participant before January 1, 2009 who is retired on June 1, 2009 **AND then returns to work***

If a participant retires on or before June 1, 2009 (first retirement date), the benefit will be calculated in the same manner as described in Scenario #2 above. However, if the participant returns to work and his second retirement date is after June 1, 2009, then his benefit will be calculated as follows:

The benefit upon subsequent retirement shall be the greater of:

- a) The benefit calculated upon his first retirement date described above in Scenario #2 under the old plan provisions; OR
- b) The benefit, including any additional accruals earned during reemployment, calculated as described in Scenario #1 based on the amended plan provisions.

For example, assume a participant retires on or before June 1, 2009 at age 57 with more than 30 years of service. His monthly pension is calculated to be \$3,200. Because he met the criteria for an unreduced retirement benefit, his \$3,200 will not be reduced for retiring earlier than age 65. He later returns to covered employment after June 1, 2009. He earns an additional monthly benefit accrual of \$75 to his pension.

If he were to subsequently retire at one of the following ages, he would be entitled to a benefit as follows:

If the participant works until:

Age 58 – his benefit would be calculated as the greater of:

- a) \$3,200 per month; OR
- b) \$3,275 (\$3,200 + \$75) reduced by 27% (1/12% for each of the first 36 months and ½% for each of the remaining 48 months) = $\$3,275 \times 73\% = \$2,390$

Benefit upon second retirement: \$3,200 per month

Age 59 – his benefit would be calculated as the greater of:

- c) \$3,200 per month; OR
- d) \$3,350 (\$3,200 + \$150) reduced by 21% (1/12% for each of the first 36 months and ½% for each of the remaining 36 months) = $\$3,350 \times 79\% = \$2,646.50$

Benefit upon second retirement: \$3,200 per month

Age 60 – his benefit would be calculated as the greater of:

- a) \$3,200 per month; OR
- b) \$3,425 (\$3,200 + \$225) reduced by 15% (1/12% for each of the first 36 months and ½% for each of the remaining 24 months) = $\$3,425 \times 85\% = \$2,911.25$.

Benefit upon second retirement: \$3,200 per month

Age 61 – his benefit would be calculated as the greater of:

- a) \$3,200 per month; OR
- b) \$3,500 (\$3,200 + \$300) reduced by 9% (1/12% for each of the first 36 months and ½% for each of the remaining 12 months) = $\$3,500 \times 91\% = \$3,185$.

Benefit upon second retirement: \$3,200 per month

Age 62 – his benefit would be calculated as the greater of:

- a) \$3,200 per month; OR
- b) \$3,575 (\$3,200 + \$375) reduced by 3% (1/12% for each of the first 36 months) = $\$3,575 \times 97\% = \$3,467.75$

Benefit upon second retirement: \$3,467.75 per month

Note - upon the second retirement, the participant must receive their benefit in the same form of payment as elected at the first retirement date regardless of their marital status.