

# **SUMMARY OF MATERIAL MODIFICATION SASMI RETIREE PLAN OF BENEFITS**

***This notice contains important information concerning SASMI.  
it should be read and retained for future reference.***

**June 2023**

The following summary of changes is intended to be consistent with the actual language of the Rules and Regulations. In the event there is a conflict between this SMM, the SPD, and the actual language of the Rules and Regulations, the Rules and Regulations shall always control. Please note the Rules and Regulations for both the Active and Retiree Plans were both restated as of January 1, 2020, these documents are available on the SASMI website, [www.sasmi.org](http://www.sasmi.org). A hard copy of the Rules and Regulations for either Plan, is available by writing the Fund Office at the address below. Also, participants may always inspect the Rules and Regulations or SPDs at the Fund Office. Not all Plan changes affect all Participants. The effect of Plan changes on Participants, if any, varies depending upon personal circumstances.

## **CHANGE IN HOW RETIREE HCRA IS CALCULATED**

Currently, the calculation of both your Severance and HCRA at retirement takes into account the contributions paid over your career by your Employers, the unemployment/underemployment, Welfare and other benefits you have taken as an Active participant, and your years of service. The existing calculation multiplied the contributions that were paid by a percentage based on your years of Future Service Credit and Past Service Credit. This percentage could be as low as 20% or as high as 150%. From this calculated contribution value 100% of benefits taken is subtracted to determine Severance and HCRA.

By law, the calculation of the Severance cannot be changed but the HCRA calculation can be changed. After reviewing the matter, the Trustees have determined that for all eligible participants the calculation of an eligible participant's HCRA should be based on no less than 100% of the contributions received from the participant's employers.

Starting with calculations for Retirees who were active in 2023 (including those eligibility is maintained and continued pursuant to Article II Section 4) and who retire on or after January 1, 2024, a participant's initial HCRA account will be calculated as follows:

1. Years of Future Service Credit will be determined
2. The number of Years will be multiplied by 1.67 (0.835/Stabilization period) to get the additional multiplier % – which will be capped at 50% (30 years). For example
  - 10 years of future service credit will be an additional multiplier of 16.7%
  - 20.5 years of future service credit will be an additional multiplier of 34.235%

- 35 years of future service credit will be an additional multiplier of 50%
3. The additional multiplier % will be added to the starting 100% of contributions to get the final multiplier. For example,
    - 10 years FSC multiplier of 16.7% → final multiplier of 116.7%
    - 20.5 years FSC multiplier of 34.235% → final multiplier of 134.235%
    - 35 years FSC multiplier of 50% → final multiplier of 150%
  4. The total contributions (minus contributions to HCRA Plan B) will then be multiplied by the final multiplier.
  5. From this calculated contribution amount will be subtracted all Active Benefits paid (excluding non-deduct benefits).

The current Trustees are:

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