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KANSAS CONSTRUCTION TRADES FRINGE BENEFIT FUNDS

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Important Notice Regarding Suspension of Benefits

Dear Participant:

This is to inform you that your monthly pension benefit will be suspended (that is, will not be paid) for any calendar month in which you work in “disqualifying employment” above Plan thresholds. Prior to normal retirement your benefit will be suspended if you retire early and continue to work in the trades. This suspension is based on a recapture similar to the Social Security guidelines for early retirees. After normal retirement age the portion of your pension benefit earned on and after January 1, 2017 will be suspended if you work or are paid for at least 40 hours in disqualifying employment during any month *after* your Normal Retirement Date (but not beyond age 72).

Disqualifying Employment

“Disqualifying employment” generally means employment or self-employment that is in the industry and geographic area covered by the Plan when your Pension payments began or would have begun if not suspended. Employment or self-employment will be disqualifying only if it involves the skills of a trade or craft covered by the Plan directly, or, as in the case of supervisory work, indirectly.

Your Notification Obligations

You are required to notify the Plan in writing within 15 days after starting any work that is or may be disqualifying employment, regardless of the number of hours worked per month. If you fail to give timely notice, the Trustees will presume that you are working for at least 40 hours per month. Moreover, if your work is at a building or construction site and you fail to give timely notice, the Trustees will presume that you have engaged in disqualifying employment for as long as the contractor has been and remains actively engaged at the site. You have the right to overcome these presumptions by establishing that any employment is not disqualifying employment.

You must also to notify the Plan when your disqualifying employment has ended. The Trustees have the right to suspend benefit payments until such notice is filed with the Plan. Following suspension, payment of your Pension will resume no later than the third month after the last calendar month for which your benefit was suspended, provided you have notified the Plan when your disqualifying employment has ended.

Offset Rules

If benefits are paid for a month for which the Trustees later determine benefits should have been suspended, the overpayment shall be recoverable through deductions from future Pension payments. After Normal Retirement Age, the Plan may recover such overpayment by withholding up to 100% of the first Pension payment, and 25% of subsequent Pension payments, until the overpayment is fully recovered.

Requests for Review

You may ask the Plan whether a particular employment will be disqualifying. In addition, you are entitled to a review of a determination suspending your benefits by written request filed with the Trustees within 60 days of the date of the notice of suspension.

Resumption of Benefit Payments following Suspension

After you stop working in disqualifying employment, payment of your monthly pension benefit will resume no later than the third month after the last calendar month for which your benefit was suspended, provided you have complied with the Plan's notification requirements.

The Plan's benefit suspension rules have been adopted in accordance with the applicable Department of Labor regulation, which may be found at 29 C.F.R. § 2530.203-3. Please refer to Plan Section 3.02 (below) for a more detailed explanation of the Plan's benefit suspension rules in effect as of January 1, 2017.

Plan Section 3.02 (as in effect January 1, 2017)

3.02 Suspension of Benefits

(a) For benefits accrued prior to January 1, 2017, the monthly benefit of a Pensioner may be suspended due to disqualifying employment for any month which begins prior to the Pensioner's Normal Retirement Date in accordance with this Section 3.02 and consistent and nondiscriminatory procedures applied by the Trustees, if such Pensioner works or is paid for at least 40 hours in disqualifying employment in such month. For benefits accrued on or after January 1, 2017, the monthly benefit of a Participant may be suspended due to disqualifying employment for any month prior to or after the Participant's Normal Retirement Date (but not beyond age 72) in accordance with this Section 3.02 and consistent and nondiscriminatory procedures applied by the Trustees, if such Participant works or is paid for at least 40 hours in disqualifying employment in such month. For a Participant who continues to work in disqualifying employment after his or her Normal Retirement Date, any Pension payments otherwise due will be suspended for any months in which such Participant engages in disqualifying employment for purposes of calculating such Participant's Late Retirement benefit under Section 4.02.

(1) "Disqualifying employment" for purposes of this Section 3.02 means employment or self-employment that is (A) in the industry covered by the Plan when the Pensioner's Pension payments began or would have begun if not suspended pursuant to this Section 3.02, and (B) in the geographic area covered by the Plan when the Pensioner's Pension began or would have begun if not suspended pursuant to this Section 3.02. Employment or self-employment shall be disqualifying only if it is in work that involves the skill or skills of a trade or craft covered by the Plan directly or, as in the case of supervisory work, indirectly. In any event, work for which contributions are required to be made to the Plan shall be disqualifying employment.

(2) "Industry covered by the Plan" for purposes of this Section 3.02 means the industry in which Employees covered by the Plan were employed when the Participant's Pension began or would have begun if not suspended pursuant to this Section 3.02.

(3) Effective September 15, 2010, "Geographic area covered by the Plan" for purposes of this Section 3.02 means the Eastern one-half of the State of Kansas and the Kansas City, Missouri Standard Metropolitan Statistical Area, so long as contributions were made or were required to be made by or on behalf of an Employer to the Plan in the State of Kansas when the Participant's Pension began or would have begun if not suspended pursuant to this Section 3.02. Prior to September 15, 2010, "Geographic area covered by the Plan" for purposes of this Section 3.02 means the Eastern one-half of the State of Kansas and all of any Standard Metropolitan Statistical Area that falls in part within the boundaries of the State of Kansas when the Participant's Pension began or would have begun if not suspended pursuant to this Section 3.02.

(4) If a retired Pensioner reenters Covered Employment to an extent sufficient to cause a suspension of benefits pursuant to this Section 3.02, and subsequently resumes his or her Pension, the industry and

geographic area covered by the Plan when the Pensioner's Pension began shall be the industry and geographic area considered covered by the Plan when his or her Pension resumes.

(5) Paid non-work time shall be counted toward the measure of 40 hours if paid for vacation, holiday, illness, or other incapacity, layoff, jury duty, or other leave of absence. However, time compensated under a workers' compensation or temporary disability benefit law shall not be counted.

(b) Definition of Suspension

"Suspension of benefits" for a month means non-entitlement to benefits for the month. If benefits are paid for a month for which the Trustees later determine benefits should have been suspended, the overpayment shall be recoverable through deductions from future Pension payments, pursuant to Section 3.02(f).

(c) Notices

(1) Upon commencement of Pension payments, the Trustees shall notify the Pensioner of the Plan rules governing suspension of benefits. If benefits have been suspended and payment is later resumed, the Trustees shall report any change in the suspension rules.

(2) A Participant shall notify the Plan in writing within 15 days after starting any work of a type that is or may be disqualifying employment under this Section 3.02 and without regard to the number of hours of such work (that is, whether or not less than 40 hours in a month). If a Participant has worked in disqualifying employment in any month and has failed to give timely notice to the Plan of such employment, the Trustees shall presume that the Participant worked for at least 40 hours in such month and any subsequent month until the Participant gives notice that he or she has ceased disqualifying employment. The Participant shall have the right to overcome such presumption by establishing to the satisfaction of the Trustees that his or her work was not in fact an appropriate basis, under the Plan, for the suspension of benefits. Upon request, a Participant shall, as a condition to receiving future benefit payments, either certify that he or she is unemployed or provide factual information sufficient to establish that any employment does not constitute section 203(a)(3)(B) service.

If a Participant has worked in disqualifying employment for any number of hours for a contractor at a building or construction site and he or she has failed to give timely notice to the Plan of such employment, the Trustees shall presume that the Participant has engaged in such work for as long as the contractor has been and remains actively engaged at that site. The Participant shall have the right to overcome such presumption by establishing to the satisfaction of the Trustees that his or her work was not in fact an appropriate basis, under the Plan, for the suspension of benefits.

The Trustee shall inform all Pensioners at least once every 12 months of the re-employment notification requirements and the presumptions set forth in this Section 3.02.

(3) A Participant whose Pension has been suspended shall notify the Plan when disqualifying employment has ended. The Trustees shall have the right to suspend benefit payments until such notice is filed with the Plan.

(4) A Participant may ask the Plan whether a particular employment will be disqualifying. The Plan shall provide the Participant with its determination.

(5) The Plan shall inform a Participant of any suspension of his or her benefits by notice given by personal delivery or first class mail during the first calendar month in which his or her benefits are withheld. Such notice shall contain (A) a description of the Plan provisions relating to the deferral or suspension; (B) a copy

of such provisions; (C) a statement to the effect that applicable Department of Labor Regulations may be found in Section 2530.203-3 of the Code of Federal Regulations; and (D) a description of the Plan's claims procedures.

(d) Review

A Participant shall be entitled to a review of a determination suspending his or her benefits by written request filed with the Trustees within 60 days of the date of the notice of suspension provided pursuant to Section 3.02(c)(5). The same right of review shall apply, under the same terms, to a determination by or on behalf of the Trustees that contemplated employment will be disqualifying.

(e) Waiver of Suspension of Benefits

The Trustees may, upon their own motion or upon request of a Participant, waive suspension of benefits subject to such limitations as the Trustees in their sole discretion may determine, including any limitations based on the Participant's previous record of benefit suspensions or noncompliance with reporting requirements under this Section 3.02.

(f) Resumption of Benefit Payments

(1) Upon later retirement of a Participant in service after his or her Normal Retirement Date (for benefits accrued prior to January 1, 2017), or upon later retirement or termination of a Participant (for benefits accrued on or after January 1, 2017), payment of the Participant's Pension shall resume no later than the third month after the last calendar month for which the Participant's benefit was suspended, provided the Participant has complied with the notification requirements of Section 3.02(c)(3). The Pension shall be adjusted, if necessary, in compliance with the Department of Labor Regulations in Section 2530.203-3 of the Code of Federal Regulations, in a consistent and nondiscriminatory manner.

(2) Overpayments attributable to payments made for any month or months for which the Participant had disqualifying employment shall be deducted from Pension payments otherwise paid or payable subsequent to the period of suspension. A deduction from a monthly benefit for a month after the Participant attained Normal Retirement Age shall not exceed twenty-five percent (25%) of the Pension amount otherwise payable for such month (before deduction), except that the Plan may withhold up to one hundred percent (100%) of the first Pension payment made upon resumption after a suspension if and to the extent necessary to recover an overpayment. If a Participant dies before recovery of overpayments has been completed, deductions to the extent necessary to recover the full overpayment shall be made from the benefits payable to his or her Beneficiary or spouse subject to the twenty-five percent (25%) limitation specified above on the rate of deduction.

(g) For benefit suspensions for months prior to a Pensioner's Normal Retirement Date, the Plan may, with the consent of the Trustees, utilize a simplified procedure as follows to determine the amount of benefit that is suspended: If the Plan determines by review of a Pensioner's W-2 forms that the Pensioner has engaged in "disqualifying employment," the suspended amount shall be determined in the same manner as Social Security benefits are reduced for earnings in excess of the annual Social Security earnings test. Such procedure shall be used uniformly for all Participants and shall never result in a suspension of benefits greater than that stipulated in Sections 3.02(a) through (f).