

# NEW YORK CITY DISTRICT COUNCIL OF CARPENTERS

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## SUMMARY OF MATERIAL MODIFICATIONS

### NEW YORK CITY DISTRICT COUNCIL OF CARPENTERS PENSION FUND

To: All Pension Plan Participants  
From: Board of Trustees  
Date: October 2017  
Re: **NYCDCC Pension Fund Plan Changes**

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This Summary of Material Modifications (“SMM”) is intended to notify you of important changes to the New York City District Council of Carpenters Pension Plan (Amended and Restated Effective January 1, 2014) (the “Plan”). Please read this SMM carefully and share it with your family. You should keep it with your Pension Fund Summary Plan Description (“SPD”) and other SMMs. The effective dates of the changes are noted in each section of this SMM.

### **New Optional Forms of Payment for Pre-Retirement Death Benefits**

The Board of Trustees is pleased to announce the addition of new optional forms of pre-retirement death benefits.

#### **For Married Participants:**

If a married, vested participant dies before retirement, the Plan pays a “Pre-Retirement Surviving Spouse Pension.” Under the prior Plan rules, if a participant dies before attaining the age required to begin collecting a pension (either age 55 or age 65 depending on the participant’s number of vesting credits), the surviving spouse was not eligible to commence his/her pension until the earliest age that the pension would have been payable had the participant lived to the earliest retirement age allowable under the Plan.

Effective immediately, surviving spouses will have the option of (a) electing an actuarially reduced pre-retirement death benefit that is payable immediately, or (b) waiting until the deceased participant’s earliest retirement date. Because the immediate benefit will be paid over a longer period of time than the deferred benefit, the immediate payment is actuarially reduced, meaning that the spouse will receive a lesser monthly benefit but for a longer period of time.

This new option is available to all eligible surviving spouses who have not yet commenced collecting their benefit regardless of the date of their spouse’s death. If a surviving spouse elects to commence his/her benefits under this new option, the benefit will be payable on the first of the month following submission of an application for this benefit, subject to application processing time. If a surviving spouse filed an application before this new option was available and the benefit was denied based on the terms of the Plan then in effect, a new application will be required and the payment of benefits will be based on the submission of a new application.

**For Unmarried Participants:**

For participants for whom the Pre-Retirement Surviving Spouse Pension is not payable, the Plan provides a lump-sum death benefit ranging from \$3,000 to \$10,000 based on the participant's number of Vesting Credits. The Plan will now offer two additional options for the beneficiaries of unmarried participants who die before retirement.

Effective for deaths of unmarried participants occurring on or after July 1, 2017, the Plan will pay one of the following three forms of benefits:

- (1) a Pre-Retirement Non-Spouse Pension for the lifetime of their beneficiary,
- (2) a 60-month annuity, or
- (3) the lump sum death benefit ranging from \$3,000 to \$10,000 based on the participant's number of Vesting Credits.

The Pre-Retirement Non-Spouse Pension in the form of a lifetime annuity (option (1) above) will be calculated in the same manner as the immediately payable Pre-Retirement Surviving Spouse Pension.

If a participant dies *after* attaining the minimum age required to collect a pension, the benefit will be equal to 50% of the amount that would have been paid under the normal form of payment had the participant separated from service on the earlier of the date he/she last worked in Covered Employment or his/her date of death, elected payments starting on the earliest date available under the Plan, and died on the next day. If a participant dies *before* attaining the minimum age required to collect a pension, the benefit will still be payable immediately, but it will be actuarially reduced further to reflect the longer payment period as described above.

The Pre-Retirement Non-Spouse Pension in the form of a 60-month annuity (option (2) above) will also be based on the lifetime value of the Pre-Retirement Non-Spouse Pension, but it will be actuarially increased to reflect payment over a fixed 60-month period instead of payment over the lifetime of the beneficiary. If your beneficiary dies before collecting all 60 payments, no further payments will be payable.

A participant's beneficiaries will have to agree on the form of benefit. If the participant's beneficiaries do not agree on the form of payment, the Plan will only pay the lump sum death benefit which ranges from \$3,000 to \$10,000 based on amount of Vesting Credit that the participant had at the time of his/her death.

**Additional Bases for Eligibility for Phase II Disability Pension Benefits**

The Plan provides that a participant is eligible for Phase II Disability Pension payments if, in the sole and absolute discretion of the Trustees, he/she is prevented by injury or disease from engaging in *any* gainful employment. (Please note that the standard for Phase II Disability Pension benefits is stricter than the standard for Phase I Disability Pension benefits. Eligibility for Phase I benefits requires, among other things, that a participant be totally unable to perform the duties of any occupation in Covered Employment or any occupation requiring duties similar to a job in Covered Employment.) In determining whether a participant is eligible for Phase II Disability Pension benefits, the Trustees may rely on the opinion of the Trustees' medical advisor as to the physical or mental condition of the applicant or may rely solely on the award or lack of an award of Social Security Disability benefits as evidence of inability to engage in gainful employment.

Additionally, effective July 1, 2016, any participant whose Phase I Disability Pension benefits terminated on or after July 1, 2015 may be eligible for six-month extensions of Phase II benefits if, in addition to satisfying all the other requirements for Phase II benefits (as specified in the Plan document and the SPD), the participant: (1) has a pending Social Security Disability application or appeal and the Trustees' medical advisor has determined that the applicant is unable to engage in *any* gainful employment; or (2) has a

pending Social Security Disability application or appeal, and the combination of his/her age plus the number of his/her Current Vesting Credits equals or exceeds 80.

If the participant's Social Security Disability application is denied after exhausting or waiving all administrative appeals, he/she shall cease being eligible for Phase II benefits on the last day of the month in which the final administrative appeal of the denial of his/her Social Security Disability application is denied or otherwise waived.

The participant must immediately notify the Fund Office of the outcome of his/her Social Security Disability application or appeal and must respond to the Fund Office's inquiries regarding the status of his/her Social Security Disability application or appeal. Failure to provide requested information shall be sufficient reason for the denial, suspension or discontinuance of benefits. In the case of any overpayment, the Plan's provisions for recovery of overpayments shall apply.

### **Change of Trustees Appointed by Employer Associations**

Effective July 1, 2017, John O'Hare of the Building Contractors Association accepted appointment to the Board of Trustees, replacing Paul J. O'Brien.

### **Questions?**

If you have questions for the Fund Office, please call the Member Services Department at (800) 529-FUND (3863), Monday through Thursday from 8:00 a.m. to 5:30 p.m. and Friday from 8:00 a.m. to 5:00 p.m.

<p>This SMM contains only highlights of certain features of the New York City District Council of Carpenters Pension Fund. Full details are contained in the Plan Document. The Board of Trustees reserves the right to terminate, suspend, reduce or otherwise modify benefits at any time.</p>
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