

Cement Masons & Plasterers Trust Funds

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Administered by
Welfare & Pension Administration Service, Inc.

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CEMENT MASONS AND PLASTERERS RETIREMENT PLAN

Variable Pension Benefit Update

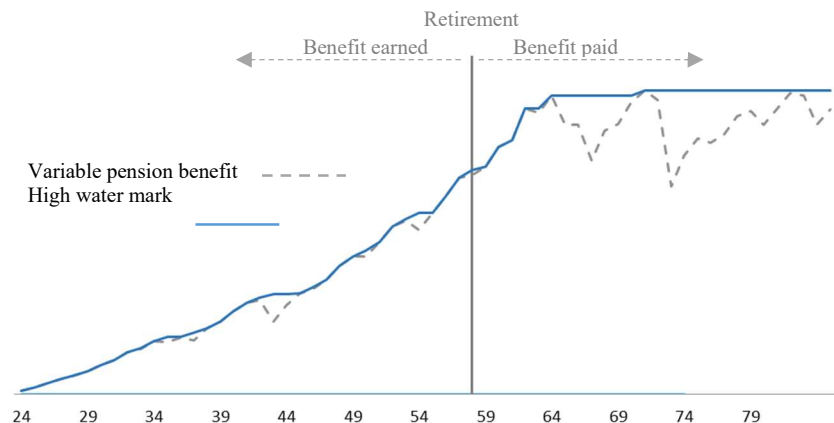
[Good News! The Variable Pension Benefit Is Already Growing](#)

Beginning January 1, 2023, participants started earning benefits under the new variable pension benefit formula. The first annual adjustment will happen on May 1, 2024, based on the Plan's 2023 calendar year investment return. We're pleased to report that the Plan's investments did well in 2023 — a 10.42% return for the year. That means:

On May 1, the variable pension benefit you accrued through December 31, 2023 will automatically increase.

[Here's how it works:](#)

The Plan has a hurdle rate of 5%. When the Plan's investment return is more than 5%, your variable pension benefit will automatically increase. When the Plan's investment returns are less than 5%, variable pension benefits go down. The Plan maintains a reserve that can be used to preserve retiree benefits at their highest variable pension benefit amount (or "high-water mark" – the solid blue line in the chart). As a reminder, benefits earned prior to 2023 are not subject to the variable benefit adjustment and are unchanged.



The May 1, 2024 adjustment is based on the Plan's investment return for the 2023 calendar year, which was 10.42%, so the variable pension benefit percent increase for the 2023 calendar year is 5.1619%. The calculation to determine the percent increase is:

$$\frac{(1 + 10.42\%)}{(1 + 5\%)} - 1 = 5.1619\%$$

[For Example](#)

Let's say you worked 1,800 hours during 2023 in Washington as a cement mason with 800 hours before and 1,000 hours after the June 1 contribution rate increase from \$5.17 to \$5.47. Your benefit accrual would be:

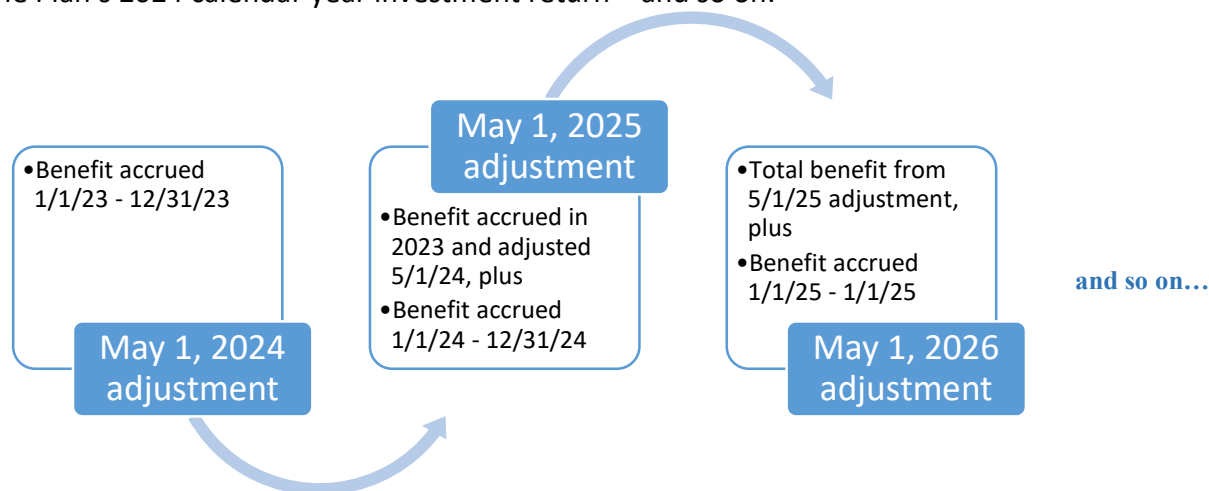
800 Hours Jan 1-May 31 @ \$5.17	1,000 Hours June 1 – Dec 31 @		
	\$5.47	+	= \$163.30
$(1.70\% * \$5.17 * 800) = \70.31	$(1.70\% * \$5.47 * 1,000) = \92.99		

On May 1, your benefit would increase to $\$163.30 \times 1.051619 = \171.73

**As a reminder, because those who are closer to retirement have less time for their variable pension benefit to grow with good investment returns, anyone who had at least 15 years of Credited Future Service as of January 1, 2023 will have a higher benefit accrual rate for hours worked through December 31, 2027 (after which the benefit rate will return to 1.70%).*

Looking ahead

Your 2024 accrual will be added to your adjusted 2023 benefit amount. On May 1, 2025, that total variable pension benefit (the adjusted benefit from 2023 plus the new accrual during 2024) will be adjusted based on the Plan's 2024 calendar year investment return – and so on.



When you retire, you'll get your pre-2023 legacy benefit (which is a fixed amount) plus any variable pension benefit you earned January 1, 2023 and later.

Keep in mind, the Plan won't always get 10%+ investment returns. Some years the adjustment will go the other way. But, the variable pension benefit is expected to increase over the long term. Plus, 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 to retirees and beneficiaries in years when investments return less than 5%.

If You Retired After January 2023

If you retired after January 2023, keep in mind that it's only the portion of your benefit earned in 2023 under the variable pension formula that is increasing. If you earned any variable benefits in 2024, those benefits will not adjust until next year. The portion of your benefit earned through December 31, 2022 is fixed. The variable pension is likely a small part of your total benefit payment, but you will see an increase as of May 1.

Want to Know More?

To learn more about how the variable pension benefit works, visit the Trust website at <https://www.cementmasonstrust.com/variable-pension-benefits>. Also, watch for an updated Summary Plan Description this summer.

In the meantime, if you have any questions, please contact the Trust Office at (877) 367-0528.