

SOUTHERN ALASKA CARPENTERS RETIREMENT PLAN CHANGES



August 18, 2014

Dear Northern Alaska Carpenters Retirement Plan Member,

You are receiving this letter because you are a participant in the Northern Alaska Carpenters Retirement Plan but you also have a vested benefit in the Southern Alaska Carpenters Retirement Plan.

Changes to Southern Plan

You may hear of some upcoming changes to the Southern Alaska Carpenters Retirement Plan for active members. As a courtesy, we wanted to let you know what's happening and assure you that **your Northern benefits are not affected** by these changes. The changes apply to **Southern** Alaska Carpenters only.

We also wanted to let you know about one change that could affect your vested Southern Alaska Carpenters Retirement Plan benefit.

New Benefit Formula Applies Only for Southern Alaska Carpenters Retirement Plan Hours Worked Beginning January 1, 2015

Beginning with hours worked January 1, 2015, Southern Alaska Carpenters Retirement Plan benefits will be earned under a new pension formula. **The benefit you earned on hours worked through December 31, 2014 is not changing.** If you return to work under the Southern Alaska Carpenters Retirement Plan, benefits earned on hours worked on or after January 1, 2015 will be under a new variable annuity pension benefit formula.

The new formula:

- Continues to provide lifelong income
- Offers potential for growth (during members' careers and during retirement) to help protect against the loss of buying power that comes with inflation
- Continues to have professionally managed investments
- Continues to protect participants from most downside investment risk.

Normal Retirement Age Change

Beginning January 1, 2015, the Southern Alaska Carpenters Retirement Plan's normal retirement age will be age 65 as long as you have 3 years of service – or, if later, your 5th anniversary. Normal retirement age is generally the age at which you can start receiving your full, unreduced benefit amount.

However, even though the normal retirement age has changed, you will still be able to retire at age 60 with unreduced benefits for your traditional benefit earned through December 31, 2014, exactly like you can now.

If you earn a variable annuity benefit for hours worked on or after January 1, 2015, those payments may be reduced if you start receiving them earlier than 65.

Questions?

Your benefits are secure. There is no change to your benefits as a result of the changes for active Southern Alaska Carpenters Retirement Plan members. If you come back to work under the Southern Alaska Carpenters Retirement Plan, the new formula will apply to your new benefits, but not those earned prior to January 1, 2015.

Again, these changes do **not** affect your Northern Alaska Carpenters Retirement Plan benefits.

If you have any questions, please contact the Administration Office at 907-561-7575 (toll-free 800-478-4431), option 2.

Board of Trustees Southern Alaska Carpenters Retirement Plan