September 2026

Summary of Material Modification

The Board of Trustees is providing this notice with important information about three changes in the Alaska Electrical Pension Fund:

- **The Board has approved a temporary waiver of the Plan's normal Post-Retirement Service rules for 2027.**
- **The Board has amended the Plan to provide an enhanced disability benefit for those suffering from a terminal illness or condition.**

Finally, two new Labor Trustees have joined the Board: Brannon Nichols and Jeffry Leete. They replace Doug Tansy and Vince Beltrami.

Return-To-Work Rules for 2027

The Alaska Electrical Pension Fund Board of Trustees ("Board") approved a ***temporary waiver*** to the Plan's normal Post-Retirement Service rules for 2027.

The waiver permits "Eligible Retirees" (as defined below) to return to employment ***for up to 1,000 Hours in Covered Employment*** without loss of monthly pension benefit payments provided they work in a classification for which a contributing employer is required to make a contribution to the Plan under a collective bargaining agreement or special agreement.

Eligible Retirees may work up to 1,000 hours in Covered Employment in 2027 without suspension of their monthly benefit.

Beginning with the calendar month following completion of a Retiree's 1,000th Hour in Covered Employment, the normal Post-Retirement Service rules apply for the remainder of 2027—that is to say, for the calendar month in which you reach the 1,000 cap and each calendar month thereafter in which a retiree works more than 40 hours in post-retirement service, your monthly benefit will be suspended.

EXAMPLE

Pat is an "eligible retiree" and takes a position with a contributing employer. Pat completes 1,000 hours in Covered Employment in the payroll period ending July 15, 2027. From July 16 through July 31 Pat completes another 80 hours in Covered Employment and he does so again in August. He stops working August 31 and resumes retired status.

Because Pat exceeded the 1,000 limit, the normal post-retirement service rules apply beginning in July. So when he had more than 40 additional hours in the remainder of July and in August, while still receiving a monthly retirement check, the Plan requires Pat to repay these overpaid amounts. His first two checks (September and October) will be used to pay back the July and August payments.

Because the 2027 exception is limited to the first 1,000 hours worked in Covered Employment, it is important that you monitor your pay stubs if you wish to ensure you do not exceed that maximum hours allowed. If you do exceed the cap, the Plan provides that any overpaid benefit must be recouped by the Plan. You will be given the opportunity to repay any benefits that you were not entitled to after your benefit payments are suspended. If you do not repay these benefits at that time, when your monthly benefits resume your first three monthly checks may be withheld and applied to reimburse the Plan for the months that your benefit should have been suspended. If the total amount is not recovered in that time, your monthly benefit will be reduced by 25% starting with the 4th check, until the full amount has been repaid.

This rule is effective January 1, 2027, and for the 2027 calendar year it supersedes the generally applicable Post-Retirement Service rules (See last page of this notice) that otherwise apply for post-retirement service, and which will apply in full for hours worked beginning January 1, 2028 and thereafter.

To learn more about the Plan's regular Post-Retirement Service rules, please refer to your ***Summary Plan Description.***

WHO IS AN "ELIGIBLE RETIREE"?

To be an Eligible Retiree under this temporary waiver, your Retirement Date must be at least three (3) months *prior to* the date that you are hired in Post-Retirement Service.

Terminal Illness or Condition Special Disability Benefit

The Board has amended the Plan to provide a special disability benefit for participants suffering from a Terminal Illness or Condition. For an eligible participant, the Plan will pay an accrued benefit unreduced for early commencement, for up to 12 months. The benefit is available to participants applying on or after July 1, 2026 who meet the eligibility rules.

Terminal Illness or Condition. The Plan defines a "Terminal Illness or Condition" as a medical condition or illness that is anticipated to result in a remaining life expectancy of less than twelve (12) months. Participants must provide proof of their condition as required by the Administrator. All such information is held in strict confidence.

Eligibility. In order to be eligible, you must satisfy each of the requirements below:

- You must be diagnosed with a Terminal Illness or Condition;
- You must have five (5) or more years of Credited Service (included at least one year of Credited Future Service);
- You must have earned 300 or more Hours of Service in either:
  - The calendar year in which you are diagnosed with a Terminal Illness or Condition, or

  - At least one (1) of the preceding two calendar years;

- You must not yet have retired, nor reached your Normal Retirement Date.

Terminal Illness or Condition Special Disability Benefit. After approval of the application, the Plan will make up to 12 monthly payments of the Participant's unreduced accrued benefit. (This is an amount equal to the benefit payable to the Participant at their normal retirement date as a Modified Life Annuity.) Benefit payments begin effective as of the first of the month following the later of the participant's diagnosis or receipt of their completed application by the Administrative Office.

- If the participant should die before all 12 monthly payments are made, this benefit will end and their surviving spouse or beneficiary would be eligible for the Plan's pre-retirement survivor benefit.

- If the Participant is still living at the completion of 12 months' payments, the enhanced disability benefit will end and they are eligible to elect one of the Plan's retirement benefits on a Retirement Date – including the Plan's regular disability retirement benefit if the Participant is Totally and Permanently Disabled, as defined by the Plan.

To learn more about the Plan's regular disability retirement benefit, please refer to your ***Summary Plan Description.***

New Trustees

Brannon Nichols and Jeffry Leete replaced Doug Tansy and Vince Beltrami on the Board of Trustees in July and August, 2026, respectively. Their contact information is as follows:

Brannon Nichols (Co-Chair)
IBEW LU No. 1547
3333 Denali Street, Suite 200
Anchorage, AK 99503

Jeffry Leete
IBEW LU No. 1547
3333 Denali Street, Suite 200
Anchorage, AK 99503

Questions?

If you have any questions concerning this Notice, contact the Administrative Office at (907) 276-1246 or (800) 478-1246, or at 701 E. Tudor Road, Suite 200, Anchorage, AK 99503. Thank you.

Post-Retirement Service Rules, Generally

The Plan's Post-Retirement Service rules are set forth in Section 7.6 of the Plan document. The Plan generally provides for suspension of a retiree's monthly benefit payment for any calendar month in which a retiree engages in more than 40 hours of "Post-Retirement Service."

Post-Retirement service is employment:

1. In the State of Alaska; **and**
2. In a job classification, the core skills and the responsibilities of which are the same or similar to those of employment in which the Participant was engaged while earning a benefit under the Plan; **and**
3. In the industry in which the contributing employers participate.

However, a retiree who has been retired for six (6) months or more, may work (under the Plan's **permanent exceptions**) for up to six (6) calendar months in either or a combination of the following positions without suspension of monthly benefit payments:

- As an estimator for a contributing employer (provided the classification isn't included under a bargaining agreement), or
- As an instructor for the Alaska Joint Electrical Apprenticeship and Training Trust ("AJEATT").