

Los Angeles Hotel-Restaurant Employer-Union Retirement Fund
Administered By: Benefit Programs Administration
Telephone • (800) 252-9117 • (562) 463-5020 • Facsimile (562) 463-5894
www.lahotelretirementfund.org

Pension Payments Increase!

Good News! Your Pension Plan, the Restated Retirement Plan of the Los Angeles Hotel-Restaurant Employer-Union Retirement Fund, has made **huge improvements** for most members! Your New Summary of Material Modification (SMM) is enclosed.

How Your Monthly Pension Benefits Are Determined

For each year of Credited Service you work under the Union bargaining agreement, you accrue a monthly pension credit that is payable for your lifetime when you retire. The more years of Credited Service you work, the more pension credits you earn toward your monthly pension. For each hour you work, your employer must contribute an amount to the Pension Plan on your behalf. The amount is agreed upon in advance between the Union and your employer and can change from time to time. The higher the hourly contribution rate, the higher your pension credit will be for that year. The Plan has established hourly contribution rate ranges called **Benefit Tiers** with a pension credit or “Benefit Rate” assigned to each Benefit Tier. The Plan has increased benefits by increasing Benefit Rates on Tiers 11 and above and by adding new Benefit Tiers at higher contribution rates with higher associated Benefit Rates. Below are more details on the changes and some examples to help you understand how your pension is determined.

Key SMM Updates:

- **Effective Date:** Changes are effective from **January 1, 2023**.
- **New Benefit Tiers:** New Benefit Tiers (20-25) have been added.
- **Benefit Rate Increases:** Benefit rates for Tiers 11-19 have been increased.
- **Impact on Participants:** If your Average Contribution Rate in a plan year is above **\$1.39 per hour**, your Benefit Rate for that year will increase. Rate increases range from 2% to 47%.

Benefit Tier Structure:

- **Tiers 1-10:** No changes.
- **Tiers 11-19:** Increased Benefit Rates.
- **Tiers 20-25:** New Benefit Rates introduced.
- Call the administrative office at (562) 463-5020 if you do not know which tier you are in

Benefit Tier	Average Employer Contribution Rate (per hour)	Prior Benefit Rate	New Benefit Rate	Benefit Rate Increase
11	\$1.40-\$1.59	\$44	\$45	\$1
12	\$1.60-\$1.79	\$47	\$49	\$2
13	\$1.80-\$1.99	\$50	\$53	\$3
14	\$2.00-\$2.19	\$53	\$57	\$4
15	\$2.20-\$2.39	\$56	\$61	\$5
16	\$2.40-\$2.59	\$59	\$65	\$6
17	\$2.60-\$2.79	\$62	\$69	\$7
18	\$2.80-\$2.99	\$65	\$73	\$8
19	\$3.00-\$3.19	\$68	\$77	\$9
20	\$3.20-\$3.39	\$68	\$81	\$13
21	\$3.40-\$3.59	\$68	\$85	\$17
22	\$3.60-\$3.79	\$68	\$89	\$21
23	\$3.80-\$3.99	\$68	\$93	\$25
24	\$4.00-\$4.19	\$68	\$97	\$29
25	\$4.20 and up	\$68	\$100	\$32

Important Notes:

- Changes do not affect benefits earned before January 1, 2023.
- If you retired on or after January 1, 2023, have already begun receiving your pension, and your monthly pension benefit is increased as a result of the above changes, you will also receive a one-time lump-sum payment for any months you received a lower benefit. The Plan Administrator will notify you if your monthly pension benefits have increased.

The Examples below will give you a better understanding of the benefit improvements, along with reviewing the SMM and the Summary Plan Description.

Example 1: This member will have \$116 more each month- that's \$1,392 more per year!

Example 1: You earned 5 years of Credited Service between January 1, 2018 and December 31, 2022, with an Average Employer Contribution Rate in each year of \$2.45 per hour (Tier 16). Between January 1, 2023 and December 31, 2029, you earn 6 years of Credited Service with an Average Contribution Rate in each year of \$2.45 per hour (Tier 16). After 2029 you earn 10 years of Credited Service with an Average Contribution Rate in each year of \$2.85 per hour (Tier 18).

Under the **old** Benefit Rates, your monthly single life pension would have been \$1,299.00 per month:

For Work Years	Credited Service		Benefit Tier/Rate	=	Monthly Benefit
2018 - 2022	5 years	x	\$59.00 (old Tier 16)	=	\$295.00
2023 - 2028	6 years	x	\$59.00 (old Tier 16)	=	\$354.00
2029 - 2039	10 years	x	\$65.00 (old Tier 18)	=	<u>\$650.00</u>
Total Single Life Annuity:					\$1,299.00

Under the new benefit rates, your monthly single life pension will be \$1,415.00 per month. That's **\$116 more each month, or \$1392 more per year!**

For Work Years	Credited Service		Benefit Tier/Rate	=	Monthly Benefit
2018 - 2022	5 years	x	\$59.00 (old Tier 16)	=	\$295.00
2023 - 2028	6 years	x	\$65.00 (new Tier 16)	=	\$390.00
2029 - 2039	10 years	x	\$73.00 (new Tier 18)	=	<u>\$730.00</u>
Total Single Life Annuity:					\$1,415.00

Example 2: This member will have \$507 more each month- that's \$6,084 more per year!

Example 2: You earned 2 years of Credited Service between January 1, 2021 and December 31, 2022, with an Average Contribution Rate in each year of \$3.10 per hour (Tier 19). Between 2023 and 2025, you earn 3 years of Credited Service with an Average Contribution Rate in each year of \$3.10 per hour (Tier 19). Beginning on January 1, 2026 you earn 15 years of Credited Service with an Average Contribution Rate in each year of \$4.20 per hour (Tier 25).

Under the **old** Benefit Rates, your monthly single life pension would have been \$1,360.00 per month:

For Work Years	Credited Service		Benefit Tier/Rate	=	Monthly Benefit
2021 - 2022	2 years	x	\$68.00 (old Tier 19)	=	\$136.00
2023 - 2025	3 years	x	\$68.00 (old Tier 19)	=	\$204.00
2026 - 2040	15 years	x	\$68.00 (old maximum)	=	<u>\$1,020.00</u>
Total Single Life Annuity:					\$1,360.00

Under the **new** Benefit Rates, your single life pension will be \$1,867.00 per month. That's \$507 more each month- \$6,084 more per year!!!!

For Work Years	Credited Service		Benefit Tier/Rate	=	Monthly Benefit
2021 - 2022	2 years	x	\$68.00 (old Tier 19)	=	\$136.00
2023 - 2025	3 years	x	\$77.00 (new Tier 19)	=	\$231.00
2026 - 2040	15 years	x	\$100.00 (new Tier 25)	=	<u>\$1,500.00</u>
Total Single Life Annuity:					\$1,867.00

For a full explanation of these benefit improvements, please review the attached Summary of Material Modifications. You can also contact the Administrative Office at (562) 463-5020 with any questions.

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To: Participants and Beneficiaries in the Los Angeles Hotel-Restaurant Employer-Union Retirement Fund

From: The Board of Trustees

Re: Important Information About Your Retirement Plan

This notice contains important information about changes to the Benefit Rates under the Restated Retirement Plan of the Los Angeles Hotel-Restaurant Employer-Union Retirement Fund (the “Plan”). It updates Section 14 of the Summary Plan Description of the Plan as amended (the “SPD”), as well as the 2018 Summary of Material Modifications concerning benefit rates and the 2022 Summary of Material Modifications concerning Long Beach and Orange County (“LB/OC”) Employees.

Section 14 of the SPD, as updated by the 2018 and 2022 Summaries of Material Modifications, describes the benefit rates used for the calculation of Normal and Disability Retirement benefits under the Plan. Your Benefit Tier for each Plan year is determined on the basis of your average hourly contribution rates for your work during the Plan year.

The current benefit tier structure was adopted effective January 1, 2015, and last amended effective January 1, 2018. Under this structure, the highest Benefit Tier under the Plan was Tier 19, which provides a Benefit Rate of \$68.00 for Participants with an Average Contribution Rate of \$3.00 per hour or more. Effective for the Plan year beginning January 1, 2023, this benefit tier structure was made applicable to LB/OC Employees with Average Contribution Rates of \$0.40 or more.

Beginning January 1, 2023: Addition of New Benefit Tiers and increase in Benefit Rates

Effective January 1, 2023, the Plan has been amended to increase the Benefit Rates for Benefit Tiers 11 through 19, change Benefit Tier 19, and add Benefit Tiers 20 through 25. Tiers 1 through 10, and the special tier for LB/OC Employees with Average

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Contribution Rates of less than \$0.40 per hour, are unchanged. As a result of these changes, Participants with Average Contribution Rates above \$1.39 per hour will see their Benefit Rates increase, effective for Plan Years beginning on or after January 1, 2023. (The changes have no effect on Participants with Average Contribution Rates of \$1.39 per hour or less, nor on benefits for work performed before January 1, 2023.)

Under this amended benefit tier structure, Employees with Average Contribution Rates between \$1.40 per hour and \$3.19 per hour will remain in their current Benefit Tier but will have their Benefit Rates increased by between \$1.00 per Year of Credited Service and \$9.00 per Year of Credited Service. Benefit Rates for Employees with Average Contribution Rates of \$3.20 or more will be determined under the new Benefit Tiers 20 through 25, with New Benefit Rates ranging from \$45.00 per Year of Credited Service to \$100.00 per Year of Credited Service for Benefit Tiers 11 through 25.

The changes to Benefit Tiers 11 through 19, and the new Benefit Tiers 20 through 25, are shown in the chart below:

Benefit Tier	Average Contribution Rate	Prior Benefit Rate	New Benefit Rate	Benefit Rate Increase
11	\$1.40-\$1.59	\$44	\$45	\$1
12	\$1.60-\$1.79	\$47	\$49	\$2
13	\$1.80-\$1.99	\$50	\$53	\$3
14	\$2.00-\$2.19	\$53	\$57	\$4
15	\$2.20-\$2.39	\$56	\$61	\$5
16	\$2.40-\$2.59	\$59	\$65	\$6
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22	\$3.60-\$3.79	\$68	\$89	\$21
23	\$3.80-\$3.99	\$68	\$93	\$25
24	\$4.00-\$4.19	\$68	\$97	\$29
25	\$4.20 and up	\$68	\$100	\$32

Please note that these changes do not affect Benefit Rates for any Credited Service that you earned before January 1, 2023. If you retired on or after January 1, 2023 and have already begun receiving your pension benefit, these changes may increase your monthly benefit. If your existing monthly benefit is increased, you will receive a one-time, lump-sum payment to make up for any months in which you received a lower benefit.

This is a summary of material modifications regarding the Plan. It supplements and modifies the Plan’s SPD, which is the booklets that describe the rules of the Plan. In the event of a discrepancy between the new Plan amendments and this summary of material

modifications, the Plan amendments are controlling. Receipt of this notice does not mean that you are necessarily a “participant” or “beneficiary” if you have not in fact qualified under the terms of the Plan. You should retain a copy of this notice with your permanent records.

If you have any questions regarding this matter, please feel free to call the Administrative Office at (562) 463-5020.

Sincerely,

Board of Trustees

Para Asistencia: Si tiene usted alguna dificultad entendiendo alguna parte de esta aviso, haga el favor de telefonar (o ir personalmente) a la Oficina del “Retirement Fund,” 1200 Wilshire Boulevard, Fifth Floor, Los Angeles, California 90017-1906, (562) 463-5020, donde empleados que hablan Español tendrán mucho gusto en asistirle. Recibo de este reporte no significa que usted necesariamente es “participante” o “beneficiario” si en efecto no ha calificado bajo los reglamentos del Plan.