



IRON WORKERS'

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Mid-America Pension Fund – Mid-America Supplemental Monthly Annuity (SMA) Fund



JOSEPH J. BURKE, *Administrator*
BARBARA CHAPIN, *Assistant Administrator*

Dear Participant:

Calendar year 2015 was a tough investment year for most pension plans and defined contribution plans. The stock market was basically flat while the fixed income market continues to produce historically small returns. Although the final numbers are still being compiled, the Iron Workers Mid-America Pension Plan earned a return of about 1% in 2015, which is well below its assumed rate of return. So far, in 2016, the stock market has been down.

The good news is that in 2016 the Plan will continue to be in the “green zone”, as defined by the Pension Protection Act of 2006, with a funded percentage of approximately 80%. Additionally, the Trustees are working with their actuary and investment professionals to improve the funding level. This means avoiding the “yellow zone” (formally called “endangered”) and “red zone” (formally called “critical”).

As a result, the Trustees are requiring a contribution increase of \$0.25 per hour to be effective in 2016 when your Local next allocates its wage package. This will occur on May 1, June 1 or July 1, 2016, depending on your Local. The contribution increase would be applied to the Percent of Contribution (POC) benefit, which means you will receive benefit accrual corresponding to the increase.

If a Local that is currently participating in the POC benefit does **not** increase their contribution rate by \$0.25 by their allocation date, the Plan will reduce that Local’s contribution rate currently allocated to the benefit by \$0.25 and reallocate that amount as a Supplemental Contribution. If a Local that is not currently participating in the POC benefit does **not** increase their contribution rate by \$0.25 by their allocation date, the Plan will reduce that Local’s future base accrual rate. In both cases, participants in these Locals will earn lower future benefits.

Please keep this announcement in a safe place for your records along with your Summary Plan Description (SPD). The newest version of the SPD was mailed to your home a few weeks ago.

Example of POC Benefit Change

Suppose John’s Local Union is currently allocating \$3.00 per hour toward the POC benefit. In addition, \$2.25 per hour is currently allocated as Supplemental Contributions. If John’s Local Union allocates an additional \$0.25 per hour to the Plan at their 2016 wage and benefits allocation, then \$3.25 per hour (the original \$3.00 plus \$0.25 of new contributions) will be allocated toward his POC benefit.

How does this affect his pension? Before the change, suppose John worked 1,500 hours at the \$3.00 per hour contribution rate. His monthly benefit accrual under the POC benefit for 2016 would have been \$45.00 (1% accrual rate x 1,500 hours x \$3.00 per hour).

However, after the change and assuming all the hours were worked after the change, his monthly benefit accrual under the POC benefit for 2016 will be \$48.75 (1% accrual rate x 1,500 hours x \$3.25 per hour). This represents an 8.3% increase to his future benefit accrual.

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“Working exclusively for Union Iron Workers and their Families”

Of course, your Local Union can allocate more than \$0.25 per hour if it chooses. However, the minimum required amount is \$0.25 per hour.

The Business Manager, or the other elected official at your Local Union, will have more information about this at an upcoming monthly meeting.

Summary

The purpose of the Pension Plan is to provide the best possible retirement income to union ironworkers and their families. It is the goal of the Trustees that these Plan changes help to ensure that this goal is achieved now and in the future.

If you have any questions concerning this Plan change or how it may apply to your benefit, please contact the Pension Department at the Fund Office at 708/474-9902 or 800/232-8029, extension 2.

Sincerely,

The Board of Trustees of the
Iron Workers Mid-America Pension Plan

This announcement serves as a Summary of Material Modifications (SMM) for the Iron Workers Mid-America Pension Plan (EIN 36-6488227/ PN 001). Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. Please keep this SMM with your Summary Plan Description (SPD) for future reference.

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