Important Notice to Participants in the Sheet Metal Workers' Local 10 Pension Plan

(Summary of Material Modifications and 204(h) Notice) December 2016

This Summary of Material Modifications and Section 204(h) Notice describes a change to the Sheet Metal Workers' Local 10 Pension Plan (the Plan) that will become effective for all hours worked on and after January 1, 2017. Effective on and after that date, the Plan will be amended as follows:

The formula for determining the amount of benefits accrued in each calendar year will be changed. A Participant's monthly Regular Pension earned in each calendar year will be equal to the total contributions to the Plan that the Participant earned for work performed in that calendar year, multiplied by .66%.

This change only applies to contributions earned for work performed on and after January 1, 2017. All benefits accrued prior to that date are unaffected by this change. This change is described in more detail below.

Changing the Pension Formula

Under this new formula, those Participants who work around 1,600 hours or more will earn a greater benefit than they would have under the prior formula. This will occur because all hours worked will earn a benefit. Under the previous formula, once a Participant worked 1,400 hours in a year, his or her benefit was effectively capped and additional hours did not earn additional benefit. The converse is also true, though. Some participants who work lower numbers of hours may not earn as great a benefit under the new formula.

Let's compare the Current Benefit Formula (in effect through 2016) with the New Benefit Formula (effective beginning in 2017):

Current Benefit Formula

Since 2014, the formula used to determine the amount of a Participant's monthly Regular Pension (the unreduced benefit payable at Normal Retirement Age) was based on Pension Credits earned by the Participant. For hours worked on or after January 1, 2014, the value of a Pension Credit was \$10.50 for each \$1.00 of contribution to the Plan. A Participant who earned at least 1,400 hours of contributions in a year earned a full Pension Credit. Those who worked less hours earned partial Pension Credits. Special Plan rules described what contribution rate(s) would be used in calculating benefits for a Participant who worked and earned contributions at more than one hourly rate during a year.

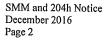
Example: Jerry worked 1,800 hours in 2016, and his applicable contribution rate was \$3.00 per hour. For work in 2016, he would have earned one Pension Credit worth \$31.50. ($$3.00 \times $10.50 \times 1 Pension Credit = \$31.50).

New Benefit Formula Effective 1/1/17

As a result of this most recent change, for work performed on and after January 1, 2017, the amount of a Participant's Regular Pension will be determined by multiplying all contributions earned in a year by .66%. (A special calculation is no longer required when a Participant works and earns contributions at more than one hourly rate in a year – the formula bases the benefit on total, actual contributions earned).

Example: Jerry worked the same hours in 2017 that he had worked in 2016 (1,800 hours). His contribution rate also remained the same at \$3.00 per hour. Thus total contributions earned by Jerry in 2017 were \$5,400.00. (1,800 hours x \$3.00 per hour).

Jerry's Regular Pension earned in 2017 is \$35.64. This is calculated by multiplying \$5,400.00 in contribution by .66%. Note that this amount is slightly greater than Jerry earned for the same hours of work and same contributions in 2016.





Changes to Your Plan Booklet

The following describes how these changes are reflected in your 2016 Plan Booklet (Summary Plan Description).

1. The table beginning on page 9 is amended by adding the following row to the end of that table.

Period during which Pension Credits were earned	Applicable Employer Contribution Rate	Value per month (at Normal Retirement Age) of Pension Credit
January 1, 2017 and after	Various	Total contributions in a calendar year multiplied by .66%

2. The formula for determining your Accrued Benefit on page 11 is replaced by the following:

The formula for determining your Accrued Benefit works as follows:

First, determine the amount you accrued under any predecessor plan prior to September 1, 1986.

Next, consider your hours worked between September 1, 1986 and December 31, 1999. Generally, for each year during that period in which you were eligible to earn retirement benefits under the Plan, you earned a monthly retirement benefit equal to a dollar amount specified in the Plan. That dollar amount is based on the rate your employer was obligated to contribute ("the employer contribution rate") according to your collective bargaining agreement.

Next, consider your hours worked between January 1, 2000 and December 31, 2016. The Plan provides a simplified calculation for retirement benefits earned for hours worked on or after that date. Generally, from that point forward you earn a fixed dollar amount of monthly retirement benefit for each dollar of effective contribution made on your behalf, as described in the chart above.

Finally, for hours worked on and after January 1, 2017, multiply contributions earned in each calendar year by .66% to determine the amount of Regular Pension earned in that year.

<u>Note</u>: Given the complexity of this calculation, you can contact the Fund Office and an estimate of your potential benefits can be calculated for you.

Please contact the Fund Office if you have any questions about this change.