



MASSACHUSETTS LABORERS' PENSION & ANNUITY FUNDS

To: Active Participants
From: Board of Trustees
Massachusetts Laborers' Pension Fund

Re: Plan Changes

We are pleased to inform you of the following plan changes to the Massachusetts Laborers' Pension Fund (the Fund or Plan). Please read this notice carefully.

10% Increase to Retirees and Beneficiaries Who Retired Before January 1, 2007

Beginning with monthly pension checks payable for January 2025, retirees and beneficiaries, including Alternate Payees, with an effective retirement date prior to January 1, 2007 will receive a 10% increase in each monthly pension check.

Benefit Rate Increase

Effective for pension starting dates on or after January 1, 2025, the monthly payment for new retirees will increase from the current rate of \$112 per pension credit to \$114 per pension credit. This pension benefit rate increase applies to all pension credits earned within the Massachusetts Laborer's and Northern New England Laborer's system. The increase for pension credits earned in reciprocal systems may be valued at a proportionally lower accrual rate. The increase applies only to members who work at least 250 hours in Covered Employment in 2024 or later.

EXAMPLE:

Raphael has 30 pension credits and retires on January 1, 2025. He worked more than 250 hours in 2024. His benefit will therefore be calculated under the \$114 accrual rate.

30 pension credits x \$114 = **\$3,420 monthly**



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Prior to the increase, Raphael's benefit would have been calculated at the \$112 rate (30 pension credits x \$112 = \$3,360 monthly)

This increase is not applicable to members who retired prior to January 1, 2025, unless the retiree returns to work and earns at least 5 additional pension credits, with at least 250 hours in Covered Employment in 2024 or later, and again retires on or after January 1, 2025.

If a member incurs a temporary break in Covered Employment (i.e., does not have 250 hours in Covered Employment in a calendar year), but later returns to Covered Employment before retiring and earns at least $\frac{3}{4}$ of a pension credit within 3 years of their return, this increase will apply to all pension credits. However, if the member does not work $\frac{3}{4}$ of a pension credit within 3 years of returning to Covered Employment, the increase will only apply to pension credits following the return to Covered Employment. Any previous pension credits will be frozen at the rate in effect at the time the temporary break was incurred.

New Exception to Suspension Rules

There is a new, temporary exception to the suspension rule for certain limited employment occurring from January 1, 2018 through December 31, 2025. Under this temporary exception, your pension benefit will not be suspended if you earn \$30,000 or less in a calendar year working for a non-signatory employer.

If you earn more than \$30,000 in a calendar year performing disqualifying employment (as defined by the Plan) for a non-signatory employer and you are under Normal Retirement Age, your benefit payments will be suspended for each month in that calendar year and for the six months subsequent to the end of the calendar year. However, if you submit proof that you did not engage in such work during a particular month, benefit payments will be suspended only for the months in which you engaged in such employment and for the six months immediately following the cessation of such work. If you earn more than \$30,000 in a calendar year performing such work and you have reached your Normal Retirement Age, your benefit will be suspended for any months in the calendar year for which you do not submit proof that you worked less than 40 hours in such employment.

For the sake of clarity, this new, temporary exception does not apply to disqualifying employment for a signatory employer, which work is still subject to the preexisting suspension rules of the Plan.

This is a pilot program, and will expire December 31, 2025 unless it is extended, at the discretion of the Board of Trustees.



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Mandatory Cash-out of Small Benefits

As allowed by the SECURE 2.0 Act, the Board of Trustees has increased the mandatory cash-out limit for de minimis pension amounts under Section 4.18 of the Plan from \$5,000 to \$7,000, for distributions after December 31, 2023.

Summary of Material Modifications

This notice is a Summary of Material Modifications (SMM) intended to notify you of important changes made to the plan of benefits of the Massachusetts Laborers' Pension Fund. Please attach this SMM to your Summary Plan Description (SPD) for future reference.

Questions regarding this SMM can be directed to the Fund Office at 781-272-1000 ext. 150 or pension@mlbf.org.