



NORTHWEST
CARPENTERS
TRUSTS

Health and Security Retirement Vacation Industry Fund

**Notice to Carpenters Working Under the Agreement Between
Southwest Mountain States Regional Council of Carpenters
and
Northwest Wall & Ceiling Contractors Association
September 15, 2023**

This notice is to inform you of an important change to your future benefits under the Northwest Carpenters Retirement Plan (Plan) that will be effective for hours worked on and after August 1, 2023.

NOTE: THIS NOTICE APPLIES TO YOU ONLY IF YOU EARN YOUR PLAN BENEFIT UNDER THE AGREEMENT BETWEEN THE SOUTHWEST MOUNTAIN STATES REGIONAL COUNCIL OF CARPENTERS AND THE NORTHWEST WALL & CEILING CONTRACTORS ASSOCIATION.

The Northwest Carpenters Retirement Plan is a “defined benefit plan” which means you earn monthly retirement income payable at retirement for the rest of your life. For plan years beginning 2017 and later, you earn a sustainable income benefit (SIB). The SIB Accrual is established initially by four factors:

- The number of hours you work in employment covered by the Plan.
- The hourly contribution rate set by collective bargaining agreements, reduced by amounts allocated by the Trustees to increase SIB funding reserves and improve the Plan’s overall funded status. The remainder of hourly contribution is called the “accruing contribution.”
- The benefit factor in effect during your years of covered service. The benefit factor is currently 0.87%.
- The SIB Unit Value. The current SIB Unit Value is \$10.8025.

The accruing contributions made for your hours of covered employment is multiplied by the benefit factor, and the result is then divided by the SIB Unit Value to determine your SIB Accrual each month:

$$\text{Hours Worked} \times \text{Accruing Contribution} \times \text{Benefit Factor} \div \text{SIB Unit Value} = \text{SIB Accrual}$$

Cessation of Accruals Effective August 1, 2023

Effective August 1, 2023, the Council and the Northwest Wall & Ceiling Contractors Association (NWCCA) executed a new Collective Bargaining Agreement (CBA) reducing the total hourly contribution rate to the Plan from \$9.85 to \$0.00. In connection with the CBA, the Council and the NWCCA executed a Letter of Understanding (LOU) that provides, effective October 1, 2023, for an hourly contribution of \$0.05 to the Plan for hours worked
(over, please)



under the CBA. This contribution will be non-accruing, meaning no benefit will be earned for this contribution.

After deducting the specified funding only amounts, the accruing contribution per hour will go from \$6.63 to \$0.00 beginning with August work hours. Employees working under the Agreement will therefore cease to earn a benefit under the Plan.

This change is occurring at the same time as a redirection of contributions to the Southwest Carpenters Pension Plan under the collective bargaining agreement with the NWCAA. A separate notice from the Southwest Carpenters Pension Plan will describe the benefit you will begin to earn effective August 1, 2023 under that Plan.

NOTE: There is *no* change to benefits: (1) earned under the Plan prior to August 1, 2023 with the SIB portion of your benefit continuing to adjust in value each year with investment returns, in accordance with the terms of the Plan; (2) for participants working under other collective bargaining agreements; or (3) for any retirees in pay status.

If you have any questions about the Plan or this change and how it affects your benefit, please contact Retirement Services at Northwest Carpenters Trusts: (800) 552-0635.