



SHEET METAL WORKERS' NATIONAL PENSION FUND

SUMMARY OF MATERIAL MODIFICATIONS & ANNUAL UPDATE

This notice contains a Summary of Material Modifications to the 2019 Summary Plan Description (SPD) and additional important information concerning the SMW National Pension Fund. It should be read and retained for future reference. For additional information about your benefit or to review the SPD, go to the Fund's website at www.smwnpf.org.

JULY 2020

SUMMARY OF MATERIAL MODIFICATIONS

This Summary notifies you of material modifications that were made to the National Pension Fund's Plan Document and Funding Improvement Plan (FIP) (including the FIP Schedule) between August 1, 2019 and June 30, 2020. This Summary also contains other information about the NPF that you may find helpful, including changes to other information found in the SPD. You may have been notified already about some of the modifications or changes described in this Summary.

This Summary is intended to be consistent with the terms of the Plan Document and the FIP (including the FIP Schedule). However, if there is any conflict or inconsistency between the terms of those documents and the terms of this Summary, **the terms of the Plan Document and the FIP (including the FIP Schedule) will always control**. For a copy of the Plan Document, the FIP (including the FIP Schedule, which contains the Default and Alternative Options), or the SPD, a Participant or Beneficiary should write to the Fund Office at the address below or go to www.smwnpf.org. Additionally, Participants and Beneficiaries may inspect the Plan Document and other pertinent documents, including Collective Bargaining Agreements, at the Fund Office during normal business hours.

Not all the information summarized here affects every Participant and Beneficiary. Whether a modification or change affects an individual Participant or Beneficiary will depend upon the individual's circumstances. If you have any questions about how the information summarized below may affect you, please write to the Fund Office at the address below or go to

www.smwnpf.org and click on "Contact Us" located at the top of the Fund's homepage.

VARIABLE BENEFIT ACCRUAL RATE (VBAR) FOR 2020 CONTRIBUTION HOURS

Under the VBAR formula, your benefit is based on a percentage of contributions required to be made on your behalf to the Fund, and that percentage, called the "Applicable Percentage" may vary from year to year because it is based on historical investment returns. Specifically, the formula uses an historical 3-year average market value investment return percentage, as reported in the prior year's Actuarial Valuation.

Each year, the Fund's actuary issues an Actuarial Valuation, which, among other things, reports the average market value investment return for the three preceding years. The average market value investment return will fall between ranges shown in the table. Under VBAR, the Applicable Percentage is shown in the table below:

Average Market Value Investment Return	Applicable Percentage for Normal Retirement Pension Benefit
10.0% or higher	1.25%*
8.5% but less than 10%	1.0%*
6.5% but less than 8.5%	0.75%*
more than 0% but less than 6.5%	0.50%*
0% or less	0%*

*If a 55/30 Rate applies, the Applicable Percentage is only applied to 70% of your Contribution Rate (called the "Benefit Rate"). You can find the VBAR Normal Retirement Pension formula under Section 5.03 (g) of the Plan Document, which can be viewed from the NPF's website at www.smwnpf.org (under "About the Fund").

The 2019 Actuarial Valuation is used to determine the Applicable Percentage for 2020. It shows the market value investment return percentages for 2016, 2017, and 2018 (the three preceding years) as follows:

2016	8.08%
2017	14.11%
2018	-4.12%

The average of those investment return percentages is **6.02%**. Because that percentage is more than 0% but less than 6.5%, the Applicable Percentage is **0.5%*** for 2020 Contribution Hours.

WORK IN THE SHEET METAL INDUSTRY

Effective January 1, 2021, if a Participant works for the University of Illinois in the Sheet Metal Industry, he or she will be considered working in non-signatory employment. If a Participant works in non-signatory employment, he or she will be subject to early retirement delays, and ineligible for a 55/30 Pension, a Disability Benefit, a 401h benefit, and a pre-retirement Lump Sum Death Benefit.

EXCEPTIONS TO WORK IN THE SHEET METAL INDUSTRY AND DISQUALIFYING EMPLOYMENT

The Trustees have decided to amend the Plan to exclude, or extend the exclusion, from work in the Sheet Metal Industry and Disqualifying Employment as described below.

- A Participant can work with the workforce training program Building Pathways of Boston, Massachusetts without the imposition of non-signatory rules.
- A Pensioner can work as a volunteer for a non-profit organization(s) exempt from federal income taxation under Section 501(c)(3) and 501(c)(4) of the Code, without a suspension of benefits provided, he or she receives no compensation of any kind, other than reimbursement of reasonable expenses and provides notice and information as the Fund may require.

A Participant can work in any of the employment described below without the imposition of non-signatory rules. Additionally, a Pensioner can work in any of the employment described below without a suspension of his or her pension:

- For a governmental entity in a position that primarily involves compliance with the requirements of any federal, state, county, or municipal law, regulation, rule, or ordinance pertaining to construction, building, or facilities codes or standards, or pertaining to the terms or conditions of employment, work, or labor, provided this work is not covered by a Collective Bargaining Agreement.
- Employment with the Cleveland Municipal School District provided the Participant was referred for this position by the Cleveland Building Construction Trades Council.

NOTE: A Participant or Pensioner who wants to do any of this work should contact the Fund Office ***before*** accepting any employment to verify that it meets these requirements.

DISABILITY BENEFIT

For a Disability Benefit which commences on or after May 1, 2017, as long as a Participant meets all other requirements, he or she will be eligible for a Disability Benefit provided they worked a minimum of 435 hours in Covered Employment within 24-months of their disability onset date as reported on their application to the U.S. Social Security Administration.

CHANGE IN TRUSTEES

In 2020, Matthew Fairbanks was appointed to succeed Trustee Michael Coleman as a Labor Trustee and Jack Knox was appointed to succeed Trustee Bruce Stockwell as a Management Trustee.

WORK FOR WITHDRAWN / TERMINATED EMPLOYERS

To earn pension benefits with the Fund, you must be working in Covered Employment for an NPF Contributing Employer. If you work for an employer that is no longer obligated to contribute to the Fund (i.e., has withdrawn from the Fund or has been terminated as a Contributing Employer), you will not earn additional pension benefits for any employment with that employer. Working for a withdrawn employer instead of a Contributing Employer can have other adverse consequences, such as delaying the start of Early Retirement Pension benefits or losing eligibility for a 55/30 Pension (if applicable). With that in mind, the Fund learned of the following withdrawals since July 1, 2019:

Local	Employer	Withdrawal Date
1	Lane Company Mechanical	10/01/2019
4	Systematic Testing & Balancing, LLC	07/01/2019
10	A-1 Refrigeration & A/C, Inc.	12/01/2019
10	Amit Enterprise, Inc.	10/24/2019
10	Meyers & Jackson Roofing	10/24/2019
23	CRL Services	12/31/2019
3	Sun Air Sheet Metal, Inc.	06/01/2019
28	Air Wise Heating & Cooling	05/01/2020
28	Fahrenheit Mechanical	01/01/2020
28	Five Star Kitchen	05/01/2020
55	L&R Fabrication, Inc.	09/10/2019
66	Island Mechanical	01/01/2020
104	Comco Sheet Metal / Galaxy Stainless	12/31/2019
206	California Neon Products	09/30/2019
219	Stateline Mechanical, Inc.	12/31/2019
265	United Building and Energy	12/31/2019

If you are employed by any of these companies on or after the date specified above, you will not earn any additional benefits from the Fund for any work you perform for those businesses, and you will not be credited with any type of service under the Plan for that work, including, but not limited to Future Service Credit and Hours of Work in Covered Employment (relevant to Vested Status, Breaks in Service and other eligibility requirements).

NOTICE OF NPF BENEFIT STATEMENT AVAILABILITY

Enclosed with this Summary please find an annual notice regarding the availability of a pension benefit statement to our active and inactive Participants. The enclosed notice explains how you can request an estimate of your accrued benefit and your vested status.