BEER INDUSTRY - LOCAL UNION NO. 703 PENSION FUND

18660 Graphic Drive, Suite 202, Tinley Park, Illinois 60477

T708-429-0046 ** F708-429-0047

Dear Pension Plan Participant:

The goal of the retirement plan is to provide you with a source of income to help you during your retirement years. As the Trustees of your Beer Industry – Local Union No. 703 Pension Plan, we continually evaluate the Plan and, whenever possible, make improvements to further this goal. We are pleased to announce that, effective April 1, 2018, your Pension Plan will offer additional optional forms of payment for participants retiring on or after that date.

Additional Forms of Payment for Non-Married Participants

Currently, the benefits for non-married participants are payable as a single life annuity. The additional forms of payment offered allow non-married participants to have reduced monthly benefits payable for life with a guarantee of 60 or 120 payments on their behalf. If a participant dies before the guaranteed period ends, the same monthly benefit will continue to be paid to his/her beneficiary(ies) until a total of 60 or 120 monthly payments are made.

If a participant elects one of these optional forms, his/her monthly benefit will be reduced by applying the following factors to the monthly pension that would be payable as a single life annuity:

Form of Payment	Healthy Retirees	Disabled Retirees
Single Life Annuity with 60 Month Guarantee	See Appendix 2, attached.	See Appendix 3, attached.
Single Life Annuity with 120 Month Guarantee	See Appendix 4, attached.	See Appendix 5, attached.

Example 1: *Dan will retire on April 1, 2018 at age 62 with a regular pension of $1,400.*

If he elects the single life annuity with a 60 month guarantee, the conversion factor will be 99.0% - 0.1% x (62 – 55) = 98.3%. His monthly benefit will be reduced to $1,376.50 ($1,400 x 98.3% and rounded to the next higher multiple of 50¢). If he dies before April 1, 2023, this monthly benefit will continue to be paid to his beneficiary, with the last payment in March 2023.

Example 2: *John is awarded a disability pension of $800 on June 1, 2018 on his 50th birthday.*

If he elects the single life annuity with a 120 month guarantee, the conversion factor will be 79.5% + 0.3% x (65 – 50) = 84.0%. His monthly benefit will be reduced to $672.00 ($800 x 84.0%). If he dies before June 1, 2028, this monthly benefit will continue to be paid to his beneficiary, with the last payment in May 2028.

Additional Forms of Payment for Married Participants

Currently, the benefits for married participants are payable as a 50% joint and survivor annuity. The participant has the option to elect either a 75% joint and survivor annuity or a 100% joint and survivor annuity. With the consent of the spouse, the participant can also elect a single life annuity.

The new optional forms offered to married participants allow them to add a 'pop-up' provision to their joint and survivor annuity options. With the 'pop-up' option, if the participant survives his/her spouse, his/her monthly benefit will increase to the amount that would have been payable had the joint and survivor annuity option been rejected when the participant retired. With their spouse's consent, the participants can also elect the single life annuity with the guarantee of 60 or 120 payments.

If a participant elects one of these new optional forms, his/her monthly benefit will be reduced by applying the following factors to the monthly pension:

Form of Payment	Healthy	Disabled
50% Joint and Survivor with Pop-Up	88.0% minus (plus) 0.4% per year the spouse is younger (older) than the participant	76.5% minus (plus) 0.4% per year the spouse is younger (older) than the participant
75% Joint and Survivor with Pop-Up	82.5% minus (plus) 0.5% per year the spouse is younger (older) than the participant	69.0% minus (plus) 0.5% per year the spouse is younger (older) than the participant
100% Joint and Survivor with Pop-Up	77.0% minus (plus) 0.6% per year the spouse is younger (older) than the participant	61.5% minus (plus) 0.6% per year the spouse is younger (older) than the participant
Single Life Annuity with 60 Month Guarantee	See Appendix 2, attached.	See Appendix 3, attached.
Single Life Annuity with 120 Month Guarantee	See Appendix 4, attached.	See Appendix 5, attached.

***Example 3**: Sam is retiring at age 58 with an early pension of $1,000. His wife is age 56.*

If he elects the 75% joint and survivor annuity with pop-up, the conversion factor will be 82.5% - 0.5% x (58 - 56) = 81.5%. His monthly benefit will be reduced to $815.00 ($1,000 x 81.5%). After his death, his surviving spouse will receive a monthly benefit of $611.50 ($815 x 75%, rounded to the next higher multiple of 50¢). If his wife dies first, Sam's monthly benefit will pop up to $1,000.00.

***Example 4:** Dave is awarded a disability pension of $1,200 at age 55. His wife is age 58.*

If he elects the 50% joint and survivor annuity with pop-up, the conversion factor will be 76.5% + 0.4% x (58 – 55) = 77.7%. His monthly benefit will be reduced to $932.50 ($1,200 x 77.7%, rounded to the next higher multiple of 50¢). After his death, his surviving spouse will receive a monthly benefit of $466.50 ($932.50 x 50%, rounded to the next higher multiple of 50¢). If his wife dies first, Dave's monthly benefit will pop up to $1,200.00.

Final Word

As Trustees of the Pension Plan, we will continue to manage the Plan's assets to make sure it is in good financial shape, and to determine whether we can provide additional benefit changes in the future.

If you have any questions about these changes or the Plan benefits in general, please call the Fund Office at 708-429-0046.

Sincerely,

Board of Trustees

This announcement contains only highlights of certain features of the Plan. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.

Summary of Material Modifications

EIN 36-6522619
PN 001

February 2018

Appendix 2

Factors for Converting Pension Payment to Single Life Annuity with 60 Month Guarantee for a Non-Disabled Pensioner

[Section 5.04(g)]

Age at	Age in Months											
Retirement	0	1	2	3	4	5	6	7	8	9	10	11
55	0.9900	0.9899	0.9898	0.9898	0.9897	0.9896	0.9895	0.9894	0.9893	0.9893	0.9892	0.9891
56	0.9890	0.9889	0.9888	0.9888	0.9887	0.9886	0.9885	0.9884	0.9883	0.9883	0.9882	0.9881
57	0.9880	0.9879	0.9878	0.9878	0.9877	0.9876	0.9875	0.9874	0.9873	0.9873	0.9872	0.9871
58	0.9870	0.9869	0.9868	0.9868	0.9867	0.9866	0.9865	0.9864	0.9863	0.9863	0.9862	0.9861
59	0.9860	0.9859	0.9858	0.9858	0.9857	0.9856	0.9855	0.9854	0.9853	0.9853	0.9852	0.9851
60	0.9850	0.9849	0.9848	0.9848	0.9847	0.9846	0.9845	0.9844	0.9843	0.9843	0.9842	0.9841
61	0.9840	0.9839	0.9838	0.9838	0.9837	0.9836	0.9835	0.9834	0.9833	0.9833	0.9832	0.9831
62	0.9830	0.9829	0.9828	0.9828	0.9827	0.9826	0.9825	0.9824	0.9823	0.9823	0.9822	0.9821
63	0.9820	0.9819	0.9818	0.9818	0.9817	0.9816	0.9815	0.9814	0.9813	0.9813	0.9812	0.9811
64	0.9810	0.9809	0.9808	0.9808	0.9807	0.9806	0.9805	0.9804	0.9803	0.9803	0.9802	0.9801
65	0.9800	0.9799	0.9798	0.9798	0.9797	0.9796	0.9795	0.9794	0.9793	0.9793	0.9792	0.9791
66	0.9790	0.9789	0.9788	0.9788	0.9787	0.9786	0.9785	0.9784	0.9783	0.9783	0.9782	0.9781
67	0.9780	0.9779	0.9778	0.9778	0.9777	0.9776	0.9775	0.9774	0.9773	0.9773	0.9772	0.9771
68	0.9770	0.9769	0.9768	0.9768	0.9767	0.9766	0.9765	0.9764	0.9763	0.9763	0.9762	0.9761
69	0.9760	0.9759	0.9758	0.9758	0.9757	0.9756	0.9755	0.9754	0.9753	0.9753	0.9752	0.9751
70	0.9750	0.9749	0.9748	0.9748	0.9747	0.9746	0.9745	0.9744	0.9743	0.9743	0.9742	0.9741
71	0.9740	0.9739	0.9738	0.9738	0.9737	0.9736	0.9735	0.9734	0.9733	0.9733	0.9732	0.9731
72	0.9730	0.9729	0.9728	0.9728	0.9727	0.9726	0.9725	0.9724	0.9723	0.9723	0.9722	0.9721
73	0.9720	0.9719	0.9718	0.9718	0.9717	0.9716	0.9715	0.9714	0.9713	0.9713	0.9712	0.9711
74	0.9710	0.9709	0.9708	0.9708	0.9707	0.9706	0.9705	0.9704	0.9703	0.9703	0.9702	0.9701
75	0.9700	0.9699	0.9698	0.9698	0.9697	0.9696	0.9695	0.9694	0.9693	0.9693	0.9692	0.9691
76	0.9690	0.9689	0.9688	0.9688	0.9687	0.9686	0.9685	0.9684	0.9683	0.9683	0.9682	0.9681
77	0.9680	0.9679	0.9678	0.9678	0.9677	0.9676	0.9675	0.9674	0.9673	0.9673	0.9672	0.9671
78	0.9670	0.9669	0.9668	0.9668	0.9667	0.9666	0.9665	0.9664	0.9663	0.9663	0.9662	0.9661
79	0.9660	0.9659	0.9658	0.9658	0.9657	0.9656	0.9655	0.9654	0.9653	0.9653	0.9652	0.9651
80	0.9650											

Appendix 3

Factors for Converting Pension Payment to Single Life Annuity with 60 Month Guarantee for a Disabled Pensioner

[Section 5.04(g)]

Age at Retirement	Age in Months											
	0	1	2	3	4	5	6	7	8	9	10	11
35	0.9650	0.9649	0.9648	0.9648	0.9647	0.9646	0.9645	0.9644	0.9643	0.9643	0.9642	0.9641
36	0.9640	0.9639	0.9638	0.9638	0.9637	0.9636	0.9635	0.9634	0.9633	0.9633	0.9632	0.9631
37	0.9630	0.9629	0.9628	0.9628	0.9627	0.9626	0.9625	0.9624	0.9623	0.9623	0.9622	0.9621
38	0.9620	0.9619	0.9618	0.9618	0.9617	0.9616	0.9615	0.9614	0.9613	0.9613	0.9612	0.9611
39	0.9610	0.9609	0.9608	0.9608	0.9607	0.9606	0.9605	0.9604	0.9603	0.9603	0.9602	0.9601
40	0.9600	0.9599	0.9598	0.9598	0.9597	0.9596	0.9595	0.9594	0.9593	0.9593	0.9592	0.9591
41	0.9590	0.9589	0.9588	0.9588	0.9587	0.9586	0.9585	0.9584	0.9583	0.9583	0.9582	0.9581
42	0.9580	0.9579	0.9578	0.9578	0.9577	0.9576	0.9575	0.9574	0.9573	0.9573	0.9572	0.9571
43	0.9570	0.9569	0.9568	0.9568	0.9567	0.9566	0.9565	0.9564	0.9563	0.9563	0.9562	0.9561
44	0.9560	0.9559	0.9558	0.9558	0.9557	0.9556	0.9555	0.9554	0.9553	0.9553	0.9552	0.9551
45	0.9550	0.9549	0.9548	0.9548	0.9547	0.9546	0.9545	0.9544	0.9543	0.9543	0.9542	0.9541
46	0.9540	0.9539	0.9538	0.9538	0.9537	0.9536	0.9535	0.9534	0.9533	0.9533	0.9532	0.9531
47	0.9530	0.9529	0.9528	0.9528	0.9527	0.9526	0.9525	0.9524	0.9523	0.9523	0.9522	0.9521
48	0.9520	0.9519	0.9518	0.9518	0.9517	0.9516	0.9515	0.9514	0.9513	0.9513	0.9512	0.9511
49	0.9510	0.9509	0.9508	0.9508	0.9507	0.9506	0.9505	0.9504	0.9503	0.9503	0.9502	0.9501
50	0.9500	0.9499	0.9498	0.9498	0.9497	0.9496	0.9495	0.9494	0.9493	0.9493	0.9492	0.9491
51	0.9490	0.9489	0.9488	0.9488	0.9487	0.9486	0.9485	0.9484	0.9483	0.9483	0.9482	0.9481
52	0.9480	0.9479	0.9478	0.9478	0.9477	0.9476	0.9475	0.9474	0.9473	0.9473	0.9472	0.9471
53	0.9470	0.9469	0.9468	0.9468	0.9467	0.9466	0.9465	0.9464	0.9463	0.9463	0.9462	0.9461
54	0.9460	0.9459	0.9458	0.9458	0.9457	0.9456	0.9455	0.9454	0.9453	0.9453	0.9452	0.9451
55	0.9450	0.9449	0.9448	0.9448	0.9447	0.9446	0.9445	0.9444	0.9443	0.9443	0.9442	0.9441
56	0.9440	0.9439	0.9438	0.9438	0.9437	0.9436	0.9435	0.9434	0.9433	0.9433	0.9432	0.9431
57	0.9430	0.9429	0.9428	0.9428	0.9427	0.9426	0.9425	0.9424	0.9423	0.9423	0.9422	0.9421
58	0.9420	0.9419	0.9418	0.9418	0.9417	0.9416	0.9415	0.9414	0.9413	0.9413	0.9412	0.9411
59	0.9410	0.9409	0.9408	0.9408	0.9407	0.9406	0.9405	0.9404	0.9403	0.9403	0.9402	0.9401
60	0.9400	0.9399	0.9398	0.9398	0.9397	0.9396	0.9395	0.9394	0.9393	0.9393	0.9392	0.9391
61	0.9390	0.9389	0.9388	0.9388	0.9387	0.9386	0.9385	0.9384	0.9383	0.9383	0.9382	0.9381
62	0.9380	0.9379	0.9378	0.9378	0.9377	0.9376	0.9375	0.9374	0.9373	0.9373	0.9372	0.9371
63	0.9370	0.9369	0.9368	0.9368	0.9367	0.9366	0.9365	0.9364	0.9363	0.9363	0.9362	0.9361
64	0.9360	0.9359	0.9358	0.9358	0.9357	0.9356	0.9355	0.9354	0.9353	0.9353	0.9352	0.9351
65	0.9350											

Appendix 4

Factors for Converting Pension Payment to Single Life Annuity with 120 Month Guarantee for a Non-Disabled Pensioner

[Section 5.04(h)]

Age at	Age in Months											
Retirement	0	1	2	3	4	5	6	7	8	9	10	11
55	0.9600	0.9598	0.9595	0.9593	0.9590	0.9588	0.9585	0.9583	0.9580	0.9578	0.9575	0.9573
56	0.9570	0.9568	0.9565	0.9563	0.9560	0.9558	0.9555	0.9553	0.9550	0.9548	0.9545	0.9543
57	0.9540	0.9538	0.9535	0.9533	0.9530	0.9528	0.9525	0.9523	0.9520	0.9518	0.9515	0.9513
58	0.9510	0.9508	0.9505	0.9503	0.9500	0.9498	0.9495	0.9493	0.9490	0.9488	0.9485	0.9483
59	0.9480	0.9478	0.9475	0.9473	0.9470	0.9468	0.9465	0.9463	0.9460	0.9458	0.9455	0.9453
60	0.9450	0.9448	0.9445	0.9443	0.9440	0.9438	0.9435	0.9433	0.9430	0.9428	0.9425	0.9423
61	0.9420	0.9418	0.9415	0.9413	0.9410	0.9408	0.9405	0.9403	0.9400	0.9398	0.9395	0.9393
62	0.9390	0.9388	0.9385	0.9383	0.9380	0.9378	0.9375	0.9373	0.9370	0.9368	0.9365	0.9363
63	0.9360	0.9358	0.9355	0.9353	0.9350	0.9348	0.9345	0.9343	0.9340	0.9338	0.9335	0.9333
64	0.9330	0.9328	0.9325	0.9323	0.9320	0.9318	0.9315	0.9313	0.9310	0.9308	0.9305	0.9303
65	0.9300	0.9298	0.9295	0.9293	0.9290	0.9288	0.9285	0.9283	0.9280	0.9278	0.9275	0.9273
66	0.9270	0.9268	0.9265	0.9263	0.9260	0.9258	0.9255	0.9253	0.9250	0.9248	0.9245	0.9243
67	0.9240	0.9238	0.9235	0.9233	0.9230	0.9228	0.9225	0.9223	0.9220	0.9218	0.9215	0.9213
68	0.9210	0.9208	0.9205	0.9203	0.9200	0.9198	0.9195	0.9193	0.9190	0.9188	0.9185	0.9183
69	0.9180	0.9178	0.9175	0.9173	0.9170	0.9168	0.9165	0.9163	0.9160	0.9158	0.9155	0.9153
70	0.9150	0.9148	0.9145	0.9143	0.9140	0.9138	0.9135	0.9133	0.9130	0.9128	0.9125	0.9123
71	0.9120	0.9118	0.9115	0.9113	0.9110	0.9108	0.9105	0.9103	0.9100	0.9098	0.9095	0.9093
72	0.9090	0.9088	0.9085	0.9083	0.9080	0.9078	0.9075	0.9073	0.9070	0.9068	0.9065	0.9063
73	0.9060	0.9058	0.9055	0.9053	0.9050	0.9048	0.9045	0.9043	0.9040	0.9038	0.9035	0.9033
74	0.9030	0.9028	0.9025	0.9023	0.9020	0.9018	0.9015	0.9013	0.9010	0.9008	0.9005	0.9003
75	0.9000	0.8998	0.8995	0.8993	0.8990	0.8988	0.8985	0.8983	0.8980	0.8978	0.8975	0.8973
76	0.8970	0.8968	0.8965	0.8963	0.8960	0.8958	0.8955	0.8953	0.8950	0.8948	0.8945	0.8943
77	0.8940	0.8938	0.8935	0.8933	0.8930	0.8928	0.8925	0.8923	0.8920	0.8918	0.8915	0.8913
78	0.8910	0.8908	0.8905	0.8903	0.8900	0.8898	0.8895	0.8893	0.8890	0.8888	0.8885	0.8883
79	0.8880	0.8878	0.8875	0.8873	0.8870	0.8868	0.8865	0.8863	0.8860	0.8858	0.8855	0.8853
80	0.8850											

Appendix 5

Factors for Converting Pension Payment to Single Life Annuity with 120 Month Guarantee for a Disabled Pensioner

[Section 5.04(h)]

Years	Age in Years and Months											
	0	1	2	3	4	5	6	7	8	9	10	11
35	0.8850	0.8848	0.8845	0.8843	0.8840	0.8838	0.8835	0.8833	0.8830	0.8828	0.8825	0.8823
36	0.8820	0.8818	0.8815	0.8813	0.8810	0.8808	0.8805	0.8803	0.8800	0.8798	0.8795	0.8793
37	0.8790	0.8788	0.8785	0.8783	0.8780	0.8778	0.8775	0.8773	0.8770	0.8768	0.8765	0.8763
38	0.8760	0.8758	0.8755	0.8753	0.8750	0.8748	0.8745	0.8743	0.8740	0.8738	0.8735	0.8733
39	0.8730	0.8728	0.8725	0.8723	0.8720	0.8718	0.8715	0.8713	0.8710	0.8708	0.8705	0.8703
40	0.8700	0.8698	0.8695	0.8693	0.8690	0.8688	0.8685	0.8683	0.8680	0.8678	0.8675	0.8673
41	0.8670	0.8668	0.8665	0.8663	0.8660	0.8658	0.8655	0.8653	0.8650	0.8648	0.8645	0.8643
42	0.8640	0.8638	0.8635	0.8633	0.8630	0.8628	0.8625	0.8623	0.8620	0.8618	0.8615	0.8613
43	0.8610	0.8608	0.8605	0.8603	0.8600	0.8598	0.8595	0.8593	0.8590	0.8588	0.8585	0.8583
44	0.8580	0.8578	0.8575	0.8573	0.8570	0.8568	0.8565	0.8563	0.8560	0.8558	0.8555	0.8553
45	0.8550	0.8548	0.8545	0.8543	0.8540	0.8538	0.8535	0.8533	0.8530	0.8528	0.8525	0.8523
46	0.8520	0.8518	0.8515	0.8513	0.8510	0.8508	0.8505	0.8503	0.8500	0.8498	0.8495	0.8493
47	0.8490	0.8488	0.8485	0.8483	0.8480	0.8478	0.8475	0.8473	0.8470	0.8468	0.8465	0.8463
48	0.8460	0.8458	0.8455	0.8453	0.8450	0.8448	0.8445	0.8443	0.8440	0.8438	0.8435	0.8433
49	0.8430	0.8428	0.8425	0.8423	0.8420	0.8418	0.8415	0.8413	0.8410	0.8408	0.8405	0.8403
50	0.8400	0.8398	0.8395	0.8393	0.8390	0.8388	0.8385	0.8383	0.8380	0.8378	0.8375	0.8373
51	0.8370	0.8368	0.8365	0.8363	0.8360	0.8358	0.8355	0.8353	0.8350	0.8348	0.8345	0.8343
52	0.8340	0.8338	0.8335	0.8333	0.8330	0.8328	0.8325	0.8323	0.8320	0.8318	0.8315	0.8313
53	0.8310	0.8308	0.8305	0.8303	0.8300	0.8298	0.8295	0.8293	0.8290	0.8288	0.8285	0.8283
54	0.8280	0.8278	0.8275	0.8273	0.8270	0.8268	0.8265	0.8263	0.8260	0.8258	0.8255	0.8253
55	0.8250	0.8248	0.8245	0.8243	0.8240	0.8238	0.8235	0.8233	0.8230	0.8228	0.8225	0.8223
56	0.8220	0.8218	0.8215	0.8213	0.8210	0.8208	0.8205	0.8203	0.8200	0.8198	0.8195	0.8193
57	0.8190	0.8188	0.8185	0.8183	0.8180	0.8178	0.8175	0.8173	0.8170	0.8168	0.8165	0.8163
58	0.8160	0.8158	0.8155	0.8153	0.8150	0.8148	0.8145	0.8143	0.8140	0.8138	0.8135	0.8133
59	0.8130	0.8128	0.8125	0.8123	0.8120	0.8118	0.8115	0.8113	0.8110	0.8108	0.8105	0.8103
60	0.8100	0.8098	0.8095	0.8093	0.8090	0.8088	0.8085	0.8083	0.8080	0.8078	0.8075	0.8073
61	0.8070	0.8068	0.8065	0.8063	0.8060	0.8058	0.8055	0.8053	0.8050	0.8048	0.8045	0.8043
62	0.8040	0.8038	0.8035	0.8033	0.8030	0.8028	0.8025	0.8023	0.8020	0.8018	0.8015	0.8013
63	0.8010	0.8008	0.8005	0.8003	0.8000	0.7998	0.7995	0.7993	0.7990	0.7988	0.7985	0.7983
64	0.7980	0.7978	0.7975	0.7973	0.7970	0.7968	0.7965	0.7963	0.7960	0.7958	0.7955	0.7953
65	0.7950											