CARPENTERS SERVICES ADMINISTRATIVE CORPORATION

445 South Figueroa Street, Suite 1500
Los Angeles, CA 90071-3203

Tel: 213-386-8590 • **Toll Free:** 800-293-1370
csacbenefits.org

Western States Carpenters Pension Trust

IMPORTANT ANNOUNCEMENT

CONCERNING MERGER OF THE

TRI-STATE CARPENTERS AND JOINERS PENSION PLAN

INTO THE

WESTERN STATES CARPENTERS PENSION PLAN

TO ALL PARTICIPANTS OF THE TRI-STATE CARPENTERS AND JOINERS PENSION PLAN:

Effective at 11:59 p.m. on December 31, 2025, the TRI-STATE CARPENTERS AND JOINERS PENSION PLAN will be merged into the WESTERN STATES CARPENTERS PENSION PLAN, formerly known as the Southwest Carpenters Pension Plan (as currently set forth in the Southwest Carpenters Pension Plan, as restated effective March 18, 2022 and subsequently amended ("Western States Plan")). The Tri-State Carpenters and Joiners Pension Plan ("Tri-State Plan") provisions are currently described in the plan document, restated as of January 1, 2014 and as amended.

This notice describes in detail how your Tri-State Plan benefits will be integrated into the Western States Plan commencing January 1, 2026.

I. Overview

This merger will not decrease any benefits that you have earned under the Tri-State Plan prior to January 1, 2026 (the "Merger Date"). Except as noted, the Tri-State Plan benefit provisions will continue to apply to the benefits you have earned and have not forfeited under the Tri-State Plan through the Merger Date. The Western States Plan's benefit provisions will generally apply to benefits earned for Hours Worked in Covered Employment after the Merger Date, unless otherwise indicated.[1]

If you continue to work in Covered Employment on and after January 1, 2026, your monthly pension will generally consist of two parts:

1. The monthly pension amount earned before the merger under the Tri-State Plan – calculated and payable according to the Tri-State Plan rules. For some participants, this amount will also include pension benefits accrued under the Carpenters Local 345 Pension Plan ("Local 345 Plan"), Tennessee / North Carolina Carpenters and Millwrights Pension Plan ("TN/NC Plan"), or any other plan that merged into one of the foregoing plans or directly into the Tri-State Plan. In total, this is referred to as your "Tri-State Benefit."

2. The monthly pension amount earned after the merger under the Western States Plan – calculated and payable according to the Western States Plan rules. This is referred to as your "Western States Benefit."

[1] More detailed information may be found in the Summary Plan Descriptions for each plan. Any inconsistency between this announcement and the plan documents will be resolved in favor of the plan documents.

The monthly amount of your Western States Benefit will be based on your pre- and post-merger service under the Western States Plan. However, your pre-merger service under the Tri-State Plan will be counted to meet the vesting and service requirements for a pension from the Western States Plan, provided you did not permanently lose your pre-merger accumulated Years of Vesting Service and Pension Credits under the Tri-State Plan. If you have any vesting service under the Tri-State Plan, the more generous vesting rules from the Tri-State Plan or Western States Plan will apply to your Western States Benefit.

In addition, your pre- and post-merger Vesting Service and Pension Credits earned after the Merger Date under the Western States Plan will be combined with the Years of Vesting Service and Pension Credits earned and not forfeited under the Tri-State Plan to satisfy the vesting and eligibility conditions for your Tri-State Benefit.

II. <u>Eligibility to Participate in the Western States Plan</u>

If you were an Active Participant, Inactive Vested Participant, Inactive Nonvested Participant, Retired Participant, or a Surviving Spouse or Beneficiary of a Participant in the Tri-State Plan on December 31, 2025, your participation in the Western States Plan becomes effective as of January 1, 2026.

If you were a Nonvested Former Participant who incurred a Permanent Break in Service in the Tri-State Plan on December 31, 2025, you will become a Participant in the Western States Plan on the earliest January 1 or July 1 following completion of a 12-consecutive month period during which you complete at least 500 Hours Worked in Covered Employment.

III. <u>Vesting and Breaks in Service</u>

After you have established eligibility to participate in the Western States Plan, your eligibility for any type of Pension provided by the Western States Plan will depend on your Vesting Service Credits and your Pension Credits.

With respect to your pre-merger Tri-State Benefit, the Tri-State Plan's Vesting and Break-in-Service rules will continue to apply, even after the Merger Date, to your Tri-State Benefit.

Western States Plan – Vesting

Benefits earned after the Merger Date under the Western States Plan will follow the Western States Plan's vesting schedule, which provides 100% vesting if you are credited with five (5) or more Vesting Service Credits, including at least one Hour of Service that was earned on or after January 1, 1999, and prior to incurring a Permanent Break in Service. Alternatively, when you reach Normal Retirement Age, you are vested on the 5th anniversary of your participation in the Plan, even if you have not earned at least five years of Vesting Service Credits.

If you have any vesting service under the Tri-State Plan, the more generous vesting rules from the Tri-State Plan or Western States Plan will apply to your Western States Benefit. Please refer to the following chart:

Hours of Service during calendar year	**Western States Plan** Vesting Service Credit	**Tri-State Plan** Years of Vesting Service
Fewer than 100	None	None
100 to 199	None	1/10
200 to 299	None	2/10
300 to 399	3/10	3/10
400 to 499	4/10	4/10
500 to 599	5/10	5/10
600 to 699	6/10	6/10
700 to 799	7/10	7/10
800 to 899	8/10	8/10
900 to 999	9/10	9/10
1,000 or more	One Year	One Year

Under the Western States Plan, the term “Hours of Service” includes “Hours Worked in Covered Employment” for which you are paid or entitled to payment by an Employer for actual performance of duties (and back pay hours intended to compensate you for periods you would have performed such duties). In addition, “Hours of Service” includes hours of vacation, holiday, disability, and leave to the extent paid for by an Employer, whether directly or through a trust fund, insurance plan or policy, including state disability and workers’ compensation for disability attributable to Covered Employment. The term also includes hours of non-covered employment that precedes or succeeds in a contiguous manner in Covered Employment with the same Employer, only if there is no quit, discharge, or termination.

Under the Western States Plan, a partial year of Vesting Service Credit is earned if you have at least 300 Hours of Service in a year. The Tri-State Plan requires a minimum of 100 Hours of Service to earn partial Vesting Service for vesting purposes and grants Vesting Service Credits in tenths of a year. See the chart above. Another difference is that the Western States Plan allows up to 300 Hours of Service to be carried over to the following year if the Participant’s Hours Worked in Covered Employment exceed the amount necessary to earn one Vesting Service Credit in the preceding year.

Western States Plan – Breaks in Service

The Western States Plan requires a minimum of 500 hours worked in Covered Employment to avoid a One Year Break. A Participant has a Permanent Break in Service if there are at least five consecutive One Year Breaks in Service and the number of such consecutive One Year Breaks in Service equals or exceeds the number of Vesting Service Credits which had been accumulated prior to such consecutive One Year Breaks in Service.

Tri-State Plan – Vesting

Any benefits you have earned prior to the merger will be vested according to the Tri-State Plan’s vesting schedule and requirements. Under the Tri-State Plan, you become Vested when you have earned five Years of Vesting Service and have at least one Year of Vesting Service earned after the Contribution Date (i.e. the date on which an employer in the jurisdiction of participating Union first became obligated to make contributions to the Fund). Also, when you reach Normal Retirement Age, you are vested on the 5th anniversary of your participation in the Plan, even if you have not earned at least five years of Vesting Service.

Tri-State Plan – Breaks in Service

If you incur a Permanent Break-in-Service before you are vested, you will lose your Years of Vesting Service and Pension Credits, and you are not eligible to have this service restored. You incur a Permanent Break-in-Service when you have five consecutive one-year Breaks-in-Service that equal or exceed the greater of (i) five or (ii) the number of years of Vesting Service you had earned before the break.

The Tri-State Plan requires a minimum of 100 Hours of Service in a Plan Year to avoid a One-Year Break in Service.

Vesting Credit Computation Period

Vesting is always determined based on 12-consecutive month computation periods. In both the Western States Plan and the Tri-State Plan, the 12-month computation period is the calendar year.

IV. How Pension Credits are Earned

The Western States Plan refers to your years of Pension Credits to determine whether you meet the service requirements for certain types of Pensions. Pension Credits result from your Hours Worked in Covered Employment.

After the Merger Date, you will earn partial Pension Credit under the Western States Plan for each 100 hours of Work in Covered Employment during a calendar year, provided you work at least 300 hours, as noted in the table below. For comparison purposes, the table also shows the hours of work in Covered Employment that were required under the Tri-State Plan to earn Pension Credits.

The Western States Plan grants a partial year of Pension Credit starting at 300 Hours of Work in Covered Employment, and a full year of Pension Credit is reached at 1,200 Hours of Work in Covered Employment.

In contrast, the Tri-State Plan grants partial years of Pension Credit differently as follows: no Pension Credit is earned for less than 500 Hours Worked in Covered Employment during a plan year, and additional Pension Credit is earned at different levels of Hours Worked in Covered Employment, as seen in the table below. Only one Pension Credit can be earned in a Plan Year at 1,500 or more Hours Worked in Covered Employment.

In the Western States Plan, you earn one Pension Credit in the year in which you work more than 1,200 hours in Covered Employment, and there is a Limited Carry-Over of Hours Worked. Specifically, except for special rules applicable to military or disability hours, in the Western States Plan, those hours over 1,200 are carried over into the immediately subsequent calendar year to a maximum of an additional 3/12th of a Pension Credit. These differences between the two plans are further shown below.

Hours of Work in Covered Employment during calendar year	**Tri-State Plan** Pension Credit on or after January 1, 2014	**Western States Plan** Pension Credit on and after January 1, 1976
Fewer than 300	None	None
300 to 399	None	3/12
400 to 499	None	4/12
500 to 599	3/10	5/12
600 to 699	4/10	6/12
700 to 749	4/10	7/12
750 to 799	5/10	7/12
800 to 899	5/10	8/12
900 to 999	6/10	9/12
1,000 to 1,049	6/10	10/12
1,050 to 1,099	7/10	10/12
1,100 to 1,199	7/10	11/12
1,200 to 1,349	8/10	One Year, subject to the Limited Carry-Over of Hours Worked
1,350 to 1,499	9/10	Same as above
1,500 or more	One Year	Same as above

In the Western States Plan, for Service Pension eligibility purposes only, you may earn up to 1 and 1/3rd Pension Credits if you worked more than 1,800 hours in Covered Employment that year.

For purposes of establishing eligibility for pension benefits under the Western States Plan after the Merger Date, the Western States Plan will recognize Hours of Service that you earned under the Tri-State Plan before the merger. In other words, your pre-merger service under the Tri-State Plan will be counted for purposes of determining whether you satisfy the eligibility requirements for benefits under the Western States Plan. However, the amount of your benefits earned on and after Merger Date will be determined solely under the terms of the Western States Plan.

V. *Pension Benefit Amount Accrued After the Merger Date*

The annual benefits you earn under the Western States Plan after the Merger Date will likely be greater than the benefits you would have earned under the Tri-State Plan.

Tri-State Plan – Benefit Formula

Before 2021, the Tri-State benefit formula consisted of benefit credits multiplied by fixed benefit rates. Starting January 1, 2021, benefit accruals became "variable", meaning that the value of post-2021 accruals could increase if the Tri-State fund's investment return was more than 5%, and they could decrease if the investment return was less than 5%. As of January 1, 2025, the monthly **Tri-State Benefit** accrual is equal to 1.25% of total contributions paid or due on your behalf for covered employment performed during the calendar year, if you work at least 500 hours in covered employment. As of January 1, 2025, the monthly benefit accrual for former **Local 345 Plan** participants is also 1.25% of total contributions paid or due on your behalf for covered employment performed during the calendar year, if you work at least 500 hours in covered employment. Both the Tri-State Plan benefit and the Local 345 Plan benefit are variable as of January 1, 2025.

As of January 1, 2025, the monthly benefit accrual for former **TN/NC Plan** participants is 2.00% of total contributions paid or due on your behalf for covered employment performed during the calendar year, if you work at least 500 hours in covered employment. For TN/NC Plan participants, the benefit accruals are not variable.

Tri-State and Local 345 Plans – Variable Benefits

After the Merger Date, the variable benefit adjustments for variable benefit accruals earned under the Tri-State and Local 345 Plans will not be "capped"; that is, increases based on investment returns will not be limited. After the January 1, 2026 adjustments, the adjustments of the variable benefit will be made on December 1 of each year, starting with December 1, 2026. The December 1, 2026 adjustments will be made on the basis of the Tri-State fund's investment returns for the plan year ending December 31, 2025. Thereafter, the variable benefit adjustments will be made based on the Western States Plan's investment returns as of December 31 of the prior plan year.

Western States Plan – Benefit Formula

As of January 1, 2021, Participants in the Western States Plan earn a monthly benefit of $200 per year for 1,800 hours worked, if the average hourly contribution rate is $5.00 or greater. The monthly benefit earned in a year is prorated downward for average contribution rates less than $5.00 and for less than 1800 hours worked. No benefits are earned in years in which the Participant works less than 700 hours. If a Participant works more than 1,800 hours, monthly benefits are prorated up to a maximum Benefit Accrual Rate of $244.44 per year.

Example 1: where 1,800 hours are worked in a year:

Tri-State Plan and Local 345 Plan – Suppose that the benefit bearing contribution rate for the Tri-State Plan and Local 345 Plan before the Merger Date was $6.80 per hour. Assuming 1,800 hours were worked at the aggregate hourly contribution rate of $6.80 per hour, the monthly benefit earned for that year would be determined as follows: 1,800 x $6.80 x 1.25% = $153.00.

TN/NC Plan - Suppose that the benefit bearing contribution rate for the TN/NC Plan before the Merger Date was $6.80 per hour. Assuming 1,800 hours were worked at the aggregate hourly contribution rate of $6.80 per hour, the monthly benefit earned for that year would be determined as follows: 1,800 x $6.80 x 2.0% = $244.80.

Western States Plan – After the merger, assuming the new benefit bearing contribution rate is over $5.00 per hour and 1,800 hours are worked, the monthly benefit earned for that year would equal $200.00 (1.000 x

$200). The Benefit Factor of 1.000 corresponds to an average contribution rate of at least $5.00, as reflected in the Benefit Factor Table below. The Benefit Factor is then multiplied by the Benefit Accrual Rate, which corresponds to the number of Hours Worked in Covered Employment during the year as reflected in the Benefit Accrual Rate Table below.

Benefit Factor Table	
Average Contribution Rate	**Benefit Factor**
$0.00-0.99	0.0000
1.00-1.24	.2000
1.25-1.49	.2500
1.50-1.74	.3000
1.75-1.99	.3500
2.00-2.24	.4000
2.25-2.49	.4500
2.50-2.74	.5000
2.75-2.99	.5500
3.00-3.24	.6000
3.25-3.49	.6500
3.50-3.74	.7000
3.75-3.99	.7500
4.00-4.24	.8000
4.25-4.49	.8500
4.50-4.74	.9000
4.75-4.99	.9500
$5.00 or more	1.0000

Benefit Accrual Rate Table (Plan Years after 2020)	
Hours in Covered Employment During Calendar Year	**Benefit Accrual Rate**
Under 700	None
700-799	$77.78
800-899	$88.89
900-999	$100.00
1,000-1,099	$111.11
1,100-1,199	$122.22
1,200-1,299	$133.33
1,300-1,399	$144.44
1,400-1,499	$155.56
1,500-1,599	$166.67
1,600-1,699	$177.78
1,700-1,799	$188.89
1,800-1,899	$200.00
1,900-1,999	$211.11
2,000-2,099	$222.22
2,100-2,199	$233.33
2,200 or more	$244.44

Example 2: where 500 hours are worked in a year:

Tri-State Plan and Local 345 Plan – If contributions were made at the rate of $6.80 per hour for a year in which 500 hours are worked, the monthly benefit earned for that year would equal $42.50 (500 x $6.80 x 1.25%).

TN/NC Plan - If contributions were made at the rate of $6.80 per hour for a year in which 500 hours are worked, the monthly benefit earned for that year would equal $68.00 (500 x $6.80 x 2.0%).

Western States Plan –No benefit is earned under the Western States Plan for a calendar year in which fewer than 700 hours are worked.

VI. *When Vested Participants Can Receive Unreduced Pension Benefits*

Tri-State Plan – Pension Types

Regular Pension - Participants are eligible for unreduced "Normal Pension" from the Tri-State Plan when they are vested and have retired on or after their Normal Retirement Age. Normal Retirement Age with respect to benefits earned on or after January 1, 1988, means age 65 (62 for TN/NC participants) or the fifth anniversary of Tri-State Plan participation, whichever is later.

Rule of 85 Pension: Local 345

Participants are eligible for an unreduced Rule of 85 Early Retirement Pension if after January 1, 2000, they had attained age 55, and their age combined with their Years of Service based on work in Covered Employment equal at least 85, and provided 350 hours in Covered Employment were completed in 1999 (unless an exception applies for the 350 hour requirement).

Unreduced Early Retirement Benefit: TN/NC Plan

For former North Carolina Plan participants who were participants prior to May 1, 2021, who satisfied either (a), (b) or (c) below:

a) Had attained age 60 and been credited with at least ten years of Vesting Service under the North Carolina Plan and/or Years of Service with the merged TN/NC Plan, with at least one Year of Vesting Service earned during the Contribution Period;
b) Had attained age 55 and been credited with at least twenty-five years of Vesting Service under the North Carolina Plan and/or Years of Service with the merged TN/NC Plan, with at least one Year of Vesting Service earned during the Contribution Period;
c) Had been credited with a minimum of thirty years combined years of Vesting Service under the North Carolina Plan and/or Years of Service with the merged TN/NC Plan, with at least one Year of Vesting Service earned during the Contribution Period.

Vested Deferred Retirement Pension
Participants are eligible for an unreduced Deferred Pension once they have at least five years of Vesting Service, reach Normal Retirement Age, and have worked at least one Hour of Service on or after January 1, 1999.

Western States Plan – Pension Types

Normal Pension - An unreduced “Normal Pension” is payable to Vested Participants, generally at age 65.

Regular Pension - An unreduced “Regular Pension” is payable at age 62 with 10 years of Pension Credit for benefits accrued before January 1, 2011. A reduction for early commencement applies to all benefit accruals occurring on and after January 1, 2011.

Service Pension - A Service Pension is available from the Western States Plan with 30 Pension Credits and no minimum age requirement.

VII. Early Retirement Pension

Tri-State Plan – Early Retirement Benefits

To be eligible for an Early Retirement pension in the Tri-State Plan, a Participant must be age 60, earn at least ten years of Pension Credit, including Pension Credit earned after the Contribution Date, as follows:

Early Retirement Age	Years of Future Service Pension Credit
60	5
61	4
62	3
63	2
64	1

Early Retirement reduction factors under the Tri-State Plan are based on your age when you retire, as shown in the following table, and assuming you retire in the month you turn the following age:

Retirement Age	Tri-State Reduction Factor
60	0.70
61	0.76
62	0.82
63	0.88
64	0.94
65	1.0000

Former Local 345 Participants – Early Retirement Benefits

To be eligible for an Early Retirement pension in the Local 345 Plan, a Participant must have attained age 55 and completed five years of Eligibility Service, with at least one year of Future Service.

Different Early Retirement reduction factors under the Local 345 Plan apply to benefits earned before January 1, 2014 versus afterwards.

The Early Retirement reduction for benefits earned before January 1, 2014 are 0.25% per month for each month that the effective date of their Early Retirement Pension precedes their Normal Retirement Age.

The Early Retirement reduction for benefits earned starting January 1, 2014 are 0.50% per month for each month that the effective date of their Early Retirement Pension precedes their Normal Retirement Age.

Former TN/NC Participants – Early Retirement Benefits

To be eligible for an Early Retirement pension in the TN/NC Plan, a Participant who was last considered an Active Participant before May 1, 1991, must have attained age 60 and completed ten Years of Service and/or ten Years of Vesting Service. A Participant who was last considered an Active Participant on or after May 1, 1991 must have attained age 55 and completed ten Years of Service and/or ten Years of Vesting Service.

The Normal Retirement Age for a Participant who was last considered an Active Participant before May 1, 1990 is 65. The Normal Retirement Age for a Participant who was last considered an Active Participant on or after May 1, 1990 is 62.

The early retirement reduction to benefits is 0.50% per month for each month that the effective date of their Early Retirement Benefit precedes their Normal Retirement Age.

Western States Plan – Pension Benefits

Early Retirement – An "Early Retirement" is payable as early as age 55, with 10 or more Pension Credits. Under the Western States Plan, benefits earned after January 1, 2011 are subject to a reduction of 3% per year for retirement before age 65. Benefits earned before January 1, 2011, are subject to a reduction of 3% per year for retirement before age 62.

The effective date of an Early Retirement Pension will be delayed six months for every calendar quarter in which you work at least one hour in Non-covered Employment, but not later than Normal Retirement Age. However, this restriction will be lifted if after such employment you subsequently work in Covered Employment for at least as long as the period you worked in Non-covered Employment.

"Non-covered Employment" means work in the building and construction industry in the geographical jurisdiction of the Plan (including the plans that have merged in) after November 1, 1992 for an employer which has not signed a collective bargaining agreement with the Union (i.e., Western States Carpenters Regional Council) or any self-employment which is not covered by a collective bargaining agreement with the Union.

VIII. Eligibility for Disability Pension

The Trustees of the pension plans have agreed that if you, as a former Tri-State Plan Participant, become disabled on or after the Merger Date, you may be eligible to receive an unreduced long-term disability benefit so long as you satisfy the eligibility requirements under the rules of the Western States Carpenters Health and Welfare Plan. For disabilities that occur before the merger date, the disability rules of the Tri-State Plan (and Local 345 and TN/NC Plans, respectively) are preserved post-merger. (To see the eligibility rules applicable to disabilities occurring pre-merger, please refer to the Summary Plan Description for the pension plan in which you participated prior to its merger with the Western States Plan.)

IX. Death Benefits

If you die before pension benefit payments commence but after the Merger Date, the following benefits may be payable.

Western States Plan

Non-spouse beneficiaries and spouses married less than one year

If you are not married (or you have been married for less than one year) and die before retirement but after you are Vested, your beneficiary may be eligible for the 36 Monthly Payments Benefit. Under this benefit, the beneficiary will receive 36 payments equal to the amount you would have received at age 65 based on the Pension Credit you had accrued at the time of your death.

Pre-Retirement Surviving Spouse Annuity

If you are married and die before retirement but after you are Vested, your surviving spouse may be entitled to the Surviving Spouse Annuity. To be eligible for the Surviving Spouse Annuity, you and your spouse must have been married throughout the one-year period prior to your death.

If you had 10 or more Vesting Service or Pension Credits at the time of your death, payments to your surviving spouse can begin with the month following the month in which you died. If you had at least five but fewer than 10 Vesting Service Credits, payments to your spouse will be deferred until the first of the month in which you would have attained Normal Retirement Age, had you lived.

These rules are summarized in the following table:

Pre-Retirement Surviving Spouse Payments

Credits Earned	When Payable	How Calculated	Example
5 (but less than 10) Vesting Service Credits	Month Participant would have been 65	NRA x QSS x 50%	$1,000 x .88* x 50% = $440.00
10 or more Vesting Service or Pension Credits	Month following Participant's death	NRA x ERF x QSS x 50%	$1,000 x .79** x .88 x 50% = $347.60
30 Pension Credits	Month following Participant's death	NRA x QSS x 50%	$1,000 x .88 x 50% = $440.00
NRA: amount the Participant would have received if had retired at age 65. ERF: reduction for age, if Participant was under age 62 (age 65 for benefits earned after January 1, 2011). QSS: 50% Qualified Surviving Spouse Factor.			

* This is the applicable factor for a member whose spouse is the same age.
** This is the applicable Early Retirement Factor for a Participant aged 55, or younger, at time of death.

Your spouse may elect to postpone the start of payments to no later than December 31 of the calendar year in which you would have reached Applicable Age, or, if you are older than the Applicable Age at the time of death, December 31 of the calendar year following the year of your death.

Applicable Age is determined based on the Participant's year of birth, as follows:

Date of birth of Participant	Applicable Age
Before July 1, 1949	70 ½
On or after July 1, 1949, but before January 1, 1951	72
On or after January 1, 1951, but before January 1, 1959	73

Spouse's Choice. Instead of the pre-retirement Surviving Spouse Annuity, your spouse may elect to receive the "36 Monthly Payments Benefit" as described below. After your death, your spouse will receive an estimate for both types of benefits and will have 90 days to make an election. The amount of the 36 monthly payments will be increased, if necessary, to be equal to the actuarial present value of the Surviving Spouse Annuity. ***The "36 Monthly Payments Benefit" is not available to your Surviving Spouse if you worked in Non-covered Employment.***

Tri-State Plan

Before the Merger Date, the Tri-State Plan provided that if a vested Participant died prior to retirement, the Spouse's Pre-Retirement Survivor Benefit, provided the marriage lasted for at least a year at the time of the Participant's death, was 50% of the benefit the Participant had earned as of the day before the Participant's death and payable at the later of the Participant's earliest retirement age or in the month following the Participant's death, reduced for the cost of joint and survivor protection and early payments before Normal Retirement Age. Alternatively, if the Participant was unmarried or if the surviving spouse chose, the beneficiary or spouse may receive a return of 100% of employer contributions made on the participant's behalf.

Local 345 Plan

Before the Merger Date, the Local 345 Plan provided that if a vested Participant died prior to retirement, the Spouse's Pre-Retirement Survivor Benefit, provided the marriage lasted for at least a year at the time of the Participant's death, was 50% of the benefit the Participant had earned as of the day before the Participant's death and payable at the later of the Participant's earliest retirement age or in the month following the Participant's death, reduced for the cost of joint and survivor protection and early payments before Normal Retirement Age. Alternatively, if the Participant was unmarried or if the surviving spouse chose, the beneficiary or spouse may receive the lump sum of $3,000 for each full year and prorated amount for a partial year of Credited Service (if the Participant was an Employee on or after June 1, 2001.

TN/NC Plan

Before the Merger Date, the TN/NC Plan provided that if a vested Participant died prior to retirement, the Spouse's Pre-Retirement Survivor Benefit, provided the marriage lasted for at least a year at the time of the Participant's death, was 50% of the benefit the Participant had earned as of the day before the Participant's death and payable at the later of the Participant's earliest retirement age or in the month following the Participant's death, reduced for the cost of joint and survivor protection and early payments before Normal Retirement Age. No pre-retirement death benefits were payable on behalf of an unmarried Participant.

If you die on or after the Merger Date after pension benefits have commenced: Your Pension benefits are payable for your lifetime. Depending on the election you make at retirement, payments may also be available to your beneficiary after your death. See the next section for more information about the Forms of Payment.

$1,000 Death Benefit

The terms of the Western States Plan will determine eligibility for the $1,000 Death Benefit payable upon the death of a Retired Employee after the Merger Date. The Western States Plan pays a $1,000 Lump Sum Death benefit upon the death of a Retired Employee, provided they had earned at least ten years of Western States Plan Pension Credit at the time they retired.

X. Forms of Payment

Normal Form of Payment

The automatic form of payment to married Participants in both the Tri-State Plan and Western States Plan is a 50% Qualified Surviving Spouse Pension ("50% QSSP"), known as the 50% Joint and Survivor form in the Tri-State Plan. The automatic form of payment for an unmarried Participant in the Western States Plan and in the Tri-State Plan is a Single Life Annuity ("SLA") with a 36-month guarantee. The SLA is also a benefit option under both plans for married Participants who formally reject the Joint and Survivor Benefit or 50% QSSP.

Under the Western States Plan, the 50% QSSP form of payment includes a pop-up feature that increases the monthly benefit payable to the Participant to the amount of an SLA if the Participant's Spouse dies first. Under the Tri-State Plan, there is a pop-up feature only if death occurs within 24 months of benefit commencement.

The automatic form of payment to married Participants in the TN/NC Plan is a 50% Joint and Survivor. The automatic form of payment for an unmarried Participant in the TN/NC Plan is a Single Life Annuity ("SLA") with a 60-month guarantee. The SLA is also a benefit option under the plan for married Participants who formally reject the 50% Joint and Survivor Benefit.

Under the TN/NC Plan, the 50% Joint and Survivor form of payment includes a pop-up feature that increases the monthly benefit payable to the Participant to the amount of an SLA if the Participant's Spouse dies first.

The automatic form of payment to married Participants in the Local 345 Plan is a 50% Joint and Survivor. The automatic form of payment for an unmarried Participant in the Local 345 Plan is a Single Life Annuity ("SLA"). The SLA is also a benefit option under the plan for married Participants who formally reject the Joint and 50% Survivor Benefit.

The automatic form of payment for married Participants is reduced because it offers a lifetime benefit to both the Participant and the surviving spouse instead of a lifetime benefit only for the Participant's lifetime as under the SLA. The amount of the reduction is different under the four plans.

Tri-State Plan reduction factors for 50% Joint and Survivor Option.

Under the Tri-State Plan, the 50% Participant-and-Spouse Pension is reduced to 89.0% plus 0.4% for each full year your spouse is older than you or minus 0.4% for each full year your spouse is younger than you with a maximum factor of 99%. If you retire on a Disability Pension, the reduction is to 79.0% plus 0.4% for each full year your spouse is older than you or minus 0.4% for each full year your spouse is younger than you with a maximum factor of 99%.

TN/NC and Local 345 reduction factors for 50% Joint and Survivor (and all other optional forms) are based on actuarial equivalence (i.e., interest rates and mortality rates). The reduction factors for the Local 345 Plan change each year with Federal changes in interest rates.

Western States Plan reduction factors for 50% Qualified Surviving Spouse Pension.

Under the Western States Plan, the 50% Qualified Surviving Spouse Pension is reduced to 88.0% of the SLA plus 0.4% for each full year the Spouse is older than the Participant or minus 0.4% for each full year the Spouse is younger than the Participant with a maximum factor of 100%. For Participants who retire on a Disability Pension, the reduction is to 78.0% plus 0.4% for each full year the Spouse is older than the Participant or minus 0.4% for each full year the Spouse is younger than the Participant with a maximum factor of 100%.

Optional Forms of Payment

The following Optional forms of payment under the Tri-State Plan will be preserved for benefits earned before the merger:

75% or 100% Joint and Survivor Option with Pop-Up - Participants may elect to receive their Tri-State Plan benefit in this form, which provides a monthly benefit to the Participant for life and, following the retired Participant's death, a monthly benefit to the spouse for their life equal to 75% or 100% of the monthly benefit that was payable to the retired Participant.

The 75% Joint & Survivor Pension will be reduced to 84.5% plus 0.5% for each full year your spouse is older than you or minus 0.5% for each full year your spouse is younger than you with a maximum factor of 99%. If you retire on a Disability Pension, the reduction is to 72% plus 0.5% for each full year your spouse is older than you or minus 0.5% for each full year your spouse is younger than you with a maximum factor of 99%.

The 100% Joint & Survivor Pension will be reduced to 80% plus 0.6% for each full year your spouse is older than you or minus 0.6% for each full year your spouse is younger than you with a maximum factor of 99%. If you retire on a Disability Pension, the reduction is to 65% plus 0.6% for each full year your spouse is older than you or minus 0.6% for each full year your spouse is younger than you with a maximum factor of 99%.

Optional forms for **TN/NC Plan**:

- 50%, 75% or 100% Joint and Survivor, with or without Pop-Up
- 10-Year Certain and Life Option

Optional form for **Local 345 Plan**:

- 75% Joint and Survivor with Pop-Up

XI. Pro-Rata Pensions

Pro-Rata (or Partial) Pensions are provided to Participants who are ineligible for a pension because their years of employment have been divided between employment creditable under the Tri-State Plan and employment creditable under another pension plan, or whose pension would otherwise be less than the full amount because of such division of employment. Payment of a Pro-Rata Pension will be made on the basis of combined vesting service and pension credit earned under the Tri-State Plan and any other pension plan that is signatory to Exhibit "A" or "B" of the International Reciprocal Agreement for Carpenters Pension Funds. The amount of the Pro-Rata Pension will be based only on the benefit accrued under the Tri-State Plan.

XII. Suspension of Benefits

Tri-State Plan – Suspensions

The Tri-State Plan benefits will continue to be subject to the suspension of benefits rules of the Tri-State Plan, which provide that benefits are suspended for post-retirement Disqualifying Employment as follows:

Under the Tri-State Plan, prior to age 65, your benefit will be suspended for months in which you engage in 40 hours of Disqualifying Employment. Once you reach Age 65, you may work a maximum of 500 hours in a calendar year in Disqualifying Employment without suspension.

Before or after attainment of age 65, "Disqualifying Employment" means employment or self-employment that is (A) in the same industry covered by the Plan when the Participant's pension payments began, (B) in any trade or craft covered by the Plan when the Participant's pension payments began, (C) in the same geographic area covered by the Tri-State Plan when the Participant's pension began.

After reaching your Required Beginning Date, you may work in what would otherwise be disqualifying employment and your retirement benefits will not be suspended. However, you are still obligated to provide a notice to the Fund Office whenever you accept a job that would otherwise be considered Disqualifying Employment.

Western States Plan – Suspensions

The Western States Plan benefits will be subject to the suspension of benefit rules of the Western States Plan, which provide that benefits are suspended for work in Prohibited Employment as follows:

Before Normal Retirement Age – Prohibited Employment means employment, self-employment or other business activity in the "building and construction industry," wherever such employment or activity may be performed. Additionally, payments will be permanently withheld for an additional six months for each calendar quarter in which you perform Non-covered Employment, even if it is only one hour, but not beyond Normal Retirement Age. However, this restriction will be lifted if after such employment you subsequently work in Covered Employment at least as long as the period you worked in Non-covered Employment.

After Normal Retirement Age – Prohibited Employment means employment, self-employment or other business activity for more than 40 hours in a calendar month in the "same industry," the same "trade or craft," and the "same geographic area" covered by the Western States Plan.

After reaching age 70 ½ –There is no suspension of benefits beginning April 1st following the calendar year in which you reach age 70 ½.

XIII. Claims and Appeals Procedures

The Western States Plan's Claims and Appeals Procedures will apply to all claims filed on and after the Merger Date. You may not file a lawsuit for benefits until you have exhausted all the claim and appeal procedures, and a final decision has been made on your appeal, or until an appropriate time has elapsed without a final decision being rendered on your claim or appeal. Any civil action to recover benefits under ERISA must be filed not later than the first anniversary of the date the written notice of benefit determination on review is issued by the Western States Trust. Any lawsuit filed against the Western States Trust must be filed in an appropriate court in Los Angeles County, California. Scan the QR codes below to view the Summary Plan Description (SPD) and all summaries of material modifications made after the date of the SPD, or visit https://www.csacbenefits.org/retirement/pension/.

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Where to get more information

This announcement is only a brief description of the benefit changes that will occur after the merger. More information about the Western States Plan can be found in the Summary Plan Description by scanning the QR code at the bottom of this page.

The Administrative Office will change to the following office as of the Merger Date:

Carpenters Services Administrative Corporation (CSAC)	**Call Center Hours of Operation**
445 South Figueroa Street, Suite 1500 Los Angeles, CA 90071-3203 (213) 386-8590 or (800) 293-1370 Email: info@csacbenefits.org	8:00 a.m. to 5:00 p.m. (Pacific) **Website:** https://csacbenefits.org/

After the Merger Date, to apply for benefits from the Tri-State Plan or to obtain copies of plan documents, please contact the Administrative Office at the above address.

SPD SMM