

ALASKA LABORERS TRUSTS

Alaska Laborers-Employers Retirement Fund

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Administered by
Labor Trust Services, Inc.

October 28, 2021

**To: All Plan Participants of the
Alaska Laborers-Employers Retirement Fund**

RE: Return to Work Rule, Definition of Active/Inactive Participants

This Summary of Material Modifications (SMM) is to advise you of recent amendments to the Alaska Laborers-Employers Retirement Fund (“Fund”) and the 2020 – 2021 Rehabilitation Plan.

This SMM is an update to the Plan’s Summary Plan Description (SPD) and describes how the amendments may affect your rights under the Plan. This SMM is considered a part of the SPD and you should retain a copy for your records.

Reemployment After Retirement – Early Retirements Commencing on or after July 1, 2021

Effective with early retirement benefits commencing on or after July 1, 2021 a Participant who works in Prohibited Post-Retirement Service (PPRS) is not eligible to receive an early retirement pension benefit under this plan unless they qualify under an exception to the general rule as set out below. Specifically:

1. Participants engaged in PPRS are not eligible for early retirement benefits on or after July 1, 2021. Participants whose early retirement benefits commenced on or after July 1, 2021 and who later engage in PPRS shall forfeit their early retirement benefits. Once a participant’s early retirement is forfeited under this rule the participant may not again apply for or receive early retirement benefits under this plan.
2. A Participant whose early retirement benefit has been forfeited due to PPRS will remain eligible to receive Normal Retirement Benefits. The Participant’s Normal Retirement benefits may be adjusted to account for the prior payments.
3. Notice to participants whose benefits are being suspended or forfeited are set out in Section 6.6(d)

Prohibited Post-Retirement Service (PPRS)

- a. In the building and construction trades, road construction, environmental remediation, and pipeline trades.
- b. Including employment under a Collectively Bargained Agreement not negotiated by Laborers 341 or 942 if the employment meets the criteria in (a) above.
- c. And further including employment as an owner, supervisor, superintendent, estimator or expeditor in a business which meets the criteria in (a) above if the employer is not under contract with either Local 341 or 942.

Exceptions to Post-Retirement Service (PPRS)

1. Employment as an owner, supervisor, superintendent, estimator, or expeditor of a company that has a current collectively bargained agreement with Local 341 or Local 942 covering the company's bargaining unit employees. Participants working under this exception may use their hours worked to establish "recency" for the purpose of qualifying for early retirement benefits.

2. Employment as a JATC instructor.

3. Employment as a consultant, manager, or advisor to the Training Director of the Alaska Laborers Construction Industry Apprenticeship and Training School.

4. Employment for the North Star Borough as a transit or vantran operator.

5. Employment under a collectively bargained agreement negotiated by Public Employees Local 71.

6. Employment as an "election monitor" or "election judge" in monitoring and administering an election in any labor organization.

7. **Handy Man.** Participants who individually contract for work generally regarded as "handy-man" work are not engaged in PPRS. This exception is intentionally not strictly defined. However, the intent is to allow Participants to engage in labor of a type that is individual in nature and does not compete with jobs done by contractor's signatory to bargaining agreements with Locals 341 and 942.

8. **Intermittent Workers.** Participants who cease work from a contributing employer to this Plan and who elect early retirement and who subsequently return to work for a contributing employer (Post Retirement Service) do not forfeit their entire early retirement benefit. However, their monthly benefits do remain subject to this plan's general forfeiture rules depending on hours worked. Further, if at any time a Participant receiving an early retirement benefit that commenced on or after July 1, 2021 engages in PPRS their entire early retirement benefit is subject to forfeiture under these rules.

Persons receiving an early retirement benefit who re-enter Post-Retirement Service must notify the administrator within 10 calendar days of beginning work.

Normal retirement benefits are not forfeited under these rules. Participants who forfeit their early retirement benefit may apply for their normal retirement benefit when they become eligible. The normal retirement benefit may be actuarially adjusted to account for early retirement benefits previously paid.

9. The Board of Trustees may interpret and apply these rules as necessary using fairness, common sense and situational considerations appropriate to the case. Determinations made by Fund Specialists between meetings may be subject to later Board review but Participants who have relied on preliminary determinations of Fund Specialists shall not forfeit benefits unless they violate the later Board determinations, after fair notice.

Definition of Active and Inactive Participant for the Rehabilitation Plan

Active Participant

A participant is an Active Participant as of July 1, 2021 if he or she completes at least 250 suitable hours of employment, as defined in the Recency Test below, in the Plan Year ending on June 30, 2021.

Inactive Participant

A participant is an Inactive Participant as of July 1, 2021 if he or she did not complete at least 250 suitable hours of employment, as defined in the Recency Test below, in the Plan Year ending June 30, 2021.

Exception

Certain Surviving Spouses. For widows or widowers of non-retired deceased participants who have not commenced benefits prior to July 1, 2021, certain death benefit options will be no less than the amount determined under the current plan provisions.

Recency Test

The changes summarized below will affect benefits that commence on or after July 1, 2021.

- Certain early retirement factors are only available if a participant satisfies the recency test. The recency test is satisfied by working at least 3,500 suitable hours of employment in the five plan years ending with the plan year in which benefits commence or the five plan years ending with the plan year immediately preceding the plan year in which benefits commence.
 - **Definition of Suitable hours:** Suitable hours include covered hours of employment and uncovered hours of employment not considered Prohibited Post-Retirement Service for sponsoring employers of the Fund who have a current collective bargaining agreement with Local 341 or Local 942 covering the company's bargaining unit employees.

The SPD describes the Plan's benefits, how to file a claim, and other rights you may have under the Plan. This SMM is only a summary of the changes made to the Plan by the amendments described above. It is the Plan Document (and any amendment) that govern your rights under the Plan. You should not rely on the SPD or any SMM to determine your benefits.

The Plan Document, its amendments are available by request from WPAS. The SPD, and SMMs are all available on the website for the Benefits Office at www.aklaborerstrust.com. You have the right to obtain a paper copy of any of these documents without charge.

If you cannot access a document through the website, would like a hard copy mailed to you, or if you have any questions about the Plan, please contact the Administration Office at (855) 815-2323, Option 2.

Board of Trustees

Alaska Laborers-Employers Retirement Fund

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