

# INTERMOUNTAIN IRONWORKER'S TRUST FUND

Pension  
Health and Welfare  
Tax Deferral

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May 12, 2016

**TO: Plan Participants**  
**Intermountain Ironworkers Pension Trust Fund**

**CC: Contributing Employers**  
**Employee Organizations**

**RE: Notice Regarding Plan Amendment Reducing Future Benefit Accruals**

Over time, the Intermountain Ironworkers Pension Trust Fund (“Plan”) attempts to achieve a certain level of funding in order to help support its obligations. To this end, the Board of Trustees previously amended the Plan in 2009 to designate a portion of hourly contributions made by contributing employers to the Trust Fund as “Supplemental Contributions,” which are not taken into account for benefit accrual purposes but are instead used to strengthen the Plan’s funding status.

Under current Plan provisions, a payment is a Supplemental Contribution to the extent it is attributable to an increase in a contributing employer’s hourly contribution rate to the Trust Fund that is first effective on or after June 1, 2009 (or what would have been the employer’s hourly contribution rate to the Trust Fund in effect on June 1, 2009 had the employer been a contributing employer at that time) with a maximum Supplemental Contribution amount of \$1.00 per hour. With respect to amounts received by the Trust Fund on an employee’s behalf from another Ironworkers pension plan under the concept of “money follows the man” reciprocity, \$1.00 per hour of such contributions are considered Supplemental Contributions that are disregarded for benefit accrual purposes. Supplemental Contributions made by a contributing employer to the Trust Fund are not eligible for transfer to another Ironworkers pension plan under money follows the man reciprocity.

The Trustees have determined that a further change is needed to strengthen the Plan’s funding status. Accordingly, effective for Plan Years beginning on or after June 1, 2016, the Trustees have approved a Plan amendment designating an additional \$0.50 per hour (\$1.50 per hour total) of all contributions as Supplemental Contributions. As before, these Supplemental Contributions will be used for the purpose of improving the funding level and financial measures of the Plan and will not earn benefits.

***Current Plan Provision – Impact of Supplemental Contributions on Regular Pension Benefits:*** As noted above, currently a payment is a Supplemental Contribution to the extent it is attributable to an increase in a contributing employer’s hourly contribution rate to the Trust Fund that is first effective on or after June 1, 2009, with a maximum Supplemental Contribution amount of \$1.00 per hour.

*Example:* Assume that an employer's contribution rate is currently \$5.75 per hour, with \$1.00 per hour of such contribution being a Supplemental Contribution. In this example, the monthly Regular Pension benefit earned by a participant who works 2,000 covered hours for this employer during a plan year would be calculated as follows:  $2,000 \text{ hours} \times \$4.75 \times 1.0\% = \$95.00$ . No additional Regular Pension benefits would be earned on the \$1.00 per hour of Supplemental Contributions, which go solely towards improving the funding of the Plan.

***Amended Plan Provisions – Impact of Supplemental Contributions on Regular Pension Benefits:*** Under the Plan amendment adopted by the Trustees, effective for Plan Years beginning on or after June 1, 2016, \$1.50 per hour of contributions made by a contributing employer to the Trust Fund are Supplemental Contributions.

*Example:* Assume that the contribution rate of the employer in the first example remains at \$5.75 per hour during the Plan Year beginning on June 1, 2016; however, now \$1.50 per hour (instead of \$1.00 per hour) of such contribution is a Supplemental Contribution. In this example, the monthly Regular Pension benefit earned by a participant who works 2,000 covered hours for this employer during the plan year beginning on June 1, 2016 would be calculated as follows:  $2,000 \text{ hours} \times \$4.25 \times 1.0\% = \$85.00$ . No additional Regular Pension benefits would be earned on the \$1.50 per hour of Supplemental Contributions, which go solely towards improving the funding of the Plan.

**This change is prospective only.** It does not affect the monthly retirement benefits you earned based upon hours worked prior to June 1, 2016, or if you are a retiree, the benefits that you are currently receiving.

Sincerely,

BOARD OF TRUSTEES

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This notice is provided in accordance with Section 204(h) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and Section 4980F of the Internal Revenue Code of 1986, as amended. This notice also constitutes a summary of material modifications ("SMM") to your current Summary Plan Description booklet (the 2015 Edition).