

# ALASKA CARPENTERS TRUST FUNDS

March 15, 2024

## WE HEARD YOU – ALASKA CARPENTERS TRUST FUNDS ARE JOINING FORCES WITH SOUTHWEST CARPENTERS BENEFIT PLANS

Effective June 1, 2024, the Alaska Carpenters Trust Funds – Health and Welfare, Defined Benefit and Defined Contribution – are merging into the Southwest Carpenters Benefit Plans.

Why the change? Members told us that participating in the same plans as other members of the Western States Regional Council of Carpenters makes more sense – it would give members more flexibility, help stretch the dollars that go into benefits further, and enhance the long-term sustainability of benefits. We listened.

Starting June 1:

- **Expanded opportunities for work:** By merging plans, we're removing barriers to members who want to work anywhere within the Southwest Carpenters region that spans 12 states. You can go where the work is without the hassle of dealing with different benefit plans.
- **New benefits:** Your benefits will be provided under the rules and provisions of the Southwest Carpenters plans, and you will have new contacts for benefit information.

See below for a high-level look at what's happening with each type of benefit. You'll receive much more information in the coming weeks and months from the Carpenters Southwest Administrative Corporation or CSAC (the administrative office for the Southwest Carpenters plans).

In the meantime, nothing changes until June 1. You will continue to earn benefits and use them as you do now through May 31, 2024.

**Watch your mail and email!**

Want to understand how your new benefits work and how to access them? Be sure to watch your home mailbox and your email for the details from the Carpenters Southwest Administrative Corporation in the coming weeks and months.



## HEALTH AND WELFARE BENEFITS

There will be no change to eligibility requirements for health and welfare benefits, and your eligibility bank will be transferred to the Southwest plan as of June 1.

The Southwest Plan has a long-term disability benefit prior to eligibility for a Southwest pension. In some cases, the Southwest Plan extends Health & Welfare eligibility while a participant is disabled. More information will be provided by CSAC.

### What's Changing June 1

Medical and Prescriptions	Vision	Dental	Life and Accident	Accident and Sickness	Retiree Medical
On the whole, benefits are better under the Southwest plan and cost less  The Southwest plan has the same network of doctors and hospitals as the current plan	The vision network will continue to be VSP under Southwest plan, however benefits may be different	The dental network is different under the Southwest plan than the current plan  In-network benefits are comparable, but out-of-network benefits are lower under the Southwest plan	Life insurance and accident benefits are higher under the Southwest plan with larger insurance amounts.	No accident and sickness benefits for disabilities starting June 1, 2024 or later (the Southwest plan does not include accident and sickness benefits)	None – the Southwest plan does not include healthcare coverage for retirees. HRA available for non-Medicare eligible retirees.

## DEFINED BENEFIT PENSION

**Higher base pension benefit accrual:** If you participate in the defined benefit pension plan, starting with hours worked June 1, 2024, you will accrue pension benefits at a higher base rate than under the current plan. Currently, in the Southwest Carpenters Pension Plan if you work 1,800 hours in Covered Employment at an Average Contribution Rate of \$5.00 or more, your Benefit Accrual Rate will be \$200.00 per month at Normal Retirement Age (under Southwest rules). Compare that to \$106.35 for 1,800 hours at the current average contribution rate in the Southern Alaska Carpenters Retirement Plan, not taking account of increases to your variable benefit payment based on future investment returns.

**Changes to benefits earned through May 31, 2024:** After May 31, 2024, variable annuity pension plan benefits earned from January 1, 2015 through May 31, 2024 will adjust fully for both positive and negative investment returns. Previously, positive adjustments were limited to 8% per year. Going forward positive adjustments will not be limited, but there will not be shore up payments to retirees if the underlying benefit is less than the high water mark benefit. Watch for a more detailed explanation of these changes in the next few weeks.

If you want to begin receiving your Alaska Plan pension on or before June 1, 2024, you must file your application with the administrative office in Anchorage by April 15, 2024. After April 15, 2024, you will need to file your application for your Alaska pension with CSAC.

**Changes apply June 1, 2024 or later:** Nothing is changing through May 31, 2024, including the benefit and plan provisions you earn under the Southern Alaska Carpenters Retirement Plan through May 31, 2024. Your years of vesting service under the Alaska plan count toward the Southwest Carpenters Pension plan. When you retire, the benefit you earned through May 31, 2024 under the Alaska plan will be added to any benefit you earn June 1, 2024 and later under the newly combined Plan.

## DEFINED CONTRIBUTION PLAN

Effective June 1, 2024, employer contributions that are currently being made to the Alaska Carpenters Defined Contribution Trust Fund will be made to the Southwest Carpenters Annuity Fund instead. The investment options under the Southwest plan are different than the current plan, but include target date investment funds as well as a range of stock and fixed-income style investments. You will still be able to choose how your account is invested.

You can make changes to your contribution and investment elections until May 21<sup>st</sup>. After May 21<sup>st</sup>, you must wait until your account is set up under the Southwest plan. At the beginning of June, your account balance under the Alaska plan will be transferred to the Southwest plan and will initially be invested in a target date fund based on your age.

*Watch for more information from the Carpenters Southwest Administrative Corporation and Empower, the Southwest Plan's recordkeeper, with details about this transition, important deadlines, and your options under your new plan.*

## QUESTIONS?

If you have questions, contact the Alaska Carpenters Trust Funds Administrative Office at (907) 561-7575 or toll-free at (800) 478-4431. Starting June 1, 2024, you should contact CSAC for assistance at (213) 386-8590 or toll-free at (800) 293-1370 (Pacific Time Zone).

*This notice contains information about the Alaska Carpenters Trust Funds and the Southwest Carpenters Benefit Plans. Although we have made every effort to ensure this notice is accurate, provisions of the official plan documents will govern in case of any discrepancy.*

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