Appendix C

Example of Retiree's SIP Benefit Payments

Last updated April 2024

Background. In this example, we will continue to build upon the example provided in Appendix B ("Example of Active Participant's Accrual of SIP Benefits") and assume that Mike has retired on April 1, 2025.[1] We will assume that Mike has accrued 94.6326 SIP Units at age 60, his Unreduced Retirement Age. If Mike had retired prior to age 60, his benefit amount would have been reduced for early retirement.

YEAR 6

April 1, 2025 – March 31, 2026

In Year 6, Mike, who retired on April 1, 2025, does not work any hours in Covered Employment and does not accrue any additional SIP Units.

SIP Unit Value as of March 31, 2025	=	**$9.2363**
Assumed* SIP Investment Return	=	**6.60%** (for Reference Fiscal Year ending April 30, 2024)
SIP Unit Value as of April 1, 2025	=	**$9.4219** ($9.2363 x ((1 + 6.60%) divided by (1 + 4.50%)))
SIP Benefit Payment	=	**$891.62** (94.6326 (SIP Units) x $9.4219 (SIP Unit Value))[2]
High-Water Mark Benefit	=	**$891.62** (see Section 15(O) ("High Water Mark Benefit") for additional information about how the High Water Mark Benefit is determined)

In Year 6, the SIP Unit Value increased by 2.01% to $9.4219 from $9.2363 (the SIP Unit Value for the prior Plan Year). This increase occurred because the SIP Investment Return exceeded the Hurdle Rate of 4.50%.

*Assumed because the audited financials are not available, yet, and use estimate of 6.60%.

The High-Water Mark Benefit is generally the largest monthly benefit amount a Participant has previously received. In Mike's first year of retirement, his monthly payment amount establishes the High-Water Mark Benefit. If Mike's monthly payment amount in subsequent years is less than $891.62, the Trustees have the discretion to make a Shore-Up Payment from the Stabilization Reserve for the difference between his High-Water Mark Benefit and what the monthly payment of his SIP Benefit would be otherwise.

[1] The example provided in this Appendix C is for illustrative purposes only.

[2] The monthly payment amounts for SIP Benefits in this Appendix C assume that Mike is receiving a Regular Pension in the form of a Single Life Annuity.

YEAR 7

April 1, 2026 – March 31, 2027

In Year 7, Mike works 500 hours in Covered Employment ($11.65 per hour Employer Contribution) and earns an additional 0.2 Pension Credits. Mike's payments are not suspended because he worked less than 560 hours (see Subsection 10(C)(2) ("Disqualifying Employment After Normal Retirement Age").

SIP Unit Value as of March 31, 2026	=	**$9.4219**
Assumed SIP Investment Return	=	**4.72%** (for Reference Fiscal Year ending April 30, 2025)
SIP Unit Value as of April 1, 2026	=	**$9.4417** ($9.4219 x ((1 + 4.72%) divided by (1 + 4.50%)))
SIP Accrual	=	**$36.5344** ((15.68 x $11.65) multiplied by 0.2 (Pension Credits))
SIP Units accrued in Year 7	=	**3.8695** ($36.5344 (SIP Accrual) divided by $9.4417 (SIP Unit Value))
SIP Benefit Payment	=	**$893.49** (94.6326 (SIP Units)) x $9.4417 (SIP Unit Value))
High-Water Mark Benefit	=	**$893.49**

In Year 7, the SIP Unit Value increased by 0.21% to $9.4417 from $9.4219 (the SIP Unit Value for the prior Plan Year). Although Mike accrued 3.8631 additional SIP Units, he is not credited with the additional SIP Units until the first day of the next Plan Year (April 1, 2027). The increase to the SIP Unit Value occurred because the SIP Investment Return exceeded the Hurdle Rate of 4.50% and results in a new High-Water Mark Benefit for Mike of $893.49.

YEAR 8

April 1, 2027 – March 31, 2028

In Year 8, Mike does not work in Covered Employment and does not accrue any additional SIP Units.

SIP Unit Value as of March 31, 2027	=	**$9.4417**
Assumed SIP Investment Return	=	**2.66%** (for Reference Fiscal Year ending April 30, 2026)
SIP Unit Value as of April 1, 2027	=	**$9.2755** ($9.4417 x ((1 + 2.66%) divided by (1 + 4.50%)))
SIP Units accrued as of April 1, 2027	=	**98.5021** (3.8695 (SIP Units accrued in Year 7) + 94.6326 (SIP Units accrued before Year 7))
Monthly payment for SIP Benefit	=	**$913.66** ((98.5021 (SIP Units) x $9.2755 (SIP Unit Value))
High-Water Mark Benefit	=	**$913.66**

In Year 8, Mike was credited with an additional 3.8695 SIP Units because of the hours he worked in Covered Employment in Year 7. Although the SIP Unit Value decreased by 1.76% because the SIP Investment Return was less than the Hurdle Rate of 4.50%, Mike's monthly payments for his SIP Benefits increased. This payment increase also increases his High-Water Mark Benefit to $913.66. Here, it was Mike's additional accrual of SIP Units that more than offset the decrease that would have occurred because of the lower SIP Unit Value.

YEAR 9

April 1, 2028 – March 31, 2029

In Year 9, Mike does not work any hours in Covered Employment and does not accrue any additional SIP Units.

SIP Unit Value as of March 31, 2028	=	**$9.2755**
Assumed SIP Investment Return	=	**4.03%** (for Reference Fiscal Year ending April 30, 2027)
SIP Unit Value as of April 1, 2028	=	**$9.2338** ($9.2755 x ((1 + 4.03%) divided by (1 + 4.5%)))
Monthly payment for SIP Benefit	=	**$909.55** ((98.5021 (SIP Units) x $9.2338 (SIP Unit Value))
High-Water Mark Benefit	=	**$913.66** (established in Year 8)
Shore-Up Payment	=	**$4.11 per month** ($913.66 (High-Water Mark Benefit) minus $909.55 (Year 9 monthly payment))

In Year 9, Mike's monthly payment amount went down to $909.55 because of the 0.45% decrease to the SIP Unit Value. However, the Trustees, in their sole discretion, approved Shore-Up Payments to be made from the Stabilization Reserve to make up the difference between the SIP Benefit and Mike's High-Water Mark Benefit set in Year 8.

YEAR 10

April 1, 2029 – March 31, 2030

In Year 10, Mike does not work any hours in Covered Employment and does not accrue any additional SIP Units.

SIP Unit Value as of March 31, 2029	=	$9.2338
Assumed SIP Investment Return	=	10.52% (for Reference Fiscal Year ending April 30, 2028)
SIP Unit Value as of April 1, 2029	=	$9.7657 ($9.2338 x ((1 + 10.52%) divided by (1 + 4.50%)))
Monthly payment for SIP Benefit	=	$961.94 ((98.5021 (SIP Units) x $9.7657 (SIP Unit Value))
High-Water Mark Benefit	=	$961.94 (established in Year 10)

In Year 10, Mike's monthly payment amount increased to $961.94 because of the 5.76% increase to the SIP Unit Value. This increase sets a new High-Water Mark Benefit for Mike. No Shore-Up Payment will be payable to Mike because his SIP Benefit is now equal to his new High-Water Mark Benefit.