



**SUMMARY OF MATERIAL MODIFICATIONS
TO THE
PIPE TRADES SERVICES MN PENSION FUND**

The Board of Trustees of the Pipe Trades Services MN Pension Fund (“**Pension Fund**”) has amended the Pension Fund to comply with various qualification requirements under the Internal Revenue Code as required under Treas. Reg. § 1.401(b)-1 following the receipt of its favorable determination letter from the Internal Revenue Service dated September 19, 2024. The Trustees have further amended the Pension Fund effective October 30, 2024 to comply with changes in the law.

I. Amendments Effective as of April 1, 2020.

The following changes are effective as of the date of the restatement of the Pension Fund’s written Plan Document on April 1, 2020:

1. **Table of Contents.** The Table of Contents has been deleted in its entirety and replaced with an amended Table of Contents that reflects the changes described in this Summary of Material Modifications.
2. **Specifying Plan Type in Introduction.** A second sentence has been added to the first paragraph of the “Introduction” section which states as follows:

The Pipe Trades Services MN Pension Fund is a multiemployer defined benefit retirement plan.

3. **Clarifying Assumption for Actuarial Present Value.** Subsection 1.02(b)(ii) has been deleted in its entirety and replaced with the following paragraph:

Benefits earned on or after April 1, 2020, will be determined using the “applicable mortality table” under Code § 417(e)(3). Benefits will be projected forward between the Annuity Starting Date and the Normal Retirement Age using the “applicable interest rate” as specified by the Commissioner of Internal Revenue for the second full calendar month preceding the first day of the Plan Year containing the date of distribution pursuant to Code § 417(e)(3)(A) as amended by the Retirement Protection Act of 1994 and the Plan’s Hurdle Rate. Payouts then shall be discounted using the same “applicable interest rate”. The effective interest rate of these calculations is equal to the Plan’s Hurdle Rate.

4. **Collective Bargaining Agreement Definition.** The following sentence has been added to the end of Section 1.06 (“Collective Bargaining Agreement, Agreement, Participation Agreement or Reciprocity Agreement”):

Excerpts from the applicable Collective Bargaining Agreements are provided in Appendix A (“Collective Bargaining Agreement Provisions”).



PIPE TRADES SERVICES MN

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Such provisions related to the type of work performed by Employees,

Employer's Contribution obligations, and the calculation of certain work hours (e.g., overtime, holiday, etc.). Appendix A will be updated as new Collective Bargaining Agreements are executed and become available. Copies of each Collective Bargaining Agreement are available from the Fund Office.

5. **Definition of High Water Mark Benefit.** Section 1.19 ("High Water Mark Benefit"), including the heading, has been deleted in its entirety and replaced with the following:

[RESERVED]

6. **Definition of Shore-up Payments.** Section 1.37 ("Shore-up Payment"), including the heading, has been deleted in its entirety and replaced with the following:

[RESERVED]

7. **Specifying Expenses for SIP Investment Return.** The last sentence of Section 1.41 ("SIP Investment Return") beginning with the phrase, "The SIP Investment Return will be net of fees and expenses" has been deleted in its entirety.

8. **Definition of Stabilization Reserve.** Section 1.46 ("Stabilization Reserve"), including the heading, has been deleted in its entirety and replaced with the following:

[RESERVED]

9. **Additional Revision for Shore-Up Payments.** Section 3.06 ("Shore-Up Payments for SIP Benefits"), including the heading, has been deleted in its entirety and replaced with the following:

[RESERVED]

10. **General Provisions for Optional Forms of Benefit.** The first paragraph of Section 5.01 ("General") has been replaced in its entirety with the following:

A Participant's election of a form of benefit is irrevocable and applies to any additional accruals after benefits have commenced. A retiring Participant shall be advised by the Fund Office of the effect of the available benefit options by comparing the Single Life Annuity, the 50% Qualified Joint and Survivor Annuity (i.e., the 50% Joint and Survivor Pension), the Qualified Optional Survivor Annuity (i.e., the 75% Joint and Survivor Pension), and the 100% Joint and Survivor Pension.

11. **Single Life Annuity.** The following sentence has been added to Section 5.02 ("Single Life Annuity") as the first sentence:

The normal form of benefit for an unmarried Participant is a Single Life Annuity.

12. **Qualified Joint and Survivor Annuity.** Section 5.03 ("Qualified Joint and Survivor Annuity") has been replaced in its entirety with the following:

The normal form of benefit for a married Participant is a 50% Qualified Joint and Survivor Annuity (i.e., the 50% Joint and Survivor Pension). A Qualified Joint and Survivor Annuity pays a benefit to the Participant for

the Participant's lifetime. When the Participant dies, benefits will continue to be paid to the Participant's Qualified Spouse, if living, until the Qualified Spouse's death. Payment of the 50% Qualified Joint and Survivor Annuity will commence immediately upon satisfaction of the applicable eligibility requirements of Article 4 ("Pension Eligibility and Amounts") and the application requirement described in Section 8.01 ("Applications").

Alternatively, married Participants may elect the "Qualified Optional Survivor Annuity" as defined under Code § 417(g) (i.e., the 75% Joint and Survivor Pension), or the 100% Joint and Survivor Pension. The 75% Joint and Survivor Pension and the 100% Joint and Survivor Pension are paid on the same basis, at the same time, and in the same manner as the 50% Qualified Joint and Survivor Annuity.

If the Participant and Spouse were divorced after being married for at least one year and the former Spouse is required to be treated as a Spouse or surviving Spouse under a Qualified Domestic Relations Order, that individual is a Qualified Spouse as provided under ERISA § 206(d)(3) or Code § 414(p).

13. **Rollover Distribution of Death Benefits.** Section 6.04 ("Direct Rollovers on or after January 1, 1993") has been replaced in its entirety with the following:

Section 6.04 Rollover of Death Benefit

On or after January 1, 1993, a Spouse or non-Spouse Beneficiary may elect to rollover the Death Benefit into an eligible retirement plan in accordance with the provisions of Code § 401(a)(31).

On or after April 1, 2010, a non-Spouse Beneficiary may elect to rollover any portion of the Death Benefit to an inherited IRA of the non-Spouse Beneficiary in accordance with the provisions of Code § 402(c)(11).

14. **Benefits Payable Upon Death During Qualified Military Service.** A new Section 6.05 has been added to the Plan Document which provides:

Section 6.05 Death Benefits Upon Death During Qualified Military Service

If a Participant dies while performing qualified military service (as defined in Code § 414(u)) on or after January 1, 2007, the Participant's Beneficiaries are entitled to any additional benefits (other than Pension Credits relating to the period of qualified military service) provided under the Fund had the Participant resumed Covered Employment and then died. This Section will be administered consistent with Code § 401(a)(37).

15. **Suspensions of Benefits Before Normal Retirement Age.** The following sentence has been added to the final paragraph of Section 9.01(a) ("Before Normal Retirement Age"):

However, any additional suspension of benefits under this paragraph will not apply to any benefits payable once the Pensioner attains Normal Retirement Age.

16. **Section 11.16 (“Quasi-Forfeiture of Benefits”)** has been deleted in its entirety and replaced with the following:

Section 11.16 Quasi-Forfeiture of Benefits

If the Fund Office determines that a Participant, Beneficiary or alternate payee is missing when a distribution is required to be made under the terms of the Plan Document or by law, the amount payable will be forfeited to the Fund. A Participant, Beneficiary or alternate payee will be treated as missing consistent with the missing participant policy and procedures adopted by the Trustees. Under no circumstances will a Participant, Beneficiary or alternate payee be considered missing unless a diligent search has been conducted. A diligent search includes, at a minimum, all of the following steps:

- A search for alternate contact information (address, telephone or email) maintained by the Fund, a related benefit Plan, employers, local unions and publicly available records or directories;
- Use of a commercial locator service, a credit reporting agency or a proprietary internet search tool for locating individuals; and
- The mailing of a contact letter sent by the United States Postal Service via certified mail to the last known address and to any other alternate address found.

Any amounts required to be paid under Section 8.05 (“Mandatory Commencement of Benefits”) to a missing Participant, Beneficiary or alternate payee will be forfeited prior to the applicable Required Beginning Date.

Amounts forfeited to the Fund will be used in the same manner and for the same purposes as all other plan assets held by the Fund including, but not limited to the payment of the necessary and reasonable operating expenses of the Fund and any benefit amounts owed.

If a missing Participant, Beneficiary or alternate payee is located or requests a distribution after the forfeiture has occurred, only the amount forfeited will be restored to such person. Such person will not be entitled to any interest or earnings on the forfeited amount that may have accrued between the date of forfeiture and the restoration of benefits. However, such forfeiture will not affect any right to an actuarial increase as provided under Section 8.04 (“Late Retirements”).

17. **Collective Bargaining Agreement Provisions.** Appendix A (“Collective Bargaining Agreement Provisions”), has been amended to include excerpts from the current collective bargaining agreements.

II. Amendments Effective as of April 1, 2024

Effective April 1, 2024, Section 3.06 [RESERVED] has been deleted in its entirety and replaced with the following:

Section 3.06 Benefit Increases

The Trustees have approved the following benefit increases:

(a) 2023-24 Plan Year

Effective April 1, 2023, a gratuitous post-retirement benefit increase has been authorized for Pensioners and Beneficiaries entitled to monthly payments of SIP Benefits for the Plan Year beginning April 1, 2023 and ending March 31, 2024 (the "2023-24 Plan Year"). This benefit increase for the 2023-24 Plan Year is calculated for each payee as the difference (if any) between:

- (1) The SIP Benefit amount payable as of any date during the 2023-24 Plan Year; and
- (2) The highest SIP Benefit amount that is payable as of any other date.

(b) 2024-25 Plan Year

Effective April 1, 2024, a gratuitous post-retirement benefit increase has been authorized for Pensioners and Beneficiaries entitled to monthly payments of SIP Benefits for the Plan Year beginning April 1, 2024 and ending March 31, 2025 (the "2024-25 Plan Year"). This benefit increase for the 2024-25 Plan Year is calculated for each payee as the difference (if any) between:

- (1) The SIP Benefit amount payable as of any date during the 2024-25 Plan Year; and
- (2) The highest SIP Benefit amount that is payable as of any other date.

III. Amendments Effective as of October 30, 2024

1. Section 1.34 ("Required Beginning Date") has been deleted in its entirety and replaced with the following:

Section 1.34 Required Beginning Date

"Required Beginning Date" means April 1 of the calendar year following the later of the calendar year in which the Participant: (1) reaches his or her "Applicable Age", and (2) retires. For 5% owners, the Required Beginning Date is April 1 of the calendar year following the calendar year in which the Participant reaches his or her Applicable Age.

An individual's Applicable Age depends on the individual's date of birth.

- In the case of an individual born prior to July 1, 1949, the Applicable Age is 70 ½.
- In the case of an individual who is born on or after July 1, 1949, and before January 1, 1951, the Applicable Age is 72.
- In the case of an individual who is born on or after January 1, 1951, but before January 1, 1960, the Applicable Age is 73.
- In the case of an individual who is born on or after January 1, 1960, the Applicable Age is 75.

A Participant will be treated as a 5% owner if such Participant is a 5% owner as defined in Code § 416 at any time during the Plan Year ending with or within the calendar year in which such owner attains his or her Applicable Age. Distributions to a 5% owner must continue to be distributed, even if the Participant ceases to be a 5% owner in a subsequent year.

2. Section 8.05 (“Mandatory Commencement of Benefits”) is amended to include the following as the last sentence of the last paragraph:

All distributions made pursuant to this Section are intended to comply with the requirements of Code § 401(a)(9).

3. The level of accrued benefits required for purposes of the mandatory distribution rules is increasing from \$5,000 to \$7,000. This change is reflected in the following Sections:
 - Section 8.05 (“Mandatory Commencement of Benefits”)
 - Section 8.09 (“Force Out of Benefits”); and
 - Section 15.04 (“Highly Compensated Employees”).

This SMM merely summarizes the amendments to the Pipe Trades Services MN Pension Fund for your convenience. Your benefits are determined in accordance with the Pension Fund’s written Plan Document. Copies of the amendment are available by logging into www.ptsmn.org or by calling the Fund Office. Contact the Fund Office at (651) 645-4540 if you have any questions.