

Cement Masons & Plasterers Trust Funds

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Administered by
Welfare & Pension Administration Service, Inc.

Retirement Benefit Changes FAQs

Effective January 1, 2023

What retirement benefits were changed?

There were two major changes to retirement benefits starting in 2023:

- **First**, the defined benefit formula in the Retirement Plan was enhanced by providing a variable benefit feature to the existing formula. Because those who are closer to retirement will have less time for their variable pension benefit to grow with good investment returns, we've added transition benefits, which are enhanced benefit accruals for the years 2023 through 2027 for those closer to retirement with longer service.
- **Second**, for Washington active participants in the Retirement Plan, future contributions to the Individual Account stopped and were replaced with higher contributions to a new 401(k) Plan.
- **Third**, for Alaska active participants, beginning with April 2023 work hours, you will receive employer contributions into the new 401(k) plan.

Also, notably, the special early retirement benefit will be easier to attain for some that retire after 2022. Beginning with retirements on or after January 1, 2023, you no longer have to earn 3 years of service in the 5 years before your retirement. Finally, because of the change in Plan year, service crediting thresholds were reduced for the short Plan year from April 1, 2022 through December 31, 2022. Other benefits remain unchanged.

401(k) Plan

Are the contributions mine?

Yes, all contributions made to the new Cement Masons and Plasterers 401(k) Plan are yours, and you're 100% vested immediately.

How do I contribute my own money to the 401(k)?

You are allowed to contribute up to \$8 per hour to the 401(k) in \$1 increments. If you're over age 50 by the end of the year you are contributing, you can elect to contribute up to \$10 per hour. You can start or change your own contribution election during Open Enrollment each November or you can change it to \$0 at any time. Your election will remain the same until you change it as long as you are receiving employer contributions.

How do I register my account?

In January, if you are a Washington participant you should have received a letter from Milliman with your temporary PIN. If you are an Alaska participant, you will receive one shortly after your employer contributions are received at Milliman. Have that PIN handy and go to MillimanBenefits.com, then click on the "Register" button. You'll need to enter your Social Security Number and a few other details, including your PIN, to set up your account. As part of this process, you'll set up a username and password.

Once your account is registered, you can use either the Milliman app or the website to log in and manage your account.

How do I access my account using the app?

First, register your account online and set up a username and password (see above). Download the Milliman Mobile Benefits app from the App Store or Google Play. The Milliman app will not work until you register your account.

When will I see my account info online or in the app?

Information about your account will be updated daily. You will be able to monitor your investments and request transactions at any time. Milliman will summarize your activity in a quarterly statement that will be provided electronically or mailed to you (if you prefer), depending on your contact information on file.

When will contributions be deposited in my account?

Each month you will earn employer contributions and be credited with any employee contributions based on your hours worked and the applicable contribution rates. Contributions will be paid to the Plan the following month and deposited to your account. As an example, if you work during the month of April, your employer is required to pay your benefit contributions (along with all your other fringe benefits) to the Plan administration office by the 15th business day of May (the following month). The Plan administration office will then submit all Plan contributions to the recordkeeper (Milliman) at the end of May or the beginning of the next month, June, in this example.

How do I choose my investments?

Once you set up your account with Milliman at millimanbenefits.com, you can sign in to either the app or the website to choose your investment options – click on Account Details at the top of the landing page. Then, under “Investments” on the left-hand panel, click “Change Investments.” (If you do nothing, your default investment will be invested in a Vanguard Target Date Fund based on your expected retirement age of 60).

You have two main choices:

- A hands-free strategy that leaves the asset allocation to the experts – the Vanguard Target Date Funds.
- A do-it-yourself approach – you create your own custom mix from a well-diversified set of options designated by the Fund.

You can change your investment choices any day that the U.S. stock markets are open. Certain funds may put limits on how long you need to stay in that particular investment before you can move your money. But, for the most part, you can change as frequently as you want. Keep in mind, it’s generally best for your long-term results not to change too often.

You can learn more about each of your investment options, plus find a wealth of investment education resources, on the Milliman app or website.

How do I make sure my loved ones get my account if I died unexpectedly?

Make sure you designate the individuals or entities that you want to receive your account balance in the event of your death (within Plan guidelines). To name or update your beneficiary, visit the Trust website cementmasonstrust.com and download an Enrollment/Beneficiary Form or contact the Trust Office at (877) 367-0528 and one will be mailed to you. If you don’t designate a beneficiary, the Plan has set rules determining who gets your account in the event of your death.

What is the Plan Code I need if I forget my username or password?

The Plan Code for the Cement Masons and Plasterers 401(k) Trust is 221WCM. If you forget your username and password, you may need to provide this code to a Milliman Benefits Service Center representative (and answer other security questions) to access your account.

Who do I call if I need help with my 401(k) account?

Contact the Milliman Benefits Service Center at (866) 767-1212 or use Web Chat on MillimanBenefits.com. In January, representatives will be offering extended operating hours: Monday through Friday from 5 a.m. to 7 p.m. Pacific time. After January 2023, representatives in the Milliman Benefits Service Center will resume their normal

hours of operation: Monday through Friday from 5 a.m. to 5 p.m. Pacific time.

Retirement Plan

Is the variable pension benefit a defined benefit pension?

Yes, the new variable pension benefit formula is a defined benefit pension that provides lifetime income to you in the Retirement Plan.

Is the pension benefit I accrue each year changing?

Assuming you work the same number of hours during the year at the same contribution rate, the dollar amount that you will accrue starting in 2023 will remain the same under the variable pension as the pre-2023 formula (both based on 1.7% of your accruing defined benefit contributions). Unlike the legacy benefit formula, variable pension benefits have the potential to grow over time:

- Investment returns above 5% automatically increase variable benefits. If the return is less than 5%, variable benefits go down. But over the long term, returns on average are expected to be higher than 5%.
- The Plan has a “rainy day” fund called a reserve that, if sufficient, may be used by the Trustees to avoid decreases in benefit payments in years when investments return less than 5%.
- If the reserve becomes larger than needed, additional benefit improvements could be made.

In Washington, the portion of employer contributions that were previously credited your Individual Account in the Pension Plan will now go into your new 401(k) Plan.

Do I still have Individual Account benefits?

Yes, you will still have an Individual Account in the Retirement Plan if you worked in Washington prior to 2023 and are or become vested in those benefits; otherwise, no. In Washington, the portion of employer contributions that were previously credited to your Individual Account in the Retirement Plan will now go into your new 401(k) Plan. The account you have will continue to earn 1.5% interest each quarter and vesting credit for your hours worked—there just won’t be any new contributions to it.

Am I eligible for a transition benefit?

Whether or not you are eligible for the transition benefit depends on your years of Credited Future Service as of Jan. 1, 2023. The standard accrual rate is 1.70%. If eligible, the transition benefit provides a higher accrual rate for the years 2023 through 2027:

Under 15 years of Credited Future Service as of Jan. 1, 2023	At least 15 (but less than 20) years of Credited Future Service as of Jan. 1, 2023	At least 20 years of Credited Future Service as of Jan. 1, 2023
1.70% x Accruing Contribution Rate x Hours	2.00% x Accruing Contribution Rate x Hours through Dec. 31, 2027 Then... 1.70% x Accruing Contribution Rate x Hours worked after Dec. 31, 2027	2.25% x Accruing Contribution Rate x Hours through Dec. 31, 2027 Then... 1.70% x Accruing Contribution Rate x Hours worked after Dec. 31, 2027

The transition benefit applies only to hours worked through Dec. 31, 2027. For hours worked Jan. 1, 2028 and later, your accrual rate returns to the standard formula (currently 1.7% x Accruing Contribution Rate x Hours).

Do I get the transition benefit for as long as I work in the Plan?

No. The transition benefit applies only to hours worked through Dec. 31, 2027. For hours worked Jan. 1, 2028 and later, your accrual rate returns to the standard formula.

Why was this change made?

The changes we're making mean that going forward the Plan will "buy" benefits that it can afford based on the Plan's actual investment results — as opposed to promising benefits based on an educated guess about future investment returns, and then putting active members on the hook for making up the difference when investment returns don't meet the assumption. We don't want you to spend your career paying for someone else's benefit. As a result, variable benefits earned starting in 2023 will be fully funded. Over time, as variable pension benefits become a larger portion of the Plan's total benefits, the Plan as a whole will be more securely funded.

Does moving to the variable pension formula secure the "old" benefits?

Variable pension benefits are designed to stay funded in all market conditions, so the new design will not add to the risk of underfunding.

But, changing the benefits going forward won't immediately protect the funding for the legacy benefits that have already been earned. Over the long-term, the variable pension portion of the Plan will become larger, and the legacy portion of the Plan will become smaller, providing more protection for the Plan's funding status as a whole.

What is the "hurdle rate"?

The "hurdle rate" is the annual investment return for the Plan that results in the variable pension benefit remaining the same as in the prior year.

The Plan's hurdle rate is 5%. So, if the Plan's investments return 5% in a year, the variable pension benefits — those earned after 2022 — stay the same as the prior year. If the Plan's investments return more than 5%, benefits increase.

Plan's investment return	Benefits go UP approximately
6%	1%
8%	3%
10%	5%
12%	6%
14%	7%
16%	8%

When returns are high, a portion of the investment earnings goes to help build a reserve established to protect benefit payments from being reduced under the variable formula. Returns from 5.0% through 11.3% all go to increasing benefits. The portion of a return that is above 11.3% is shared 50/50 — half to increasing benefits, half to building reserves for the future.

If the Plan's investments return less than the 5% hurdle rate, the underlying variable pension benefits decrease, but the Plan's reserve may be used to keep the benefit payments level for the year (in other words, "shore up" the benefit).

Can I add my own money to the Plan?

No. Just like before this change, the Retirement Plan does not allow for participant contributions. However, you can contribute to the new 401(k) Plan when eligible.

Can I pick my own asset allocation?

No, not in the Retirement Plan. The Trustees work with the investment advisor to determine the best asset allocation for the Retirement Plan, balancing growth of assets and preservation of capital.

However, you may choose your investments for your account in the new 401(k) plan from a variety of options.

Can I still protect my spouse with my retirement benefit?

Yes, pre-retirement death benefit and the forms of payments have not changed. So, you can still choose a benefit option at retirement that provides for your spouse after your death. Alternatively, with your spouse's consent, you can elect a benefit that is paid for just your lifetime or for your lifetime and to a surviving non-spouse beneficiary following your death. Also, if you die before retirement and are vested, the Retirement Plan will still provide retirement income to your surviving or alternatively to your surviving beneficiary(ies).

Do I have to do anything special when I retire with two types of pension benefits (a legacy pension benefit and a variable pension benefit)?

No, the retirement process remains the same in the Retirement Plan. When you retire, you'll receive your legacy pre-2023 pension benefit plus any variable pension benefit you have earned. These benefits will be calculated separately then added together for your total monthly benefit. The legacy portion of the benefit you receive will remain fixed throughout your retirement, but the variable portion will be adjusted once a year based on the Plan's actual investment return results versus the hurdle rate. Adjustments to the variable portion will be communicated in advance so you can make plans in the unlikely scenario that benefit payments temporarily decrease.

In addition, at retirement you'll make a decision on how to receive your individual account balance service earned in Washington prior to 2023; whether to add it to the legacy portion of your monthly benefit, or to receive it as a lump sum at retirement. As before, at retirement, you will need to elect one payment form for the total monthly benefits you will receive from the Retirement Plan.

Note that you'll have separate forms and decisions to make with your 401(k) when you retire (as it's a separate plan).

General

Where can I get more information about the retirement changes?

Visit <https://www.cementmasonstrust.com/variable-pension-benefits> for materials and videos the Trust has prepared to help you understand the changes to the Retirement Plan.