



IMPORTANT PARTICIPANT NOTICE

Elimination of Variable Pension Plan Design
Effective for Benefits Accrued on and after January 1, 2026

December 2025

Dear Participant:

This notice describes an important change to the benefits provided by the Mid-Atlantic Regional Council of Carpenters' Pension Fund (Fund). We encourage you to read this notice carefully and to keep it with your Summary Plan Description.

Background

Your Pension Plan is a defined benefit pension plan, meaning it provides you with a monthly benefit after you retire based on an established formula. This formula is a combination of two parts, the Legacy Pension Plan (LPP) formula for periods before January 1, 2020, and the Variable Pension Plan (VPP) formula for periods on and after January 1, 2020. They each calculate your benefit by applying a percentage multiplier (currently 1%) to benefit-bearing contributions payable on your behalf for Hours of Service in Covered Employment.

The amount of your LPP benefit is designed to remain the same throughout retirement. However, the amount of your VPP benefit may increase or decrease each year based on the investment return of the Plan's assets. Under the VPP formula, the amount of any such increase or decrease is determined by comparing the investment return to a 5% Hurdle Rate.

If the Plan's investment return is 5%, your VPP benefit will not change. If the return is below 5%, your VPP benefit will decrease. If the return is above 5%, your VPP benefit will increase, subject to a cap if the return exceeds 10.25%. This adjustment process is performed annually throughout your career and into retirement. This means that your entire VPP benefit may increase or decrease every year, while you are actively working and while receiving a pension.

Elimination of VPP and Return to LPP on January 1, 2026

The Trustees have amended the Plan to eliminate the VPP and return to the LPP for benefits accrued on or after January 1, 2026.

As a result, benefits earned during 2026 and beyond will not increase or decrease each year based on the investment return of the Plan's assets. Instead, the old LPP benefit design will apply moving forward, meaning that benefits earned during 2026 and beyond will remain the same during your career and throughout your retirement.

Benefits earned under the VPP from January 1, 2020 through December 31, 2025 will continue to adjust annually, either up or down, based on the Plan's investment return in relation to the 5% Hurdle Rate.

Consequently, your benefit formula will be the combination of three parts: (1) the LPP formula for service before January 1, 2020; (2) the VPP formula for service from January 1, 2020 through December 31, 2025; and (3) the LPP formula for service on and after January 1, 2026.

Importantly, this change only impacts whether future benefits will adjust based on the Plan's investment return. It does not affect your current accrual rate, which will remain 1% of benefit-bearing contributions.

Conclusion

Please refer to the following page of this notice for frequently asked questions, an example regarding the impact of the change summarized in this notice, and additional important information.

The Trustees believe that your pension plan plays an important role in your retirement security and are proud to be involved in its continued operation. As always, if you have any questions about this correspondence, or the Fund in general, please contact the Fund Office.

FREQUENTLY ASKED QUESTIONS

1. What is changing in the Pension Plan?

The Trustees have amended the Pension Plan to remove the Variable Pension Plan (VPP) adjustment component for benefits accrued on and after January 1, 2026. As a result, benefits earned during 2026 and beyond will not increase or decrease each year based on the investment return of the Plan's assets. Instead, the old LPP benefit design will apply moving forward, meaning that benefits earned during 2026 and beyond will remain the same during your career and throughout your retirement.

2. Why am I receiving this notice?

The notice describes an important change to your benefits. In addition, because future benefits will not increase when the Plan's investment performance exceeds the 5% Hurdle Rate, it can be considered a prospective reduction to the rate of future benefit accrual, so the Fund is required to notify you under the Employee Retirement Income Security Act of 1974, as amended (ERISA).

3. What happens to the benefits I've already earned under the VPP?

Benefits earned under the VPP from January 1, 2020, through December 31, 2025, will continue to adjust annually, either up or down, based on the Plan's investment return in relation to the 5% Hurdle Rate.

4. Will the benefits I accrue in the future be reduced if investment returns are below the 5% Hurdle Rate?

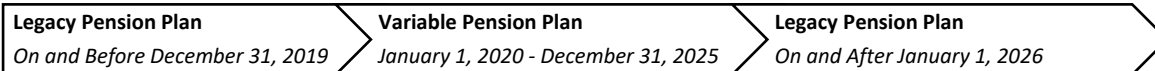
No. Starting January 1, 2026, benefits accrued on and after that date cannot be reduced due to poor investment performance.

5. Does this change my current benefit accrual rate?

No. Your accrual rate remains 1% of benefit-bearing contributions.

6. What is the formula for my entire benefit?

Your benefit formula will be the combination of three parts: (1) the LPP formula for service before January 1, 2020; (2) the VPP formula for service from January 1, 2020 – December 31, 2025; and (3) the LPP formula for service on and after January 1, 2026.



EXAMPLE

- Assume that your LPP benefit through December 31, 2019 is \$300, your VPP benefit from January 1, 2020 through December 31, 2025 is \$150, you earn \$30 towards your pension benefit during 2026, and you do not work during 2027.
- Further assume that the Plan's investment return during 2025 is 5% (meaning that your VPP benefit will stay the same for the adjustment effective January 1, 2027), and the return during 2026 is 10.25%.
- Under the old rules –
 - The \$30 earned towards your pension benefit during 2026 will be added to your VPP benefit of \$150, for a total VPP benefit of \$180. The VPP benefit will then be adjusted based on the Plan's investment return for 2026 of 10.25%. The adjustment factor based on this return is 1.05 $((1 + 0.1025 \text{ Market Value Return}) \div 1.05 \text{ Hurdle Rate} = 1.05 \text{ Adjustment Factor})$.
 - Applying this adjustment factor results in a new VPP benefit of \$189 $(\$180 \times 1.05 \text{ Adjustment Factor} = \$189)$, meaning that your total pension benefit effective January 1, 2028 will be **\$489** $(\$300 \text{ LPP Benefit} + \$189 \text{ VPP Benefit} = \$489)$.
- Under the new rules –
 - The \$30 earned towards your pension benefit during 2026 will be added to your LPP benefit of \$300, for a total LPP benefit of \$330. Your VPP benefit of \$150 will be adjusted by the 1.05 Adjustment Factor for a resulting VPP benefit of \$157.50, meaning that your total pension benefit effective January 1, 2028 will be **\$487.50** $(\$330 \text{ LPP Benefit} + \$157.50 \text{ VPP Benefit} = \$487.50)$.
 - Using the assumptions in this example, your benefit will be lower under the new rules than it would be under the old rules because the pension benefit you earned during 2026 will not increase based on the Plan's favorable investment performance.
- Please bear in mind, however, that in the case of an investment return that is lower than the 5% Hurdle Rate, your benefit will be higher under the new rules than it would be under the old rules, because the pension benefit you earned during 2026 will not decrease based on the Plan's poor investment performance.

ADDITIONAL IMPORTANT INFORMATION

- This notice is intended to serve as both a Summary of Material Modifications (SMM) and a notice issued pursuant to Section 204(h) of ERISA. It addresses the impact of an amendment to the Plan's benefit provisions, explains how future benefits will not increase based on favorable investment performance, and is intended to comply with the requirements of federal law and regulation.
- We have tried to write this SMM in clear, understandable, and informal language. However, you should refer to the official Plan document for more information about your benefits. In the event of any discrepancy between the information in this SMM and the Plan document, the Plan document, as interpreted and applied by the Trustees in their sole and exclusive discretion, will govern.
- Aside from the fact that the provisions of the Plan document shall govern, control, and prevail in all instances, the English language version of this SMM is considered the official text of this SMM, even if it is translated into another language.