



IRON WORKERS'

2350 E. 170th Street, P. O. Drawer M
Lansing, Illinois 60438
Phone 708-474-9902
Toll Free 1-800-232-8029
Fax 708-474-9982

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



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

Dear Participant:

It has been five years since the Board of Trustees implemented future benefit reductions and increased supplemental contributions in 2010. This was done, in part, as a response to the sharp stock market decline in 2008 and early 2009.

The good news is that the Plan is slowly improving its funded position as the Trustees had planned. The Plan's assets are now approximately \$600 million. The Trustees, working with the Plan's investment consultant, continue to diversify the assets of the Plan and carefully monitor the performance of each of its investment managers.

As you know, a portion of the contribution rate for every hour an ironworker works in the Plan is “non-accrual”. This means that this portion of the contribution rate simply helps improve the funding of the Plan but does not increase the ironworker's pension. These contributions are formally called Supplemental Contributions. The Supplemental Contributions in some Locals are larger than in other Locals. In general, the higher the contribution rate is that is allocated to pension accrual, the higher the Supplemental Contributions.

Since the Plan is slowly improving its funded position, the Trustees are pleased to offer a benefit improvement which can increase an ironworker's future benefit accrual and, at the same time, lower the amount of Supplemental Contributions. This benefit improvement will be effective in 2015 when your Local Union's next wage and benefits allocation becomes effective. **This Plan change only affects benefits that are earned for hours worked on and after the effective date of your Local Union's next wage and benefits allocation in 2015. This Plan change does not affect benefits earned before that date.**

This announcement letter is a Summary of Material Modifications (and also called an “SMM”). Please keep it in a safe place for your records along with your current Summary Plan Description (SPD). The new 2015 SPD will be distributed in the next few months.

Increase Your Future POC Benefit Accrual and Lower Your Supplemental Contributions When Your Local Union Allocates New Pension Contributions in 2015

This Plan change deals with the Percent of Contribution (POC) benefit only. Currently, the accrual rate is 1% for benefits earned on or after January 1, 2010. The accrual rate is multiplied by the total contributions made to the Plan toward the POC benefit to determine your POC monthly benefit.

If your Local Union allocates new contributions to the POC benefit in 2015, the Plan will reallocate a matching amount of contributions, currently designated as Supplemental Contributions, back to the POC benefit. This effectively means that any amount of new contributions (up to a \$1.00 per hour maximum) will be “doubled” so that the combined amount will count toward future accrual under the POC benefit.

– over –

“Working exclusively for Union Iron Workers and their Families”

This change does not affect the benefit accrual you earn under the Basic Benefit or the Earned-When-Paid Benefit, if applicable.

Example of POC Benefit Change

Suppose Jim'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 Jim's Local Union allocates an additional \$0.30 per hour to the Pension Plan at their 2015 wage and benefits allocation, then the Plan will match that \$0.30 by moving \$0.30 from the Supplemental Contributions to the POC benefit. This means that Jim will now be allocating \$3.60 per hour (the original \$3.00 plus \$0.30 of new contributions plus \$0.30 from Supplemental Contributions) toward his POC benefit.

Similarly, his Supplemental Contributions will now only be \$1.95 per hour (the original \$2.25 minus \$0.30). The result is that Jim has more money working toward his pension and less "non-accrual" money.

How does this affect his pension? Before the change, suppose Jim worked 1,500 hours at the \$3.00 per hour contribution rate. His monthly benefit accrual under the POC benefit for 2015 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 2015 would be \$54.00 (1% accrual rate x 1,500 hours x \$3.60 per hour). This represents a 20% increase to your benefit accrual.

Of course, the larger your contribution increase, the larger the amount is "matched" from your Supplemental Contributions. Also, remember that the new contribution increase limit for 2015 is \$1.00 per hour.

Whether or not the Trustees provide a similar opportunity to increase contributions in 2016, or in a future year after that, will depend on the funding level of the Plan at that time.

The Business Manager, or the other elected official at your Local Union, will have more information about this at an upcoming monthly meeting. They can also provide you with the Supplemental Contribution rate applicable to your Local Union so that you can make a more informed decision.

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

March 2015