



September 29, 2006

**TO: ALL ACTIVE PLAN PARTICIPANTS & ALTERNATE PAYEES**

**FROM: BOARD OF TRUSTEES**

**RE: CARPENTERS PENSION TRUST FUND FOR NORTHERN CALIFORNIA**  
Important Changes Regarding Your Benefits Under The Pension Plan

*Please refer to the attached Questions and Answers for more information regarding the following terms: Unit Value Benefit Credit, Pension Accrual Rates, Percentage of Contribution Benefit Credit, Percentage of Contribution Factor and Contributions. If you have any questions concerning these terms or your benefits, please contact the Fund Office.*

**Current Benefit Formula *Prior to January 1, 2007***

Prior to January 1, 2007, your monthly benefit was calculated based on a Unit Value Benefit Credit method. Unit Value Benefit Credits were earned in 1/12 increments. You received 12/12, or 1 full credit, for 1,200 hours of work in covered employment and up to a maximum Unit Value Benefit Credit of 18/12 for 1,740 hours of work in covered employment. In order to receive any portion of a Unit Value Benefit Credit, you must have worked a minimum of 300 Hours of Work in Covered Employment during any given calendar year. (Please see example on page 3, question 2)

For example, if you worked 1,200 Hours of Work in Covered Employment during the 2006 calendar year, under the current benefit formula, your monthly benefit earned for the 2006 calendar year would be calculated as follows:

Unit Value Benefit Credit earned during 2006		Pension Accrual Rate 2006		Your Monthly Benefit earned for the 2006 Calendar Year
1	X	\$137.00	=	\$137.00

**New Benefit Formula *Beginning on January 1, 2007***

Beginning January 1, 2007, your monthly benefit will be calculated based on your Percentage of Contribution Benefit Credit. In order to receive any Percentage of Contribution Benefit Credit for a calendar year, you must work a minimum of 300 Hours of Work in Covered Employment during that calendar year. There is no limit to the maximum number of Hours of Work in Covered Employment that will be counted towards your Percentage of Contribution Benefit Credit. In addition, in the calendar year that you retire, all of your Hours of Work in Covered Employment (even if less than 300 Hours of Work in Covered Employment) will be counted towards your Percentage of Contribution Benefit Credit.

Your Percentage of Contribution Benefit Credit will be based on the Contributions required to be made to the Fund on your behalf for each calendar year multiplied by the applicable Percentage of Contribution Factor.

For example, if you work 1,200 Hours of Work in Covered Employment during the 2007 calendar year and your Employer Contribution Rate is \$4.35 per hour, your monthly benefit earned for the 2007 calendar year will be calculated as follows:

Your Hours worked during 2007		Your Employer Contribution Rate	=	Your 2007 Contributions made to the Pension Fund on your behalf	x	2007 Percentage of Contribution Factor	=	Your Monthly Benefit earned for the 2007 Calendar Year
1,200	X	\$4.35	=	\$5,220.00	x	1.75%	=	\$91.35

Based on the same Hours of Work in Covered Employment (1,200 hours) and an Employer Contribution Rate of \$4.35 per hour, the monthly benefit calculated under the new formula beginning on January 1, 2007 is \$45.65 less than under the old formula that will be in effect through December 31, 2006.

**IMPORTANT**

**Please note that the new benefit formula, which results in decreased future benefits, applies only to your benefits earned on and after January 1, 2007.**

Your pension benefits accrued to date are protected by law. The new benefit formula does not apply to your benefits earned before January 1, 2007, which continue to be governed under the prior Plan provisions. The Contributing Employers continue to be obligated to fund the Plan in accordance with the requirements of ERISA, the Internal Revenue Code, and the applicable Collective Bargaining Agreements.

**Prior to January 1, 2007, a new Summary Plan Description describing the new benefit formula will be mailed to you. If you should have any questions concerning the new benefit formula or your benefits, please contact the Fund Office.**

This Notice is being provided to you in accordance with section 204(h) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and section 4980F of the Internal Revenue Code of 1986, as amended, and is provided to all affected Plan participants and alternate payees and employee organizations. This notice also constitutes your summary of material modifications as required by section 104(b) of ERISA and should be kept with your copy of the Plan's summary plan description and other important plan documents.

*This notice, including the following Questions and Answers, provides only a brief summary of the Plan provisions. As such, it is not intended to address every situation. Your benefits can only be determined by consulting the Pension Plan for the Carpenters Pension Trust Fund For Northern California, which serves as the legal document governing the Plan. If you have any questions regarding how the Notice or the following Questions and Answers apply to your benefits, please contact the Fund Office.*

**Nota:** Este anuncio contiene un resumen en ingles de los derechos y beneficios que existen en su Plan de Pensión para Carpenters Pension Trust Fund for Northern California. Si tiene dificultad en leer o entender la información, por favor comuníquese con el departamento de beneficios en la oficina de fondos al siguiente domicilio: 265 Hegenberger Road, Suite 100, Oakland, California, 94621-1480. La oficina esta abierta de lunes a viernes, de 8:00 a.m. – 5:00 p.m. Si prefiere, nos puede llamar al numero (510) 633-0333 o linea telefonica gratuita (888) 547-2054.

**PENSION PLAN FOR THE CARPENTERS PENSION TRUST FUND FOR NORTHERN CALIFORNIA  
QUESTIONS AND ANSWERS**

**1. What is Unit Value Benefit Credit?**

**Before January 1, 2007**, Unit Value Benefit Credit is used to determine the amount of your benefits and is equal to the sum of your Past Service Unit Value Benefit Credit and Future Service Unit Value Benefit Credit. (Generally, Past Service Unit Value Benefit Credit is credit for work performed prior to your Contribution Date.)

**2. How is my Future Service Unit Value Benefit Credit determined?**

**Before January 1, 1979**, your Future Service Unit Value Benefit Credit for all years through December 31, 1978, is equal to your Future Service Eligibility Credit earned through December 31, 1978.

**After December 31, 1978 through December 31, 2006**, you receive a full year of Future Service Unit Value Benefit Credit for 1,200 Hours of Work in Covered Employment in a calendar year. If you work fewer than 1,200 Hours of Work in Covered Employment, you receive one-twelfth of Future Service Unit Value Benefit Credit for each 100 hours of such work, provided you worked a MINIMUM of at least 300 Hours of Work in Covered Employment in that calendar year. If you work more than 1,200 Hours of Work in Covered Employment, you receive one-twelfth of a Future Service Unit Value Benefit Credit for each 90 hours of such work over 1,200 hours. A maximum of  $1\frac{6}{12}$  Future Service Unit Value Benefit Credit can be earned in a calendar year.

Remember, you must work a minimum of 300 Hours of Work in Covered Employment in order to receive any Unit Value Benefit Credit for a calendar year.

**For Example:**

Before January 1, 2007, if you worked 250 Hours of Work in Covered Employment in a calendar year, you would not receive any Unit Value Benefit Credit for that year, since you did not work at least 300 Hours of Work in Covered Employment. The following table illustrates how years of Unit Value Benefit Credit are earned after December 31, 1978 through December 31, 2006:

<b>Hours Worked in Covered Employment in a Calendar Year</b>	<b>Unit Value Benefit Credit</b>
0-299	-0-
300-399	$\frac{3}{12}$
400-499	$\frac{4}{12}$
500-599	$\frac{5}{12}$
600-699	$\frac{6}{12}$
700-799	$\frac{7}{12}$
800-899	$\frac{8}{12}$
900-999	$\frac{9}{12}$
1,000-1,099	$\frac{10}{12}$
1,100-1,199	$\frac{11}{12}$
1,200-1,289	1
1,290-1,379	$1\frac{1}{12}$
1,380-1,469	$1\frac{2}{12}$
1,470-1,559	$1\frac{3}{12}$
1,560-1,649	$1\frac{4}{12}$
1,650-1,739	$1\frac{5}{12}$
1,740 or more	$1\frac{6}{12}$

**3. What is the Pension Accrual Rate?**

For retirements effective **on or after January 1, 2002**, your Unit Value Benefit Credit earned before January 1, 2007 will be multiplied by the Pension Accrual Rate that applies to each year of your Unit Value Benefit Credit as follows:

Period of Service	Accrual Rate for each 100 Hours in Covered Employment up to 1,200 (must have at least 300 Hours)	Accrual Rate for each Unit Value Benefit Credit (1200 Hours)	Accrual Rate for each additional 90 Hours in Covered Employment above 1,200	Maximum Accrual in a Year
<b>Past Service Unit Value Benefit Credit</b>	\$ 1.67	<b>\$ 20.00</b>	N/A	\$ 20.00
<b>Future Service Unit Value Benefit Credit</b>				
<b>Prior to 1979</b>	\$ 2.50	<b>\$ 30.00</b>	N/A	\$ 30.00
<b>1979 through 1995</b>	3.33	<b>40.00</b>	\$ 3.33	60.00
<b>1996</b>	4.17	<b>50.00</b>	4.17	75.00
<b>1997</b>	4.00	<b>48.00</b>	4.00	72.00
<b>1998 through 1999</b>	6.25	<b>75.00</b>	6.25	112.50
<b>2000</b>	10.00	<b>120.00</b>	10.00	180.00
<b>2001</b>	10.83	<b>130.00</b>	10.83	195.00
<b>Beginning 2002 through 2006</b>	11.42	<b>137.00</b>	11.42	205.50

In some instances, your pension amount could also be impacted if contributions made by your Employer were at a rate less than the highest rate provided under the Collective Bargaining Agreement. This is called your Average Contribution Factor. Contact the Fund Office for more information.

**4. What is Percentage of Contribution Benefit Credit?**

**Beginning on and after January 1, 2007**, your Percentage of Contribution Benefit Credit is used to determine the amount of your benefits.

Your Percentage of Contribution Benefit Credit is equal to the Contributions made to the Fund on your behalf for a calendar year multiplied by the applicable Percentage of Contribution Factor.

**Please Note:** You must have a minimum of 300 Hours of Work in Covered Employment during each calendar year to earn a benefit. Effective January 1, 2007, in the calendar year that you Retire, all of your Hours of Work in Covered Employment (even if less than 300 Hours Worked) will be counted towards your benefit.

**5. What is the Percentage of Contribution Factor?**

The Percentage of Contribution Factor is the amount that your Contributions are multiplied by to produce your Percentage of Contribution Benefit Credit. The Percentage of Contribution Factor can be changed, up or down, depending on the financial status of the Plan. The Percentage of Contribution Factor that will be in effect beginning January 1, 2007 until modified is 1.75%.

**6. How are the Contributions made to the Fund on my behalf determined?**

The Contributions made to the Fund on your behalf are determined by multiplying your total Hours of Work in Covered Employment during each calendar year by your Employer's Contribution Rate.