

# **USW District 10 Local 286 Pension Plan**

## **Summary Plan Description**

**January 2014**

# To All Employees Covered Under The USW District 10 Local 286 Pension Plan

We are pleased to present you with this Summary Plan Description (“SPD”) which provides a descriptive summary of the USW District 10 Local 286 Pension Plan (“Plan”) (formerly known as the, PACE Local 2-286 Pension Plan). The Plan is the result of collective bargaining between USW District 10 Local 286 and your Contributing Employer. You are not required to make contributions to the Plan as only the Contributing Employers make contributions to the Plan.

The purpose of this SPD is to give you an understanding of how the Plan works and how it affects you personally. It reflects the provisions of the Plan in effect as of October 1, 2012, and it replaces the SPD previously distributed to you. Generally, the Plan provisions described in this SPD apply to Participants who have completed an Hour of Service on or after January 1, 2010. If you terminated employment prior to January 1, 2010, contact the Fund Office for information regarding the Plan provisions in effect when you left Covered Employment. **In addition, you should know that in the event of a conflict between the provisions of the Plan and statements in this summary of the Plan, the provisions of the Plan will prevail.**

## **Mass Withdrawal of the Plan’s Contributing Employers**

In addition, this SPD reflects the operation of the Plan on and after the “Mass Withdrawal” by the Plan’s Contributing Employers, which means that no Contributing Employer continues to have an obligation to contribute to the Plan, effective as of **October 1, 2012** (the “Mass Withdrawal Effective Date”). Under applicable law, as of the Mass Withdrawal Effective Date no more benefits may be accrued under the Plan for any purpose, nor will additional time worked provide credit for any purpose under the Plan. However, you will retain the vested benefits you accrued prior to the Mass Withdrawal Effective Date.

To make reading easier, we have left out legal and technical terms wherever possible. However, as suggested above, it is not intended that this SPD modify or change in any manner the complete official text of the Plan or Trust Agreement upon which this SPD is based. **Therefore, in the event of any discrepancies between the SPD and the official text of the Plan and Trust Agreement, the official Plan text and/or Trust Agreement will govern.**

Complete copies of all Plan documents are available for your inspection, during normal business hours, at the office of the Board of Trustees, 410-24 North 8th Street, Philadelphia, PA 19123, or a copy can be obtained by writing to the Fund Office.

It is our sincere hope that the benefits you will receive from this Plan, together with your Social Security benefits, will enable you to look forward to your retirement years with confidence and assurance.

*The Board of Trustees*

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## General Information Concerning Your Pension Plan

### Type of Plan

The Plan is a Defined Benefit Plan, which means that your pension is based on a formula which takes into account your years of Covered Employment. There are no individual accounts established to which portions of the contributions have been credited. No Participant or beneficiary has any right, title or interest in or to the Trust Fund other than to the benefits provided in the Plan.

### Plan Sponsor and Plan Administrator

The Board of Trustees of the USW District 10 Local 286 Pension Plan (“Trustees”) is the Plan Sponsor and Plan Administrator. It is made up of Employer Trustees designated by existing Employer Trustees, and who are generally managers of the Contributing Employers, and Union Trustees designated by the Union. Employer Trustees and Union Trustees have equal voting power in the administration of the Plan. The Trustees serve without pay and presently include:

Employer Trustees	Union Trustees
William Bregman, (Co-Chairman) Delta Paper Company 8295 National Highway Pennsauken, NJ 08110	Carlo Simone, III (Co-Chairman) USW District 10 Local 286 410 North 8th Street Philadelphia, PA 19123
Michael Ferman Newman & Company, Inc. 6101 Tacony Street Philadelphia PA 19135	Mario Tatom USW District 10 Local 286 410 North 8th Street Philadelphia, PA 19123
Robert Schaffer Case Paper Company 499 E. Tioga Street Philadelphia, PA 19134	Jimmie Nolan USW District 10 Local 286 410 North 8th Street Philadelphia, PA 19123
Morton Simkins Simkins Paper Box Company 2824 North Second Street Philadelphia, PA 19133	Edina DeCarlo USW District 10 Local 286 410 North 8th Street Philadelphia, PA 19123
Kenneth Gordon Catalent USA 3001 Red Lion Road Philadelphia, PA 19114	Michael Connell USW District 10 Local 286 410 North 8 <sup>th</sup> Street Philadelphia, PA 19123

The address of the Plan Administrator is:

Board of Trustees USW District 10 Local 286 Pension Plan 410 North 8th Street Philadelphia, PA 19123
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As the Plan Administrator, the Trustees are charged with carrying out the provisions of the Plan. The Trustees reserve the right to continue and interpret the terms and provisions of the Plan. In the discharge of its duties, the Trustees are aided and advised by legal, actuarial, accounting and investment advisory services, as well as administrative personnel who are responsible for all Plan and Trust Fund records and communications.

The Trustees and/or their duly authorized designee(s) have the exclusive right, power, and authority, in their sole and absolute discretion, to administer, apply and interpret the Plan, including this SPD, the Trust Agreement and any other Plan documents, and to decide all matters (including factual matters) arising in connection with the operation or administration of the Plan or Trust Fund, including the sole and absolute discretionary authority to:

- take all actions and make all decisions (including factual decisions) with respect to the eligibility for, and the amount of, benefits payable under the Plan;
- formulate, interpret and apply rules, regulations and policies necessary to administer the Plan in accordance with the terms of the Plan;
- decide questions (including legal or factual questions) relating to the calculation and payment of benefits under the Plan;
- resolve and/or clarify any ambiguities, inconsistencies and omissions (including factual determinations) arising under this SPD, the Plan, the Trust Agreement or other Plan documents;
- process and approve or deny benefit claims, and benefits will only be provided where the Trustees, in their discretion, determine that the claimant is entitled to them; and
- determine the standard of proof required in any case.

All determinations and interpretations (including factual determinations) made by the Trustees and/or their duly authorized designee(s) shall be final and binding upon all Participants, beneficiaries and any other individuals claiming benefits under the Plan. Benefits in this Plan will be provided only if the Trustees in their discretion determine that the claimant is entitled to them.

The day-to-day business of the Plan is handled by the Fund Office, under the direction of the Plan's Office Manager.

**Fund Office**

You may write or call the Fund Office if you have any questions about your benefits under the Plan by contacting:

Carlo Simone, III., Office Manager  
USW District 10 Local 286 Pension Plan  
410 North 8th Street  
Philadelphia, PA 19123  
(215) 829-9212

**Employer Identification Number and Plan Number**

The Employer Identification Number assigned by the IRS to the Trustees is 23-6530051. The Plan Number is 001.

**Plan Year**

The records of the Plan are kept on a January 1 through December 31 basis.

**Agent for Service of Legal Process**

Process can be served on the Board of Trustees (the Plan Administrator), 410 North 8th Street, Philadelphia, PA 19123. Service of legal process may be made upon any Trustee.

**Contributing Employers and Effect of Mass Withdrawal**

The Plan has been financed through the Mass Withdrawal Effective Date by Contributing Employer contributions made in accordance with the terms of collective bargaining agreements or other written agreements between USW District 10 Local 286 and the Contributing Employers. USW District 10 Local 286, USW District 10 Local 286 Federal Credit Union, USW District 10 Local 286 Health & Welfare Fund and USW District 10 Local 286 Pension Fund also have been Contributing Employers. Copies of the agreements covering Participants of the Plan, or a complete list of the Employers contributing to the Plan may be obtained by written request to the Fund Office.

As noted above, as of October 1, 2012 the Plan has experienced a Mass Withdrawal, which means that all of the Contributing Employers that previously contributed to the Plan have either ceased operations, or have ceased to have an obligation to contribute to the Plan. In these circumstances, the withdrawing Contributing Employers are required to make payments to the Plan called "withdrawal liability," representing their payments for a portion of the Plan's unfunded liabilities. Those payments, along with the Plan's assets already in existence, continue to fund the Plan after the occurrence Mass Withdrawal.

Copies of the collective bargaining agreements, under which the Plan is and has been maintained, are also available for inspection by Participants and beneficiaries at the Fund Office. If you cannot visit the Fund Office during normal business hours, copies of the agreements, and any other Plan documents which are required to be made available to you or your beneficiaries (See, "Your Rights Under ERISA," below) will be made available to you at the Union hall.

You may also inquire as to whether a particular Employer has contributed to the Plan or a particular employee organization is a sponsor by contacting the Fund Office in writing. As of 2013, no Contributing Employer is continuing to make contributions to the Plan. If a particular Employer has contributed to the Plan or a particular employee organization is a sponsor, the Fund Office will provide you with the Employer's or employee organization's address.

A reasonable fee may be charged for the photocopying of any documents that are provided to you.

### **Investments**

Funds contributed to the Plan are invested by the Trustees, and they are held in the Trust Fund. These funds and the income earned from their investment are exclusively used to provide benefits for Participants and their beneficiaries, and to pay the costs of maintaining the Plan. The Trustees have engaged the services of an independent investment consultant to make recommendations with respect to the investment of the Plan's assets, and to assist them with monitoring the performance of the Plan's investment managers.

## **Description of the Plan**

### **What is the Plan?**

The Plan is a Defined Benefit Plan, which means that your Retirement Benefit is based on a formula which takes into account your years of Covered Employment up to your termination of employment, or, if earlier the Mass Withdrawal Effective Date. The Plan's primary purpose is to provide you with a lifetime income during your retirement years. There are no individual accounts established to which portions of the Contributing Employers' contributions have been credited. No Participant or beneficiary has any right, title or interest in or to the Trust Fund other than to the vested benefits to which they are entitled.

### **Do I pay anything into the Plan?**

No. Only the Contributing Employers can make contributions to the Plan.

### **How much do the Contributing Employers contribute?**

Prior to the Mass Withdrawal Effective Date, the amount contributed to fund the Plan was subject to negotiation and included in each collective bargaining agreement or other written agreement. The level of your Contributing Employer's contributions determines the benefits payable to you, as explained further below.



## Participation and Service Prior to Mass Withdrawal

As of the Mass Withdrawal Effective Date, no Participant can earn any further service under the Plan for any reason. The questions below address how service was credited under the Plan prior to the Mass Withdrawal Effective Date.

### How did I become a Participant in the Plan Prior to the Mass Withdrawal Effective Date?

Prior to the Mass Withdrawal Effective Date, you automatically became a Plan Participant when the first contribution to the Plan was made on your behalf by your Contributing Employer for your work in Covered Employment. Please contact the Fund Office, if you have questions about your eligibility.

### What Was “Covered Employment”?

“Covered Employment” means all service you completed with a Contributing Employer in a job classification covered by a collective bargaining agreement or participation agreement between the Plan and such Contributing Employer and for which the Contributing Employer was required to contribute to the Plan. As noted, no contributions to the Plan were required by any Employer for any period after the Mass Withdrawal Effective Date. However, different Contributing Employers may have ceased to have an obligation to contribute at different times prior to the Mass Withdrawal Effective Date. Thus, “Hours of Service” (as defined more fully below) are awarded only for hours worked for which your Employer was required to contribute to the Plan, and not for hours after your Employer ceased to have an obligation to contribute to the Plan.

### How is service credited under the Plan?

Service has been is credited in two different ways under the Plan depending upon the purpose for which it is being measured. The credit you received for purposes of determining your entitlement to a benefit such as an Early Retirement or Deferred Vested Pension is called “Vesting Service.” The credit you received for purposes of determining the amount of your benefit is called “Credited Service.” In each instance, service is only earned worked during which your Employer had an obligation to contribute to the Plan.

### How do I accumulate “Vesting Service”?

You received one Year of Vesting Service for each Plan Year (calendar year) during which you completed at least 375 Hours of Service with a Contributing Employer that had an obligation to contribute to the Plan during that year.

If, while your Employer continued to have a contribute to the Plan, you transferred to a non-union position with your that Contributing Employer, your non-union service with that Employer counted under this Plan, but for vesting purposes only.

You have a fully-vested interest in your accrued benefit if you completed at least five (5) Years of Vesting Service. You also became fully vested if you were employed upon your attainment of your Normal Retirement Age regardless of the number of Years of Service you completed.

## What is an “Hour of Service”?

No Participant can earn an Hour of Service for any work performed after the Mass Withdrawal Effective Date. Thus, the following rules apply to periods prior to the Mass Withdrawal Effective Date.

An Hour of Service is:

- Each hour for which you are paid or entitled to be paid, either directly or indirectly for your performance of service with your Contributing Employer for which your Contributing Employer was obligated to make a contribution to the Plan;
- Each hour for which you were paid or entitled to payment by your Contributing Employer for periods of time during which no duties were performed due to vacation, holidays, illness, incapacity (including disability), layoff, jury duty, military duty and approved absences. No more than 501 Hours of Service has been credited to you for any such single continuous period. These hours have been determined under DOL regulations (2530.200b-2) with respect to hourly or piecework employees; and
- Each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by your Contributing Employer. Such hours are credited for the year(s) to which the award or agreement pertains, rather than the year in which such award or agreement is made. These hours will not duplicate any hours counted under the rules set forth above.

For eligible periods prior to the Mass Withdrawal Effective Date, you will also be credited with hours you would have worked, up to a maximum of 8 hours per day and 40 hours per week, during a period of U.S. military service, so long as you return to covered employment within the time limits prescribed by the federal law called the “Uniformed Services Employment and Reemployment Rights Act of 1994” (“USERRA”).

Similarly, if you have been absent from work due to pregnancy, the birth or adoption of your child, or due to parental child care which immediately follows such birth or adoption, you will be credited with sufficient Hours of Service in order to avoid a One-Year Break in Service in the Plan Year in which this absence begins. If you have already been credited with more than 375 Hours of Service in that Plan Year, you will be credited with sufficient Hours of Service to avoid a One-Year Break in Service in the Plan Year that immediately follows the one in which your maternity or paternity absence begins.

Finally, if you have been absent from work on an authorized leave of absence, you will be credited with each hour that you are scheduled to work for your Employer in order to avoid a One-Year Break in Service provided you return to work with your Employer following your authorized leave of absence. An authorized leave of absence means any unpaid, temporary cessation from active employment with your Employer pursuant to an established nondiscriminatory policy, whether due to illness, military service, provided you are eligible for reemployment rights under USERRA, and you return to work within the period required under USERRA, or any other reason.

**What is a Break in Service?**

A Break in Service means a Plan Year (while your Employer continued to have an obligation to contribute to the Plan) during which you have completed fewer than 375 Hours of Service.

**How do I accumulate “Credited Service”?**

Your Credited Service was determined each Plan Year (calendar year) based on the number of Hours of Service you worked in Covered Employment. Covered Employment means your employment with your Contributing Employer for which your Contributing Employer was required to make contributions to the Plan on your behalf.

For any Plan Year beginning on or after January 1, 2008, Years of Credited Service were credited as follows:

Hours Contributed for You During Plan Year	Years of Credited Service
1,500 or more	1 full year
1,250 - 1,499	3/4
1,000 - 1,249	1/2
Less than 1,000	None

For any Plan Year beginning on or after January 1, 1977 and ending before January 1, 2008, Years of Credited Service were credited as follows:

Hours Contributed for You During Plan Year	Years of Credited Service
1,500 or more	1 full year
1,125 - 1,499	3/4
750 - 1,124	1/2
375 – 749	1/4
Less than 375	None

If you transferred to a non-union position with your current Contributing Employer, you did not earn additional Credited Service under the Plan for your non-union work with that employer. However, you did continue to earn Vesting Service.

Service Prior to 1977 – For Plan Years beginning prior to January 1, 1977, you will be credited with Credited Service for each year of continuous employment with a Contributing Employer that subsequently contributed to the Plan, or, if the Employer went out of

business before January 1, 1963, was a party to a collective bargaining agreement with, the United Paperworkers International Local 286 or their predecessor(s) at the time the employer ceased operations.

Evidence of Service Prior to 1977 shall consist of payroll records from the Social Security Administration, Employer records, Union and Fund records and other sources acceptable to the Trustees in their sole discretion.

The Trustees will determine, on the basis of rules uniformly applicable to all Participants similarly situated, the Years of Credited Service of each Participant and, except as otherwise expressly provided herein, such determination shall be final, binding and conclusive on such Participant.

### **Can my service be lost or cancelled?**

If you had at least five (5) consecutive one-year Breaks in Service prior to the time your benefits are vested, you lost the Years of Service that you earned.

If you terminated your employment and then returned to Covered Employment before incurring five (5) consecutive one-year Breaks in Service, your prior service was reinstated upon your completion of a Year of Service after your return to Covered Employment. However, if you had at least five (5) consecutive one-year Breaks in Service prior to your return to Covered Employment and you had no vested rights to your benefit when you left, your prior Years of Service were not restored.

You should keep in mind, however, that these rules apply only to Breaks-in-Service that occur after January 1, 1999. For periods before January 1, 1999, Breaks-in-Service are determined by the Plan rules then in effect.

## **Eligibility for Benefits**

### **What types of benefits are provided under the Plan?**

The following types of benefits are provided under the Plan:

- Normal Retirement Benefit
- Early Retirement Benefit
- Deferred Vested Retirement Benefit
- Disability Retirement Benefit
- Late Retirement Benefit

### **When am I eligible for a Normal Retirement Benefit?**

You can receive a Normal Retirement Benefit if you retire on or after your attainment of your Normal Retirement Age (age 65). Your Normal Retirement Date is the last day of the month in which you attain your Normal Retirement Age.

### **What will my Normal Retirement Benefit be?**

The amount of your Normal Retirement Benefit on or after your Normal Retirement Date generally depends upon the Hourly Contribution Rate paid by your Contributing Employer

at the time it was last obligated to contribute to the Plan and the Years of Credited Service you have earned in the aggregate at the time you retire or, if earlier, the Mass Withdrawal Effective Date.

You may contact the Fund Office for information concerning the Hourly Contribution Rate paid by your Contributing Employer per the terms of the applicable collective bargaining agreement or other written agreement.

The following table gives an illustration of the amount of Normal Retirement Benefit earned under various Hourly Contribution Rates, in the form of a 5-Year Certain and Life Annuity, for different periods of Credited Service:

Hourly Employer Contribution Rate	Monthly Normal Retirement Benefit for each Year of Credited Service		
	Before 1985	1985-1994	After 1994
5¢	\$ 2.86	\$ 3.12	\$ 3.38
11¢	4.40	4.80	5.20
14¢	5.50	6.00	6.50
18¢	6.60	7.20	7.80
21¢	7.70	8.40	9.10
24¢	8.80	9.60	10.40
30¢	11.00	12.00	13.00
36¢	13.20	14.40	15.60
41¢	15.40	16.80	18.20
42¢	15.40	16.80	18.20
46¢	17.60	19.20	20.80
48¢	18.15	19.80	21.45
54¢	19.80	21.60	23.40
60¢	22.00	24.00	26.00
75¢	27.50	30.00	32.50
78¢	28.60	31.20	33.80
81¢	29.70	32.40	35.10
84¢	30.80	33.60	36.40
87¢	31.90	34.80	37.70
90¢	33.00	36.00	39.00
93¢	34.10	37.20	40.30
96¢	35.20	38.40	41.60
99¢	36.30	39.60	42.90

Hourly Employer Contribution Rate	Monthly Normal Retirement Benefit for each Year of Credited Service		
	Before 1985	1985-1994	After 1994
\$1.02	37.40	40.80	44.20
\$1.05	38.50	42.00	45.50
\$1.08	39.60	43.20	46.80
\$1.11	40.70	44.40	48.10
\$1.14	41.80	45.60	49.40
\$1.17	42.90	46.80	50.70
\$1.20	44.00	48.00	52.00
\$1.23	45.10	49.20	53.30
\$1.26	46.20	50.40	54.60
\$1.29	47.30	51.60	55.90
\$1.32	48.40	52.80	57.20
\$1.35	49.50	54.00	58.50
\$1.38	50.60	55.20	59.80
\$1.41	51.70	56.40	61.10
\$1.44	52.80	57.60	62.40
\$1.47	53.90	58.80	63.70
\$1.50	55.00	60.00	65.00
\$1.53	56.10	61.20	66.30
\$1.56	57.20	62.40	67.60
\$1.59	58.30	63.60	68.90
\$1.62	59.40	64.80	70.20
\$1.65	60.50	66.00	71.50
\$1.68	61.60	67.20	72.80
\$1.71	62.70	68.40	74.10
\$1.74	63.80	69.60	75.40
\$1.77	64.90	70.80	76.70
\$1.80	66.00	72.00	78.00
\$2.10	77.00	84.00	91.00
\$2.40	88.00	96.00	104.00
\$2.70	99.00	108.00	117.00
\$2.88	105.60	115.20	124.80
Each addit'l 3¢	\$ 1.10	\$ 1.20	\$ 1.30

**EXAMPLE 1**

Joe works for a Contributing Employer who contributes 36¢ per hour. He has a total of 29 Years of Credited Service as follows:

Before 1985	10.50 years
1985 through 1994	8.75 years
After 1995	<u>9.75 years</u>
Total	29.00 years

Joe's monthly benefit, payable in the form of a 5-Year Certain and Life Annuity at his Normal Retirement Date, would be calculated as follows:

10.50	x	\$13.20	=	\$138.60
8.75	x	\$14.40	=	\$126.00
9.75	x	\$15.60	=	<u>\$152.10</u>
<b>5-Year Certain and Life Annuity</b>				<b>= \$416.70</b>

Special rules have been applied if you retired within one year after your Employer's Hourly Contribution Rate increases, if you transferred from one Contributing Employer to another Contributing Employer with a different Hourly Contribution Rate, for accruals on or after January 1, 2008 or if your Employer reduced its Hourly Contribution Rate. Also, in no event will any Normal Retirement Benefit be paid if your Employer was not obligated to contribute to the Plan for at least one year, unless the Trustees make a specific exception. Following are several examples of these special rules:

**RULE 1:** If your Employer increased its Hourly Contribution Rate, your Normal Retirement Benefit will also increase after both of the following two conditions are met:

- (1) You continued to work in Covered Employment for at least three months following the Hourly Contribution Rate increase, and
- (2) Your Employer continued to make the increased Hourly Contribution Rate for at least 12 months.

For the purposes of Rule 1, you will be considered to have worked in Covered Employment for a month if either (i) you worked at least 160 hours in Covered Employment during such calendar month, or (ii) you worked at least one (1) hour of Covered Employment for each of the weeks in such calendar month.

**EXAMPLE 2**

Helen's Employer increased its Hourly Contribution Rate from 36¢ to 42¢ on February 1, 2010. Helen completed more than three months of service in Covered Employment following her Employer's Hourly Contribution Rate increase.

The Plan calculates Helen's monthly Normal Retirement Benefit for her Credited Service through February 1, 2010 to be:

- **\$402.30** (based on a 36¢ Hourly Contribution Rate), and
- **\$459.35** (based on a 42¢ Hourly Contribution Rate).

If Helen's Employer continued to make contributions to the Plan at 42¢ per hour through February 1, 2011, the Plan will increase Helen's monthly Normal Retirement Benefit for her Credited Service through February 1, 2011 to **\$459.35**.

If Helen's Employer failed to contribute to the Plan at 42¢ per hour for at least one year, Helen's monthly Normal Retirement Benefit for his Credited Service through February 1, 2010 will remain at **\$402.30**.

**RULE 2:** If you left Covered Employment and you incurred one or more Breaks-in-Service and then returned to work in Covered Employment with the same Contributing Employer at a higher Hourly Contribution Rate, you must complete at least two years of Credited Service before the higher Hourly Contribution Rate is applied to your years of Credited Service earned before your Breaks in Service.

**EXAMPLE 3**

John leaves Covered Employment in January 2008 and does not return to Covered Employment until July 2010. At the time John leaves, his Employer contributes to the Plan at the rate of 30¢ per hour, and John has accrued a monthly Normal Retirement Benefit of \$180.00 (based on the benefit rates associated with a 30¢ hourly contribution). (Because the present value of John's vested benefit exceeds \$1,000, he does not receive a single sum distribution.)

When John returns to Covered Employment in 2010, his Employer's contribution rate has increased to 36¢ per hour. The benefit John earns after his return will be calculated based at the 36¢ per hour contribution rate.

However, the \$180.00 monthly Normal Retirement Benefit payments John earned up through January 2008 will not be increased to reflect the 36¢ contribution rate until John completes an additional two years of Credited Service.

**RULE 3:** If your Contributing Employer reduced its Hourly Contribution Rate, the Trustees possessed the authority to refuse to accept the reduction if they deemed the reduction to be contrary to the financial integrity, actuarial soundness or best interests of the Trust Fund or Participants.

If the Trustees did not approve the reduced Hourly Contribution Rate, the following rules apply:



- (1) Your monthly Normal Retirement Benefit for Credited Service earned prior to the reduction in the Hourly Contribution Rate will no longer be adjusted for later increases in your Employer’s Hourly Contribution Rate (i.e., it will remain frozen).
- (2) Benefits earned after the reduction in the Hourly Contribution Rate will not be retroactively adjusted for any future increases in your Employer’s Hourly Contribution Rate.

**EXAMPLE 4**

David’s Contributing Employer wants to reduce its Hourly Contribution Rate from 60¢ to 30¢ effective January 2006, and the Trustees approve the reduction.

David’s Employer then contributes at the following Hourly Contribution Rates in future years: 2006: 30¢; 2007: 36¢; 2008: 54¢; 2009: 60¢; 2010 until the Employer withdrew from the Plan in 2012: 75¢.

David has 11 years of Credited Service as of January 2006. He continues to work more than 1,500 Hours of Service each year through December 2012\*, when he retired. David’s monthly Normal Retirement Benefit would be calculated as follows:

Before 2006:	11.00	x	\$26.00	=	\$286.00
2006:	1.00	x	\$13.00	=	\$ 13.00
2007:	1.00	x	\$15.60	=	\$ 15.60
2008:	1.00	x	\$23.40	=	\$ 23.40
2009:	1.00	x	\$26.00	=	\$ 26.00
After 2009:	3.00	x	\$32.50	=	<u>\$97.50</u>

**5-Year Certain and Life Annuity = \$461.50**

\*David will receive a full year of Credited Service for 2012 because he earned at least 1,000 Hours of Service prior to the Mass Withdrawal Effective Date.

**RULE 4:** If you transferred from one Contributing Employer to another Contributing Employer, the monthly Normal Retirement Benefit you earned with the first Contributing Employer will be frozen, and will not increase even if:

- Your second Employer’s Hourly Contribution Rate was higher or otherwise increased above your first Employer’s Hourly Contribution Rate following your transfer, or
- Your first Employer increased its Hourly Contribution Rate following your transfer.

In addition, the monthly Normal Retirement Benefit that you earned with the second Contributing Employer will be based solely on its Hourly Contribution Rate, your years of Credited Service after the transfer and the provisions of the Plan then in effect.

**What happens if I continue working beyond my Normal Retirement Date?**

If you continue working beyond your Normal Retirement Date, you will receive a benefit based upon the rate of contribution paid by your Contributing Employer and your Years of Credited Service up to your Late Retirement Date, or, if earlier the Mass Withdrawal Effective Date but not later than the last day your Contributing Employer had an obligation to contribute to the Plan if such date was before the Mass Withdrawal Effective

Date. Your Late Retirement Date is the first day of the month in which you retire after your Normal Retirement Date.

Regardless of whether you are retired, if you have not yet started to receive your benefit, it must begin to be paid to you as of the April 1 following the year in which you turn age 70½.

**May I retire before I reach my Normal Retirement Date?**

Yes. You can receive an Early Retirement Benefit if you retire on or after the date you complete at least 5 Years of Vesting Service, provided you are age 55 and or older.

If you elect to take an Early Retirement Benefit, you may elect to have the payments begin as of the first day of any month between your Early Retirement Date and your Normal Retirement Date.

**What will my Early Retirement Benefit be?**

Your Early Retirement Benefit will be determined in the same manner as the Normal Retirement Benefit, except that your benefit will be reduced by 0.6% for each of the first 60 months and by 0.3% for each of the next 60 months that your Early Retirement Date precedes your Normal Retirement Date. This reduction is taken to reflect the fact you will be receiving payments over a longer period of time than if the payments had started at your Normal Retirement Date.

For example, if you retire at your Normal Retirement Date, you will receive 100% of your monthly benefit (paid in the form of a 5-Year Certain and Life Annuity), but if you retire at age 55, you will only receive 46% of the monthly benefit that you would have received had you chosen to retire at age 65 with the same amount of service. This reduced amount is not increased once you reach your Normal Retirement Age. Below is a table of Early Retirement Benefit reduction factors at various ages:

<b>Age at Retirement</b>	<b>Percentage of Monthly Benefit Received at age 65</b>
65	100.0%
64	92.8%
63	85.6%
62	78.4%
61	71.2%
60	64.0%
59	60.4%
58	56.8%
57	53.2%
56	49.6%

Age at Retirement	Percentage of Monthly Benefit Received at age 65
55	46.0%

**EXAMPLE 5**

Assume, in Example 1 above, that Joe elects to retire at age 62. Joe's monthly Early Retirement Benefit payable immediately in the form of a 5-Year Certain and Life Annuity would be calculated as follows:

$$\$416.70 \times 78.4\% = \mathbf{\$326.69}$$

**When am I eligible for a Deferred Vested Retirement Benefit?**

If you have at least five (5) Years of Vesting Service when you leave Covered Employment (prior to your Normal Retirement Date), you will be eligible for a Deferred Vested Retirement Benefit. Your Deferred Vested Retirement Benefit is equal to the benefit you earned as of your termination date, or if earlier, the Mass Withdrawal Effective Date. Your benefit will be determined as though you had retired on the date you separated from service, and it will be calculated by using the applicable Normal Retirement Benefit formula.

Monthly benefits will begin on the last day of the month following your Normal Retirement Age. Alternatively, if you completed at least five (5) Years of Vesting Service as needed to qualify for an Early Retirement Benefit at the time you left Covered Employment, you may elect to receive the Deferred Vested Retirement Benefit as early as age 55.

If your Deferred Vested Retirement Benefit begins before your Normal Retirement Age, your benefit will be reduced in the same manner for an Early Retirement Benefit.

If the present value of your Deferred Vested Retirement Benefit is determined to be less than \$1,000, you will receive a single sum distribution in lieu of any other benefit payable from the Plan.

**The Disability Retirement Benefit will no longer be available to any Participant who becomes totally and permanently disabled on or after the Mass Withdrawal Effective Date.**

**The following questions apply to Participants who became entitled to a Disability Retirement Benefit prior to the Mass Withdrawal Effective Date**

**What happens if I become disabled?**

You will be eligible to receive a Disability Retirement Benefit if:

- You have completed at least 10 Years of Credited Service,

- You become “totally and permanently disabled” while employed by an employer that was at that time a Contributing Employer (prior to Mass Withdrawal), and your employment terminates due to your total and permanent disability, and
- Your Contributing Employer has contributed at an Hourly Contribution Rate of at least 18¢.

You will be determined to be “totally and permanently disabled” only if you submit to the Trustees a certificate of award which evidences your entitlement to and receipt of disability benefits from the Social Security Administration together with a completed application for a Disability Retirement Benefit. There may be a waiting period between the onset of your disability and your receipt of the necessary certification from the Social Security Administration.

If you become disabled while performing qualified military service under USERRA, you will be treated as if you had been reemployed and immediately thereafter terminated employment due to your disability for purposes of determining your entitlement to a Disability Retirement Benefit.

### **How much will I receive if I qualify for a Disability Retirement Benefit?**

If you are eligible for a Disability Retirement Benefit you will be entitled to receive a monthly Disability Retirement Benefit of \$150.00. If you die while receiving a Disability Retirement Benefit, your surviving spouse will be automatically covered under the Qualified Preretirement Survivor Annuity described later in this SPD.

### **When will my Disability Retirement Benefit begin and when will it end?**

Payment of your Disability Retirement Benefit will begin on the later of:

- the first day of the seventh month following the date you are determined to have incurred a total and permanent disability, or
- the first day of the month following the month in which the Trustees receive and approve your application for a Disability Retirement Benefit.

**It is important that you apply for a Disability Retirement Benefit as soon as possible after you become totally and permanently disabled. Otherwise, payment of your Disability Retirement Benefit may be delayed.**

Your Disability Retirement Benefit is payable until the earlier of:

- your death,
- the date on which you engage in other employment (except for employment determined by the Trustees to be for the primary purpose of rehabilitation the date of your recovery (as determined by the Trustees, based upon medical examination such that you can resume employment with your Employer,
- the date on which you refuse to undergo a medical examination requested by the Trustees, or
- your Normal Retirement Date.

If your entitlement to a Disability Retirement Benefit ceases in accordance with the provisions of this paragraph, and you do not elect to resume employment with an employer that was a Contributing Employer, you will thereupon assume an Early Retirement or Deferred Vested status, as the case may be.

If you continuously receive the Disability Retirement Benefit until your Normal Retirement Date, you will be deemed to have retired upon your Normal Retirement Date, and you will be eligible to receive your Normal Retirement Benefit based upon your years of Credited Service earned, and the provisions of the Plan in effect, on the date your Disability Retirement Benefit commenced.

If you are eligible for an Early Retirement Benefit at the same time you are eligible for the Disability Retirement Benefit, you may elect which benefit you wish to receive. The election you make is very important to you and your beneficiary. Information which will be helpful to you to decide the benefit you want to elect will be supplied to you from the Fund Office.

## Form of Payment

### How will my benefit be paid to me?

There are two normal forms of benefit payments. The one which applies to you depends on your marital status on your Annuity Starting Date, i.e., the date payment of your benefit starts. If you are married on your Annuity Starting Date, you receive a 50% Joint and Survivor Annuity with Pop-Up unless you specifically, with the written consent of your spouse, elect another form of benefit offered by the Plan. If you are single on your Annuity Starting Date, you will receive the 5-Year Certain and Life Annuity unless you elect another form of benefit offered by the Plan. The optional forms of payment are described below.

However, if the present value of your benefit is determined to be \$1,000 or less, you will receive a one-time lump sum cash payment instead of an annuity.

### What is the 50% Joint and Survivor Annuity with Pop-Up?

The 50% Joint and Survivor Annuity with Pop-Up pays a reduced benefit during your lifetime with 50% of the reduced amount payable after your death to your surviving spouse for your spouse's lifetime. The person who receives the benefit after your death must be the person who was your spouse on your Annuity Starting Date. Because a Joint and Survivor Annuity is payable over the lives of you and your spouse, it provides a smaller monthly benefit than the 5-Year Certain and Life Annuity. If your spouse dies before you, your monthly benefit will "pop-up" to the amount of benefit you would have received had you originally elected the unreduced 5-Year Certain and Life Annuity. The effective day of this increase will be the first day of the month following the month in which your spouse dies, provided you have submitted satisfactory proof of your spouse's death to the Trustees.

Alternatively, you may elect, without your spouse's consent, to receive a 75% or 100% Joint and Survivor Annuity with Pop-Up which pays a reduced benefit payable during your lifetime with 75% or 100% (as you elect) of the reduced amount payable after your death to your surviving spouse for your spouse's lifetime. The person who receives the benefit after your death must be the person who was your spouse on your Annuity Starting Date.

Because a Joint and Survivor Annuity is payable over the lives of you and your spouse, it provides a smaller monthly benefit than the 5-Year Certain and Life Annuity. If your spouse dies before you, your monthly benefit will “pop-up” to the amount of benefit you would have received had you originally elected the unreduced 5-Year Certain and Life Annuity. The effective day of this increase will be the first day of the month following the month in which your spouse dies, provided you have submitted satisfactory proof of your spouse’s death to the Trustees.

### **What is the 5-Year Certain and Life Annuity?**

This form of payment provides you with the unreduced monthly benefit payable for your lifetime. In the event of your death before 60 monthly payments have been made, your designated beneficiary will receive the same monthly benefit you had been receiving until a total of 60 monthly payments have been made. If you receive 60 or more monthly payments prior to your death, there will be no monthly benefit payable to your designated beneficiary upon your death.

### **What other optional forms of payment are available under the Plan?**

You also have the option to elect (with your spouse’s consent, if applicable) one of the following forms of payment:

- Single Life Annuity – Under this form of payment, you will receive unreduced monthly payments for as long as you live, and when you die, no further monthly benefits are payable. Thus, there is no certain benefit period, as there is with a 5 year Certain and Life Benefit, but the monthly amount is greater.
- 50% Joint and Survivor Annuity – Under this form of payment, you will receive reduced monthly payments for as long as you live, and when you die, your designated beneficiary will receive monthly payments for your beneficiary’s lifetime in an amount equal to 50% of your monthly payment.
- 5-Year Year Certain and Life Annuity – Under this form of payment, you will receive unreduced monthly payments for as long as you live, but if you die before you receive payments for 60 months, monthly payments will continue to your designated beneficiary for the remainder of the 60 month period. If you receive 60 or more payments prior to your death, there will be no monthly benefit payable to your designated beneficiary upon your death.
- 10-Year Certain and Life Annuity – Under this form of payment, you will receive reduced monthly payments for as long as you live, but if you die before you receive payments for 120 months, monthly payments will continue to your designated beneficiary for the remainder of the 120-month period. If you receive 120 or more payments prior to your death, there will be no monthly benefit payable to your designated beneficiary upon your death. The monthly benefit is reduced to provide the 10 year certain benefit.
- Lump Sum Payment – If the actuarial equivalent present value of your accrued benefit is more than \$1,000 but is equal to or less than \$1,750 as of your Annuity Starting Date, you can elect to receive your benefit in one lump sum payment. If you are married, you do not need your spouse’s consent to your election of this optional form of payment.

Your spouse will qualify for benefits under the Plan only if your spouse is a person to whom you are legally married.

## Death Benefits

### **What happens if I die after I retire?**

If you die after your Annuity Starting Date, the method of payment that you elected determines if any benefits are to continue after your death.

### **What happens if I die before I begin receiving benefits?**

If you die before your Annuity Starting Date, the death benefit payable depends on your marital status on your date of death.

Married Participants – The Plan provides a Qualified Preretirement Survivor Annuity (“QPSA”) in the event (i) you die before retirement and (ii) you were eligible to receive a Deferred Vested Retirement Benefit.

This benefit is payable whether or not you are working in Covered Employment at the time of your death. Payments of the monthly benefit will begin on the later of the first day of the month coincident with or next following the date of your death, or the first date on which you would have become eligible to retire. The amount of this monthly benefit is equal to the amount your spouse would have been entitled to receive under a 100% Joint and Survivor Annuity if you survived to your earliest retirement age. The actual amount of the survivor annuity is based on the benefit you earned under the Plan through the date of your death. However, if the actuarial equivalent present value of the QPSA does not exceed \$1,750, the Trustees will direct immediate payment of such amount to your spouse.

Lump Sum Death Benefits The Plan provided certain lump sum death benefits to beneficiaries of married and single Participants until the effective date of the Rehabilitation Plan, November 22, 2010. For deaths occurring during the period between November 22, 2010 and September 30, 2012, the Plan paid the applicable lump sum death benefits in the form of equal monthly payments over a period of five years in lieu of such lump sum payment.

For deaths occurring on or after the Mass Withdrawal Effective Date, the Plan no longer provides any lump sum death benefits.

Contact the Fund Office if you have any questions regarding the pre-Mass Withdrawal Effective Date lump sum death benefits.

### **What happens if I die while I am in qualified military service?**

If you die while performing qualified military service, you will be treated as if you had been reemployed and immediately thereafter terminated employment due to your death for purposes of determining your beneficiary’s entitlement to any additional benefits that would have been provided under the Plan (but not additional benefit accruals), prior to the Mass Withdrawal Effective Date. This means that if you left employment before you were fully vested, and you die during qualified military service, the time you completed during your qualified military service until your date of death, or, if earlier, the Mass Withdrawal

Effective Date, will count toward your vesting service, provided you would have had reemployment rights under USERRA.

This also means that, if you die while in qualified military service and you would have had reemployment rights under USERRA at the time of your death, you will be considered as actively employed at your death so that your beneficiary would be entitled to the applicable death benefits payable under the Plan, if any.

### **How do I designate a beneficiary?**

If you are married, your spouse is automatically your beneficiary under the Plan. If you are not married, you may designate a beneficiary or beneficiaries to receive benefits payable upon your death, if any. At the time benefit payments begin, you may be required to complete another beneficiary designation, depending on the type of annuity you choose. If you are not married and fail to designate a beneficiary, or if your designated beneficiary dies prior to your death, the death benefit will be paid to your estate.

Beneficiary designation forms can be obtained from the Fund Office.

## **Work After Normal Retirement Age/Retirement**

### **Can I receive my Retirement Benefit when I reach age 65 even if I continue to work?**

Yes, you can apply to receive your Retirement Benefit on or after your attainment of age 65 even if you continue to work, regardless of the number of hours you work or the amount of salary you earn. If you apply for your Normal Retirement Benefit while you work in Covered Employment, your payments will be adjusted as of each January 1 to reflect any additional benefit you may have earned during the immediately preceding Plan Year, for Covered Employment prior to the Mass Withdrawal Effective Date.

**Important Note:** You may choose not to commence distribution of your Retirement Benefit upon reaching age 65, but if you do so while continuing to be employed, you will not receive the benefit payments to which you would otherwise be entitled, as your benefit payments will be “suspended” during the period that you remain employed.

### **What happens if I retire and then return to work in Covered Employment prior to age 65?**

If you are receiving a Retirement Benefit and return to work prior to age 65, your Retirement Benefit will be suspended for any month you work for an employer that was formerly a Contributing Employer, regardless of the number of hours you work.

**These suspension rules apply to any work with any Employer that was a Contributing Employer, regardless of whether or not your position would have been considered Covered Employment under this Plan.**

If you return to work prior to age 65, you are required to give timely notice to the Fund Office of your re-employment with a former Contributing Employer. Notice given within 10



days following a return to work shall be considered timely and in compliance with this requirement.

If you are uncertain as to whether the job you are returning to might affect your pension payments, contact the Fund Office before you go back to work.

**What happens if I fail to give proper notice of re-employment?**

Any payments made by the Plan during a calendar month in which you are re-employed prior to age 65 will be deducted from the benefit payments made after termination of employment. The Fund Office will notify you during the first month in which a payment is withheld.

**When I stop working, when will payment of my Retirement Benefit be resumed?**

If, after you retire, your benefits are suspended due to re-employment prior to age 65, you must file a written "Notice of Termination of Employment" with the Trustees immediately upon termination of such employment. Upon receipt of such "Notice of Termination of Employment" at the Fund Office, your monthly benefit payments will resume.

**Will there be any adjustment in my Retirement Benefits following a period of re-employment prior to age 65?**

No, because of the effect of Mass Withdrawal.

## Applying for Benefits

**When will I begin receiving benefits?**

Generally, benefits will begin within 90 days after you file a written application for benefits on a form provided by the Fund Office. If you apply for benefits after you have reached your Normal Retirement Date, your benefit may be actuarially increased to take into account late commencement. If you first apply for benefits after your Normal Retirement Date, you should contact the Fund Office for information regarding the special rules that apply.

**How do I apply for my Retirement Benefits?**

You (or your spouse/beneficiary in the case of your death) may apply for Retirement Benefits by filing an application at the Fund Office:

410 N. 8th Street  
Philadelphia, PA 19123-3903

To make sure your benefit payments are not delayed, you must file an application at least one month before the date you want your benefit payments to begin. The rules of the Plan require that your application be filed in advance, and you are urged to file as soon as you decide on your intended retirement date. Early filing will help avoid delays in the processing of your application and payment of benefits. Application forms are available at the Fund Office. When applying for your benefit, you may be requested to provide proof that you are entitled to receive benefits.

### **How do I elect to receive a form of payment?**

When you are about to retire, a representative from the Fund Office will explain the forms of payment available to you in greater detail. You will also be provided with an application for benefits to complete. This application will allow you to choose the form of benefit you desire.

During the election period before payment of your Retirement Benefit is to begin, you will be given the option of electing not to receive the automatic form of payment. Your spouse must consent in writing to an election to receive an optional form that does not provide for at least a 50% survivor annuity. You may revoke any election prior to the date you begin receiving Retirement Benefit payments.

## **If Your Claim is Denied**

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Trustees or their delegate will provide you with a written notification of the Plan's adverse determination. This written notification must be provided to you within a reasonable period of time, but not later than 90 days after the receipt of your claim by the Trustees, unless the Trustees or their delegate determine that special circumstances require an extension of time for processing your claim. If the Trustees or their delegate determine that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 90-day period. In no event will such extension exceed a period of 90 days from the end of such initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

The Trustees' or their delegate's written notice of any adverse benefit determination must contain the following information:

- the specific reason(s) that your claim is denied;
- reference to specific Plan provisions on which the denial is based;
- a description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary; and
- a description of the Plan's claims review procedures and the time limits applicable to such procedures, including a statement regarding your right to bring action under Section 502(a) of ERISA following an adverse benefit determination on review.

## **Review of Claim Denial**

You or your representative have a right to file a written request for review of a claim denial within 60 days after receiving written notification that the claim was denied (or, if applicable, within 60 days after the date on which such denial is considered to have occurred).

You or your representative may present written statements that explain why you believe the benefit claim should be paid, including documents, records, and other information that is relevant to your claim for benefits. The Trustees will provide you or your representative,

upon request and free of charge, reasonable access to, and copies of, all documents, records and other information that is relevant to your claim for benefits. Your claim for review must be given a full and fair review. This review will take into account all comments, documents, records, and other information submitted by you relating to your claim, without regard to whether such information was submitted or considered in the initial benefit determination.

The Trustees will provide you with written notification of the Plan's benefit determination on review. The Trustees must reach a final decision at its next regularly scheduled meeting following receipt of your review request, unless such request is received less than 30 days prior to such meeting, in which case the final decision must be rendered no later than at the second regularly scheduled meeting following receipt of your review request. If special circumstances require a further extension of time for processing, a benefit determination will be rendered no later than the third meeting following the receipt of your review request. If such an extension of time is required because of special circumstances, the Trustees will provide you with a written notification of the extension, describing the special circumstances and the date on which the benefit determination will be made, prior to the commencement of the extension. The Trustees shall notify you of the benefit determination as soon as possible, but not later than 5 days after the benefit determination is made.

In the case of an adverse benefit determination on review, the written notification will set forth:

- the specific reason or reasons that your claim was denied;
- reference to the specific Plan provisions on which the denial is based;
- a statement that you will be provided, upon request and free of charge, reasonable access to, and copies of all documents, records and other information relevant to your claim; and
- a statement regarding your right to bring action under Section 502(a) of ERISA.

The Trustees' decision on a claim shall be final and binding on all parties, and benefits will only be provided where the Trustees, in their discretion, determine that the claimant is entitled to them. You may treat the lack of a timely response by the Trustees as a denial of the claim for purposes of exhaustion of remedies. It does not entitle you to payment of denied benefits.

## **Circumstances That May Affect Your Benefit**

Under certain conditions, your benefit may be denied, reduced or suspended. These conditions include the following:

1. As noted above, as of the Mass Withdrawal Effective Date, no Participant is able to earn additional service for any purpose. Prior to the Mass Withdrawal Effective Date, if you were no longer an eligible employee, you were ineligible for further Plan participation. If you transferred to another position with your Contributing Employer which was not in Covered Employment, you continued to accrue service for vesting, provided your Employer is required to contribute to the Plan for other Participants during that same period of service. You may not receive your benefit

- from this Plan until you are no longer employed under the conditions described in the section of this SPD called “Work After Normal Retirement Age/ Retirement.”
2. If your Covered Employment terminated by resignation, discharge, or death before you completed five (5) Years of Vesting Service, your retirement benefit will be forfeited as more fully described in the section of this SPD called “Can my service be lost or cancelled?”
  3. As a result of the Mass Withdrawal, the Plan has been terminated before sufficient assets have been accumulated in the Trust Fund to pay all benefits. In this case you may be protected (in full or in part) by the Pension Benefit Guaranty Corporation (See the section of this SPD called “Pension Benefit Guaranty Corporation”).
  4. Federal law permits payment of all or a portion of your benefit to another person, provided such payment is made to comply with a “qualified domestic relations order” (“QDRO”) relating to child support, alimony, or marital property rights payments.
  5. If you do not provide the Trustees with your most recent address and you cannot be located, the Trustees may be unable to distribute your benefit to you.
  6. If you fail to make proper application for your retirement benefit or fail to provide necessary information, the Trustees may be unable to distribute your benefit to you.
  7. If you leave employment and begin to receive a retirement benefit from the Plan before you reach your Normal Retirement Date, your payments will be reduced to account for early payment.
  8. See the section of this SPD called “Work After Normal Retirement Age/Retirement” to determine if your reemployment or your continued employment prior to age 65 may cause your retirement benefit payments to be suspended.
  9. If you receive benefits to which you are not entitled, you must repay the Plan for any such overpayments. If you do not repay the Plan, the Trustees may offset the amount you owe to the Plan from any future benefit payments, or if necessary, the Trustees will take all available legal action against you to restore the overpayments to the Plan.
  11. New restrictions have been placed upon a defined benefit plan whose funding level falls below certain trigger points. If the Plan becomes subject to these restrictions, the Plan may be limited or precluded from making accelerated benefit payments (such as lump sum payments) or increasing the Plan’s liability by amendment, and may, in certain instances, be required to freeze future accruals under the Plan until such time as the Plan’s funding level rises above these trigger points. You will be notified should the Plan become subject to these restrictions.

## Other Important Information

### How are my benefits taxed?

The following information is only meant to give you a general idea about taxes. Tax laws are complex and continually changing; therefore, you should consult a qualified tax advisor or specialist to help you decide the best approach to your situation.

Under current law, benefits paid from the Plan are subject to federal income taxes. If your distribution is made in the form of a lump sum or if your monthly benefits are paid for a

period of less than 10 years, you may be eligible to transfer all or a portion of your distribution directly to an Individual Retirement Account (IRA), another employer's qualified plan, Code Section 403(a) or 403(b) plan, or Code Section 457(b) plan, provided such plan accepts the rollover. Such transfers may be accomplished without being subject to federal income tax until you or your beneficiary receives a distribution from the IRA or plan. You may also be eligible to transfer your distribution directly to a Roth IRA, but if you elect a transfer to a Roth IRA, there is included in your gross income any amount that would be includable if the distribution were not transferred to the Roth IRA. If you elect to receive your lump sum payment in cash, it will be subject to 20% federal income tax withholding.

In addition, the Plan will not withhold the automatic 20% for federal income tax if you receive your benefit in an annuity or installment amounts over a period of 10 years or more, and you elect not to have withholding by completing IRS Form W-4P to that effect. If your benefits are paid in the form of an annuity or installment amounts over a period in of 10 years or more, and you fail to complete and return an IRS Form W-4P to the Fund Office as part of your application for benefits, the Plan will withhold federal income tax from your benefit payments at the rate for a married person claiming three (3) withholding allowances.

In the event of your death, amounts paid to your beneficiary are subject to federal tax withholding. If your spouse is your beneficiary, and your spouse elects to receive a lump sum distribution, your spouse may be eligible to transfer his or her distribution directly to an Individual Retirement Account (IRA), another employer's qualified plan, Code Section 403(a) or 403(b) plan, or Code Section 457(b) plan, provided such plan accepts the rollover.

Such transfers may be accomplished without being subject to federal income tax until your spouse receives a distribution from the IRA or plan. In addition, if your beneficiary is not your spouse and payment is made to your beneficiary in the form of a lump sum distribution, your beneficiary may be eligible to request a direct trustee to trustee transfer from the Plan to an inherited IRA that is established in your name as the deceased IRA owner for the benefit of your beneficiary. Your beneficiary will receive more information regarding these options from the Fund Office.

In addition, generally distributions that are made prior to your attainment of age 59½ are also subject to an additional penalty tax equal to 10% of the amount of your distribution includable in your gross income. The 10% penalty tax will not apply to distributions made (i) after your separation from service with the Employer during or after the year in which you attain age 55, (ii) after your separation from service and in a series of payments made over your life expectancy (or the joint life expectancy of you and your beneficiary), (iii) on account of your disability, (iv) to your beneficiary, (v) to an alternate payee under a Qualified Domestic Relations Order, or (vi) on account of certain tax levies or liens against you under the Plan.

Your benefit payments may also be subject to state income tax. State tax laws vary from state to state and may differ for individuals depending on their circumstances.

Tax laws are frequently changed and this SPD does not explain all of the federal and state tax rules on payments from this Plan, nor can you rely upon it as you could advice from an attorney or accountant. Therefore, before you receive a distribution from the Plan, you

should consult your tax advisor concerning your tax liability. Additional information will be given to you (or your beneficiary) concerning withholding of income tax when you (or your beneficiary) apply for your benefit.

### **Can my Retirement Benefit be assigned to another person?**

No. Benefits cannot be sold, assigned or pledged to anyone, nor can they be used as security for a loan. Furthermore, they are not subject to attachment or execution under any judgment or decree of a court prior to distribution.

There is an exception, however, to this general rule. The Trustees must honor a Qualified Domestic Relations Order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. You may obtain a copy of the Plan's procedures for determining whether a court order is a Qualified Domestic Relations Order by contacting the Fund Office.

### **What about my Social Security benefits?**

The Social Security retirement benefits to which you may be entitled are payable in addition to any benefits provided under this Plan. It is impossible to determine the exact amount you will receive until you actually apply for a Social Security retirement benefit. Your local Social Security office can give you an estimate of what your Social Security benefit may be at your retirement, based on present Social Security benefits.

## **Amendment and Termination of the Plan**

The Trustees reserve the right to amend the Plan. Except for unusual circumstances approved by the government, the rights of participants, pensioners, and beneficiaries cannot be adversely affected by any amendment.

The Mass Withdrawal constitutes a termination of the Plan under the law, and after withdrawal liability is paid, there will be no more assets added to the Plan. In addition, no further benefits will be accrued under the Plan. Nevertheless, the Plan will continue to pay benefits as they come do, so long as it retains sufficient assets to do so. On this basis the Trustees expect and intend that the Plan will continue to pay benefits indefinitely. As of the Mass Withdrawal Effective Date, you will not accrue any further benefit under the Plan. However, if you became vested before the Mass Withdrawal Effective Date, the benefit that you have already accrued may become subject to payment under the Pension Benefit Guaranty Corporation to the extent there are not sufficient assets in the Trust Fund to pay them.

## **Pension Benefit Guaranty Corporation**

Your Retirement Benefit under this multiemployer Plan is insured by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry. Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is

considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11.00 of the monthly benefit accrual rate and (2) 75% of the next \$33.00. For example, the maximum annual guarantee for a retiree with 30 years of service and a benefit accrual rate of \$23.00 per month would be \$7,200.

The PBGC guarantee generally covers, (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the Plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover, (1) benefits greater than the maximum guarantee set by law; (2) benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the earlier of (i) the date the Plan terminates or (ii) the time the Plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the Plan became insolvent; and (5) nonpension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it pays, ask the Fund Office or contact the PBGC's:

Technical Assistance Division  
Pension Benefit Guaranty Corporation  
1200 K Street, N.W.  
Suite 930  
Washington, DC 20005-4026

The PBGC may be reached by calling: 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

## Your Rights Under ERISA

As a Participant in the USW District 10 Local 286 Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

1. Examine, without charge, at the Plan Administrator's office, and other specified locations, such as worksites and union halls, all Plan documents, including insurance contracts, collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor, and available at the Public Disclosure Room of the Employee Benefits Security Administration.
2. Obtain, upon written request to the Plan Administrator, copies of the documents governing the operation of the Plan, including insurance contracts, collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) and

updated summary plan description. The Administrator may make a reasonable charge for the copies.

3. Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this financial report.
4. Obtain a statement telling you whether you have a right to receive a retirement benefit under the Plan at your Normal Retirement Age and, if so, what your benefit would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a retirement benefit, the statement will tell you how many more years you have to work to get a right to a retirement benefit. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your Employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a retirement benefit or exercising your rights under ERISA.

If your claim for a retirement benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents, or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C., 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.