

**U.A. LOCAL UNION NO. 467  
PENSION TRUST FUND**

**DEFINED BENEFIT PLAN  
AND  
DEFINED CONTRIBUTION 401K PLAN**



**SUMMARY PLAN DESCRIPTION  
AND FORMAL PLAN TEXT  
(For Each Plan)**

Restated as of January 1, 2016

**KEEP THIS BOOKLET FOR FUTURE REFERENCE**



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**U.A. LOCAL UNION NO. 467 PENSION TRUST FUND**

**BOARD OF TRUSTEES**

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**TRUST FUND OFFICE**

United Administrative Services  
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San Jose, CA 95119  
(408) 288-4400

Please direct all correspondence for the Board of Trustees to United Administrative Services.

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## HIGHLIGHTS OF THIS BOOKLET/RECENT CHANGES

We are pleased to provide you with information about the pension plans of the U. A. Local Union No. 467 Pension Trust Fund. The Trust Fund sponsors two plans: the Defined Benefit Plan and the Defined Contribution Plan. The first part of this booklet covers the rules of the Defined Benefit Plan as amended by the Board of Trustees through December 31, 2015. The second part of this booklet covers the rules of the Defined Contribution Plan, as amended through December 31, 2015.

This booklet is intended to be an explanation of the rules concerning accrual of benefits, vesting, breaks in service, amount of benefits accrued, eligibility for benefits which apply to members currently employed in covered employment and other pertinent issues. Some superseded rules are discussed for your convenience. Similarly, the rules for applications for, and forms of, retirement benefits apply to applications for benefits submitted after the publication of this booklet, or the effective date of the adoption of those rules, if earlier. **Except as expressly provided in the Formal Text of the Plans, the rights of any member who is not currently employed in Covered Employment, or who submitted an application before the publication of this booklet, are determined by the rules in effect as of the Participant's last covered employment, or at the time of application, respectively.**

If you have any questions regarding the Plans, you should address them in writing to the U. A. Local Union No. 467 Trust Fund Office, c/o United Administrative Services, at the address listed on page ii. Your questions will then be answered in writing by the Trust Fund Office or Legal Counsel. If you disagree with an adverse determination, you may appeal that determination to the Board of Trustees, as explained in the Summary Plan Descriptions and Plan Texts which follow. The Board of Trustees has complete discretionary authority to decide all questions about these Plans, including questions about your eligibility for benefits and the amount of any benefit payable to you, and the Board's decisions concerning the Plans are final and binding on all concerned persons. No differences between the Summary Plan Descriptions and the Formal Texts of the Plans are intended, but in the event of any inconsistencies, the Formal Text of each Plan is controlling.

### **WHAT'S NEW: Important Changes Since the Last Booklet**

The Board of Trustees amended the Plan to permit an individual who qualifies for a Social Security Disability Award to convert an early retirement benefit to a disability benefit under the Plan so long as the effective date of the Social Security Disability Award was as of or prior to the effective date of the Participant's early retirement date. The Plan was also amended to allow those over age 60 to retire and continue working in a Computer Assisted Drawing and Design Position ("CAD"). Pursuant to changes to the Internal Revenue Code, the Plan permits the rollover of cash death benefits to an Individual Retirement Account ("IRA") or another qualified pension plan (including a non-spouse beneficiary).

New Participants as of January 1, 2016—Change in Early Retirement Age. For any person who commenced participation in the Plan on or after January 1, 2016, the Plan's Early Retirement Age is age 58 (with reduced benefits with 15 years of Benefit Credit). Such persons may retire with an unreduced pension benefit at age 62 with 30 years of Benefit Credit.

The Plan now provides that if you are not satisfied with the decision on an appeal or other adverse determination, you have **one year** from receipt of the notice of such determination to file a lawsuit.

Board of Trustees

### **LIMITATION UPON RELIANCE ON BOOKLET AND STATEMENTS**

This booklet provides a brief, general summary of the Plans. It is not intended to cover all of the details of the Plans. Nothing in this Summary Plan Description is meant to change the Plans' provisions. You should review the Plans to fully determine your rights. The Plans, as amended, are available for your review at the Trust Fund Office upon written request.

You are not entitled to rely upon oral statements of Employees of the Trust Fund Office, a Trustee, an Employer, any Union officer, or any other person or entity. As a courtesy to you, the Trust Fund Office may respond orally to questions; however, oral information and answers are not binding upon the Plans and cannot be relied upon in any dispute concerning your benefits.

If you wish an interpretation of the Plans you should address your request in writing to the Board of Trustees at the Trust Fund Office. To make their decision, the Trustees must be furnished with full and accurate information concerning your situation.

You should further understand that, from time to time, there may be an error in a statement that you receive which may be corrected upon an audit or review. The Board of Trustees reserves the right to make corrections whenever any error is discovered.

### **C A U T I O N - FUTURE PLAN AMENDMENTS**

Future amendments to the Plans may have to be made from time to time to comply with new laws or amendments passed by Congress, rulings by federal agencies or courts, and other changes deemed necessary or prudent by the Trustees. You will be notified if there are important amendments to the Plans. Before you decide to retire, you may want to contact the Trust Fund Office to determine if there have been Plan amendments or other developments that may affect your retirement.

### **SEEK ADVICE OF TAX CONSULTANT**

The Trust Fund Office does not provide tax advice. You should discuss with a tax advisor the tax consequences of any withdrawal of funds or selection of benefit options.

### **ONE YEAR TO FILE LAWSUIT**

If your appeal has been denied or there has been a different form of adverse action taken against you, such person (Participant, beneficiary or any other person or entity) has one year from the date of such denied appeal or adverse action to file a lawsuit. If the person fails to do so, no lawsuit is permitted.

## **CHECKLIST: THINGS FOR YOU TO DO**

### 1. If You Move

Keep the Trust Fund informed of any change in your mailing address to ensure that you receive the Plan's communications. The Plan's address, phone number, and Web site are on page ii.

#### **YOUR UNION IS A SEPARATE ENTITY FROM THE PLAN**

The Pension Plan and your Local Union are two separate entities. You must provide separate written notice to both of these entities of any change of address or other key changes.

### 2. If Your Marital Status Changes

Inform the Trust Fund Office if your marital status changes. If you are getting a divorce, your former spouse may be entitled to receive a portion of your pension payments. Under federal law, the Plan must comply with any order issued by the state divorce court that is a Qualified Domestic Relations Order (QDRO). If you or your attorney have any questions or would like assistance before the QDRO is finalized, please contact the Trust Fund Office for a Sample Order and the Plan's Procedures for Administering Domestic Relations Orders.

### 3. If You Are Thinking about Retirement

Please file your application in plenty of time (within at least 90 days of your anticipated retirement). You will need certain documents such as your birth certificate, marriage certificate, and your final judgment and marital settlement agreement in your divorce action. The Trust Fund Office can tell you what you need. See page 16 for a list of items.

### 4. Save this Booklet

Put it in a safe place. If you lose your copy you may ask the Trust Fund Office for another. It is also available on the Plan's Web site.

### 5. Additional questions? If you have any additional questions, you should contact the Trust Fund Office at (408) 288-4400 or visit the Plan's website: [www.local467benefits.com](http://www.local467benefits.com).

## QUESTIONS AND ANSWERS

### 1. HOW DO I EARN A PENSION?

Your right to pension benefits under the Defined Benefit Plan depends upon how many years of Vesting Credit you have earned. You earn Vesting Credit by performing employment for participating employers in positions for which contributions are required to be made to this Plan ("covered employment").

#### a. Prior Service Credit

Service Credits which you earned under the combined U. A. Local Union Nos. 393 and 467 Pension Plan prior to the adoption of this Plan on July 1, 1976, are recognized under this Plan.

#### b. Future Credit

Future Vesting Credit and Benefit Credit is granted for all employment for which contributions have been required to be made to this Plan from July 1, 1976, forward. All Employees who are working in covered employment are eligible to accrue Vesting Credit under the Plan. Years of Future Service Credit are of two types: Vesting Credit and Benefit Credit.

##### 1. **Vesting Credit**

A Year of Future Credit for purposes of vesting ("Vesting Credit") is granted for performance of 1,000 hours of covered employment in a Plan Year. If you have performed less than 1000 hours of covered employment in a Plan Year, and you have already earned 10 Years of Vesting Credit, you will receive .1 Year for each 100 hours, with no credit for less than 100 hours. If you have not already earned 10 Years of Vesting Credit and you have performed less than 1000 hours of covered employment, you will receive .3 Years for the first 300 hours of covered employment, and .1 Year for every 100 hours after that. You may earn a maximum of one Year of Vesting Credit in a Plan Year. Vesting Credit includes:

- a. hours worked under a Collective Bargaining Agreement of U. A. Local Union No. 467;
- b. hours worked for a participating Employer in non-covered contiguous employment, such as a supervisory or other non-bargaining unit position, provided there was no quit, layoff, other discharge or retirement between the covered and non-covered employment;
- c. hours of covered employment as a full-time Employee of the Union or related entity; and
- d. hours recognized under a reciprocal agreement between this Plan and another U.A. Defined Benefit Pension Trust Fund.

##### 2. **Benefit Credit**

The amount of benefits you receive, and your eligibility for certain rights under the Plan, depends on how much Benefit Credit you have accrued. Until July 1, 1969, no Benefit Credit was granted for any employment unless contributions were actually received by the Plan. On or after that date, Benefit Credit is granted for all covered employment for which contributions are required. The amount of Benefit Credit which you received for any Prior Year and for any Future Service year through 1983 depends on the number of hours of covered employment which you performed that year, the rate at

which benefits were granted for that year, and the number of hours required at the time for a full or partial year of credit. After 1983, the amount of benefits you accrue in a Plan Year is based on the amount of contributions required to be made on your behalf in that Plan Year. Please note, however, that you do not accrue any benefits in any Plan Year unless you have performed the required minimum hours of covered employment for that Plan Year. The current minimum service to qualify for benefit accrual is 100 hours if you have ten or more Years of Vesting Credit, or 300 hours if you do not.

The rules for accrual of Benefit Credits appear in Article III, Section c of the Plan, and the amount of benefit attributable to each Benefit Credit appears in Article X. Examples of the amount of benefits payable for various years are: (1) \$17 for Past Service Credits; (2) \$18 for 1200 or more hours in Plan Years Ending June 30, 1957, through June 30, 1962; (3) \$48 for 1200 hours, or \$68 for 1801 or more hours in Plan Year Ending June 30, 1976; and (4) \$23 for each 250 hours, up to \$161 for 1750 or more hours, in Plan Year Ending December 31, 1983. For years after December 31, 1983, your benefit is determined by multiplying the amount of applicable contributions required to be made on your behalf, by the following percentages:

<u>Plan Year</u>	<u>Benefit Percentage</u>
1984-1987: .....	2.00%
1988: .....	2.50%
1989-1990: .....	2.75%
1991 forward:.....	3.00%

For benefits accrued in the Plan Years 2001-2003, if you had attained age 55 and accrued 25 Years of Benefit Credit, you accrued benefits at 4% of applicable contributions. This Extended Service Benefit accrual rate applies only for these three years, and only to qualified Participants.

The amount of the applicable hourly contributions which is applied to benefits is currently \$5.00. This may be less than the total contribution in effect at any time because it does not include the amount determined by the Trustees as required to fund the Plan's special pre- and post-retirement death benefits, or other special funding requirements.

These basic retirement benefit amounts have been increased from time to time for Employees who performed qualifying amounts of covered employment in certain years, or who were retired by certain dates. The sum of these amounts represents your "Normal Retirement Benefit," and may be subject to reduction depending in part on your age at retirement, and the form of benefit you elect, as explained below.

## EMPLOYEE BENEFIT STATEMENT

### SAMPLE BENEFIT ONE – VESTED

#### STATEMENT OF CREDITED SERVICE FOR PLAN YEAR ENDED DECEMBER 31, 2012

			HOURS REPORTED	VESTING CREDIT	BENEFIT CREDIT	MONTHLY BENEFIT
Plan year end	*	1996	246.99	1.00	.20	41.00
Plan year end	*	1997	1416.00	1.00	1.00	213.00
Plan year end		1998	1715.00	1.00	1.00	257.00
Plan year end		1999	1982.00	1.00	1.00	303.00
Plan year end		2000	1630.00	1.00	1.00	261.00
Plan year end		2001	1940.00	1.00	1.00	319.00
Plan year end		2002	212.25	.00	.00	.00
			<i>TOTALS:</i>	<i>6.00</i>	<i>5.20</i>	<i>1,394.00</i>

\* These hours have been pro-rated based on the contribution rate received. Your benefit is calculated using the pro-rated hours; however, for vesting purposes actual hours are used.

In examples one and two, the Participant's interest in the Defined Benefit Plan is vested and the Participant will be eligible to receive a deferred benefit, when he is otherwise qualified to retire.

Please notify the Plan within sixty days of the receipt of a Benefit Statement if any information shown is incorrect. The Trustees rely on this information to establish benefits, and cannot make timely corrections except in unusual cases, unless errors are promptly reported. The Trustees reserve the right to correct any information which is later discovered to be in error. **If no protest is received by the Trustees within sixty days of the receipt of this notice, the information will be considered correct.**

If you have moved recently, make sure Local 467 and the Pension Administration office have your current address.

### SAMPLE BENEFIT TWO – VESTED

#### STATEMENT OF CREDITED SERVICE FOR PLAN YEAR ENDED DECEMBER 31, 2011

			HOURS REPORTED	VESTING CREDIT	BENEFIT CREDIT	MONTHLY BENEFIT
Plan year end		1996	1309.20	1.00	1.00	203.00
Plan year end		1997	2374.75	1.00	1.00	356.00
Plan year end		1998	2593.00	1.00	1.00	289.00
Plan year end		1999	2442.00	1.00	1.00	374.00
Plan year end		2000	2481.50	1.00	1.00	396.00
Plan year end		2001	2185.50	1.00	1.00	357.00
Plan year end		2002	2209.00	1.00	1.00	361.00
Plan year end		2003	2195.50	1.00	1.00	359.00
Plan year end		2004	2296.50	1.00	1.00	360.00
Plan year end		2005	2182.50	1.00	1.00	327.00
Plan year end		2006	2446.50	1.00	1.00	367.00
Plan year end		2007	2547.50	1.00	1.00	382.00
Plan year end		2008	2794.00	1.00	1.00	419.00
Plan year end		2009	2303.50	1.00	1.00	345.00
Plan year end		2010	2222.00	1.00	1.00	333.00
Plan year end		2011	854.00	.80	.80	128.00
			<i>TOTALS:</i>	<i>15.80</i>	<i>15.80</i>	<i>5,456.00</i>

**SAMPLE BENEFIT THREE – NOT VESTED**  
**STATEMENT OF CREDITED SERVICE FOR PLAN YEAR ENDED DECEMBER 31, 2012**

			HOURS REPORTED	VESTING CREDIT	BENEFIT CREDIT	MONTHLY BENEFIT
Plan year end	*	2006	420.63	.40	.40	63.00
Plan year end	*	2007	1058.20	1.00	1.00	159.00
Plan year end	*	2008	868.86	.80	.80	130.00
Plan year end	*	2009	1305.66	1.00	1.00	196.00
Plan year end	*	2010	401.13	.40	.40	60.00
<i>TOTALS:</i>				<i>3.60</i>	<i>3.60</i>	<i>608.00</i>

\* Plan records indicate that this Participant has only 3.60 years of Credited Service (less than the 5 required for full vesting) and that he will lose all of this Credit because of a Permanent Break in Service unless he returns to Covered Employment under the Plan before the five years after which he last worked and earns at least 300 hours of service.

**3. Annual Statement of Your Benefits**

Each year the Plan will send you a statement showing your current hours of covered employment and your anticipated monthly pension at Normal Retirement Age (age 65) as of the end of the prior calendar year. You should review your statement for accuracy and notify the Trust Fund Office in writing immediately if corrections are needed or you have any questions. If you do not receive a statement by **April** of each year, please contact the Trust Fund Office.

**ALERT-IF YOU FIND ERRORS IN YOUR STATEMENT**

**Please notify the Trust Fund Office in writing immediately if you notice any errors regarding your hours, rates and benefits or if you have any questions.**

**c. Credit for Certain Military Service.**

Pursuant to the Veterans Readjustment Assistance Act, the Uniformed Service and Reemployment Rights Act of 1994 and other applicable federal laws, an authorized leave of absence due to military service in the U.S. Armed Forces is considered Credited Future Service and Vesting Service, provided that you comply with all of the requirements of applicable federal law, the Plan, and any rules established by the Board of Trustees. This Plan provides such credit only for military service for which Credited Future Service is required to be granted under applicable federal law. You will need to provide a copy of your Military Discharge Papers for verification.

To be entitled to Credited Future Service and Vesting Service for the period in the Armed Services, a Participant whose active duty exceeded 90 days must have:

- (i) been working as a Covered Employee during the 90 days prior to commencement of his Armed Service,
- (ii) returned to work as a Covered Employee within 90 days following termination of his service in the Armed Service,

- (iii) been honorably discharged from the service or its equivalent under U.S. Military law, and
- (iv) served no more than five years in the Armed Service (with certain exceptions).

Not all types of military service count under these rules. For Participants whose active duty did not exceed 90 days, an application for reemployment or being signed-up on the Union's out-of-work list must be made within the time periods required by the Uniform Services Employment and Reemployment Rights Act of 1994, and any other applicable law.

The Board of Trustees will determine the Employer contributions that would have been made to the Plan on the Participant's behalf for the period of absence by taking an average of the contributions made to the Plan on the Participant's behalf during the two Plan years (or a lesser number of years if the Participant has shorter service) immediately preceding the date the Participant commenced his service in the Armed Services, or if greater, using the 12 months just before the Participant entered the Armed Service as one of the two Plan Years being averaged. The Board of Trustees has sole and absolute discretion to determine the appropriate contributions to be allocated to a Participant in this situation.

The Plan incorporates the requirements of Heroes Earnings Assistance and Relief Act ("HEART"). The Plan shall provide a beneficiary of a Participant who dies while performing a qualified military service, as defined in the Internal Revenue Code, with any additional benefits that would have been provided under the Plan had the Participant resumed employment and then terminated employment on the account of death, including vesting service credit for the period of the deceased Participant's period of qualified military service. This applies too if the Participant becomes disabled while in Qualified Military Service and is unable to return to Covered Employment. This provision applies to deaths or individuals who become disabled occurring on or after January 1, 2007.

Pursuant to IRS guidelines, this provision applies only to Participants who would have been entitled to reemployment rights under the Uniformed Services and Reemployment Rights Act if he or she had applied for such rights immediately before his or her death. To the extent applicable to this Plan, any benefits under the Plan that would otherwise be provided to such Participant if he or she had died while employed would apply. This provision does not require that contributions be credited for the period of qualified military services for purposes of determining death benefits.

## **2. YOU COULD LOSE YOUR PENSION IF YOU ARE NOT VESTED AND STOP WORKING IN COVERED EMPLOYMENT.**

Your right to benefits, upon otherwise qualifying for retirement under the Plan, may not be taken away from you once your interest in the Plan becomes vested. Please note that the rules listed below apply only to Employees who have worked in Covered Employment on or after January 1, 1996. The rules for vesting and breaks in service for any Employee who has not worked in covered employment on or after that date are the rules that were in effect when the Employee last worked in covered employment. **Until you are vested, however, you are not entitled to benefits under the Plan.**

### **a. General Vesting Rules**

You become vested if you meet any of the following requirements (Article III, Section a:

1. you have earned ten years of Vesting Credit regardless of your age;
2. you have completed five years of Vesting Credit, for employment for which contributions were required but which is not covered under a Collective Bargaining Agreement, such as full-time employment for the Union or the apprenticeship program;
3. you have attained age 65 and reached the fifth (5th) anniversary of your participation in the Plan without a permanent break in service as hereinafter defined; or
4. you have earned five (5) years of Vesting Credit, regardless of your age, and you satisfied one of the following tests:
  - (A) you had performed at least 300 hours of covered employment in 1998 and at least one hour in 1999; or
  - (B) you performed at least 300 hours of covered employment in 1999 or any Plan year after that.

In applying the rules described above, do not count any Years of Vesting Credit which were lost under the Plan's break in service rules, which are explained on pages 8-9 below.

### **DETERMINING VESTING CREDIT**

#### **Example No. 1a.**

John is a plumber who has worked the following hours, and thus earned the following amount of Vesting Credit:

<u>Plan Year</u>	<u>No. of hours</u>	<u>Vesting Credit</u>	<u>Total Credit</u>
2006	500	.5	.5
2007	800	.8	1.3
2008	1100	1.0	2.3
2009	900	.9	3.2
2010	500	.5	3.7
2011	0	0	3.7
2012	600	.6	4.3
2013	400	.4	4.7

John is not vested, because he has not accrued 5 years of Vesting Credit. He had a temporary break in service in Plan Year 2011 because he had zero hours. His break did not become permanent because he has yet to have a 5 year break in service. That break in service will become permanent if he does not perform 300 hours of covered employment before December 31, 2018, because he will have had a break in service of 5 years. Please note, however, that John's permanent break in service would be delayed one year for each Plan Year that he qualifies for one of the exceptions to the Plan's break in service rules.

#### **Example No. 1b.**

Let's say that John returns to covered employment in 2014 and works at least 300 hours. His break in service has ended before it became permanent, because he is now vested under the Plan's five-year vesting rule.

**b. Breaks In Service**

If you leave covered employment before you are vested, you could lose all of your Plan Benefits. If you are not vested, and in any Plan Year you fail to perform at least the then-required minimum number of hours, you will suffer a one-year break in service. If you are not vested, you will lose all of your accrued credits and incur a permanent break in service if you have a break in service which exceeds five years.

- 1. No Plan credits accrued before a permanent break in service are counted for any purpose under the Plan. This rule applies to all past and future breaks in service.**

The rules for vesting and breaks in service are in Articles III and V of the Plan. Different breaks in service rules have applied in prior times. Each set of new vesting and break in service rules apply to you only if you have satisfied the applicable covered employment requirements after each amendment's effective date. If you had a break in service in the past, you should review the Plan rules then in effect, or contact the Plan for information concerning the Plan rule which applies to your break in service.

1976 -- 1998 BREAK IN SERVICE RULE	
If your years of Vesting Credited Service before your Break in Service were:	You will have had a permanent Break in Service and lost your benefits if your Break in Service years equaled or exceeded:
0.25 - 5.00 Years	5 Years
5.01 - 6.00 Years	6 Years
6.01 - 7.00 Years	7 Years
7.01 - 8.00 Years	8 Years
8.01 - 9.00 Years	9 Years
9.01 - 9.99 Years	10 Years

**2. Exceptions to the Break in Service Rules**

A Plan Year in which you fail to be credited with the minimum number of hours will not be counted against you toward a break in service if any of the following apply to you:

- a. Military Service.** You are in full-time military service in the Armed Services of the United States as required by applicable federal law.
- b. Qualified Maternity or Paternity.** If you are away from Covered Employment on or after January 1, 1986, by reason of your pregnancy, birth of a child, placement of a child with you in connection with adoption, or the caring of the child for a period beginning immediately after such birth or placement. Hours you are absent up to a maximum of 501 as a Covered Employee may be counted as an Hour of Service to determine whether there has been a one year Break in Service.

To receive credit for your leave, you must provide the Trust Fund office with written proof that your leave was for one of the reasons listed above within one year after your leave begins.

If your leave qualified, you are credited with eight hours of service for each normal work day during your leave up to a maximum of 250 hours of service for any one pregnancy or adoption placement.

These hours of service only count toward preventing an interruption of service in the year your leave begins or in the following year. They do not count as hours of service for vesting or any other purpose.

c. **Family and Medical Leave Act.** To the extent required by applicable law during a leave from Covered Employment of up to 12 weeks, your absence (from a contributing Employer that has a sufficient number of employees to be covered by applicable law) may not count toward a One-Year Break in Service, provided the leave was granted by your Employer pursuant to the Federal Family and Medical Leave Act (FMLA). You must return to work in Covered Employment on or before the expiration date of the FMLA leave of absence. FMLA leave includes absences from work because of:

1. Pregnancy,
2. The birth, adoption, placement with you for foster care or adoption of a child,
3. The Care of a seriously ill spouse, parent or child, or
4. Your own serious illness.

Your unpaid FMLA leave will not be treated as Future Service Credit.

To the extent required by applicable law, FMLA leave also includes up to 26 weeks of unpaid leave during a 12-month period to care for a child, spouse, parent or next of kin who is a member of the Armed forces who is undergoing medical treatment for a serious injury or illness sustained in the line of duty. To qualify as the "next of kin" you must be the service member's "nearest blood relative."

### **3. WILL I RECEIVE CREDIT FOR WORK OUTSIDE THE JURISDICTION OF U. A. LOCAL UNION NO. 467?**

If you work outside the geographic area covered by this Plan under a Collective Bargaining Agreement requiring contributions to a different U.A. Pension Plan, the contributions you earn typically are credited to that Plan. Likewise, if you are a traveler working temporarily within the jurisdiction of this Plan, the contributions you earn typically are credited to this Plan instead of to your home Pension Plan.

Dividing your pension service credit between two Plans can reduce your retirement income. For example, if you work outside your normal area for only a few years, you may not work enough hours to vest under the Plan in that area and may lose the benefits you earned during those years. And if some of your employment in the industry is not credited under this Plan, you are less likely to qualify for certain Plan benefits.

To address this concern the Plan is signatory to the U.A International Reciprocity Agreement. Under this Agreement, a Participant who is working in a geographical jurisdiction of a U.A. local union other than Local Union No. 467 may elect to have employer contributions made to the Plan in another U.A. jurisdiction remitted back to this Plan. **To benefit from such an agreement, you must complete an authorization form when you begin work covered under the reciprocity agreement. These agreements do not provide for retroactive reciprocity.** If you complete an authorization form, and have contributions reciprocated back to this Plan, you will receive Vesting Credit based on the number of hours worked in the other area. Your Benefit Credit will be based on the contribution rate which applied to those hours and the amount of money received by this Plan. Your Benefit Credit will be prorated up or down depending on the contribution rate received.

#### **4. WHEN AM I ELIGIBLE TO RECEIVE BENEFITS FROM THE PLAN?**

Once your interest has vested, you may retire upon qualifying for Normal, Early, or Disability Retirement; however, even when you are qualified for benefits, no benefits are paid until you apply for a pension, and until you have stopped working in Industry Service. The amount of your benefits will be impacted by the type of retirement you elect. The requirements for each type of retirement are in Article II of the Plan, and the applicable reduction factors appear in Article II, and are summarized below:

If you are entitled to a pension and you desire to begin receiving your pension, you should file a completed pension application with the Trust Fund Office 90 days prior to your anticipated retirement or benefit commencement date. Application forms may be obtained from and be submitted to the Trust Fund Office as follows:

U.A. Local 467 Pension Trust  
6800 Santa Teresa Boulevard, Suite 100  
San Jose, CA 95119  
(408) 288-4400

Benefits are paid as soon as it is administratively feasible after all contributions are received and your application is processed. If you are eligible, all retirement dates are effective as of the first of the month following receipt of your pension application and your termination of covered employment.

**Thus, if you stopped working and are eligible for a pension, file your application immediately.**

##### **a. Normal Retirement Benefits**

You may retire with a Normal Retirement Benefit upon attaining either of the following combinations of age, service, and retirement status:

1. age 65, at least 5 years of Vesting Credit in the Plan, and you retire from the Plumbing and Pipefitting Industry; or
2. the later of age 65 and the fifth anniversary of your participation in the Plan without a permanent break in service, and you retire from the Plumbing and Pipefitting Industry.

##### **b. Early Retirement Benefits**

You are entitled to Early Retirement Benefits, which may be reduced as described below, upon applying for benefits and attaining any of the following combinations of age and service, and you retire from the Plumbing and Pipefitting Industry:

1. for reduced benefits for Employees who began participating in the Plan prior to January 1, 2005, age 55 with 10 Years of Vesting Credit;
2. for unreduced benefits for Employees who began participating in the Plan prior to January 1, 2005, age 55 with 25 Years of Benefit Credit;
3. for reduced benefits for Employees who began participation in the Plan on or after January 1, 2005 and before July 1, 2007, age 58 with 10 Years of Benefit Credit;

4. for unreduced benefits for Employees who began participation in the Plan on or after January 1, 2005 and before January 1, 2016, age 58 with 30 Years of Benefit Credit, or age 62 and 10 Years of Benefit Credit;
5. for reduced benefits for Employees who began participation in the Plan on or after January 1, 2007 and before January 1, 2016, age 58 with 15 Years of Benefit Credit;
6. for unreduced benefits for Employees who began participation in the Plan on or after January 1, 2007 and before January 1, 2016, age 58 with 30 Years of Benefit Credit, or age 62 and 10 Years of Benefit Credit;
7. for reduced benefits for Employees who began participation in the Plan on or after January 1, 2016, age 58 with 15 Years of Benefit Credit;
8. for unreduced benefits for Employees who began participation in the Plan on or after January 1, 2016, age 62 with 30 Years of Benefit Credit;
9. for unreduced benefits for Employees regardless of the date of participation, age 65 with five years of Vesting Credit.

For reduced Early Retirements on or after January 1, 1989 for Employees who began participation in the Plan before January 1, 2016, if you earned any Vesting Credit in the two Plan Years prior to retirement, your benefits will be reduced 5% for each year of your age less than age 62. If you did not earn any Vesting Credit in the two Plan Years prior to retirement, your benefits will be reduced by 5% for each year of your age less than age 65 as provided below:

For reduced Early Retirements on or after January 1, 2016, for Employees who began participation in the Plan on or after January 1, 2016, if you earned any Vesting Credit in the two Plan years prior to retirement, your benefits will be reduced 5% for each year of your age less than age 65. If you did not earn any Vesting Credit in the two Plan Years prior to retirement, your benefits will be reduced by an actuarial equivalent reduction (except at age 65).

### **REDUCTION FACTORS FOR EARLY RETIREMENT**

[For Employees who began Plan participating prior to January 1, 2005]

<u>Retirement Age</u>	<u>25 or more Years of Benefit Credit</u>	<u>Less than 25 Years of Benefit Credit</u>	
		<i>Active</i>	<i>Inactive</i>
65	100%	100%	100%
64	100%	100%	95%
63	100%	100%	90%
62	100%	100%	85%
61	100%	95%	80%
60	100%	90%	75%
59	100%	85%	70%
58	100%	80%	65%
57	100%	75%	60%
56	100%	70%	55%
55	100%	65%	50%

**REDUCTION FACTORS FOR EARLY RETIREMENT**

[For Employees who began participating in the Plan on or after January 1, 2005 and before January 1, 2016]

<u>Retirement Age</u>	<u>30 or more Years of Benefit Credit</u>	<u>Less than 30 Years of Benefit Credit</u>	
		<i>Active</i>	<i>Inactive</i>
65	100%	100%	100%
64	100%	100%	95%
63	100%	100%	90%
62	100%	100%	85%
61	100%	95%	80%
60	100%	90%	75%
59	100%	85%	70%
58	100%	80%	65%

**REDUCTION FACTORS FOR EARLY RETIREMENT**

[For Employees who began participating in the Plan on or after January 1, 2016]

<u>Retirement Age</u>	<u>30 or more Years of Benefit Credit</u>	<u>Less than 30 Years of Benefit Credit</u>	
		<i>Active</i>	<i>Inactive</i>
65	100%	100%	100.0%
64	100%	95%	93%
63	100%	90%	86%
62	100%	85%	80%
61	95%	80%	74%
60	90%	75%	69%
59	85%	70%	64%
58	80%	65%	60%

2(b) Unreduced Early Retirement: For an unreduced pension, for Employees who began participating in the Plan prior to January 1, 2016, the attainment of age sixty-two (62), and for Employees who began participating in the Plan on or after January 1, 2016, the attainment of age sixty-five (65), with five (5) or more years of Vesting Credit and the Employee's separation from Industry Service anywhere in the geographical jurisdiction of the United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada, or

For reduced Early Retirements after January 1, 1989, if you earned any Benefit Credit in the two Plan Years prior to retirement, your benefits will be reduced 5% for each year of your age less than age 62. If you were not active in the two Plan Years prior to retirement, your benefits will be reduced by 5% for each year of your age less than age 65.

**Example – Early Reduced Retirement Benefit**

(Began participating in Plan prior to 2016)

Joe worked in covered employment from 1985 through 2000, and then left the trade. He is retiring in year 2007 at age 61. Because he is over age 55 and has 10 Years of Vesting Credit, he is eligible for Early Retirement, but his benefits are subject to a reduction for age, as well as a reduction for the form of benefit selected. Here is how to calculate his actual benefits:

1. He accrued 16 years of Benefit Credit, for which he is entitled to a Normal Retirement Benefit of \$3,000. This figure is based on the sum of the benefits that he accrued in each year in which he was a covered employee, based on the benefit formula applicable to each year, and either the number of hours of covered employment he performed each year or the amount of contributions made on his behalf.
2. Since Joe does not have 25 Years of Benefit Credit and was not active in either of the two years preceding retirement, his benefits are subject to a reduction of 5% for each of the four years that his retirement age is less than 65, or 20%. This leaves an adjusted Normal Retirement Benefit of \$2,400 ( $20\% \times \$3000 = \$600$ ; then  $\$3000 - \$600 = \$2400$ ).
3. Joe is married at retirement, and his spouse is four years younger than he is. They elect to receive the 50% Joint and Survivor Annuity. The actuarial reduction factor for the 50% Joint and Survivor Annuity is approximately 10%. After the reduction, the monthly benefit is approximately \$2160.00, for their joint lives, followed by a monthly benefit of approximately \$1,080.00 for his spouse's life after his death.

**c. Service Retirement.** For an unreduced pension:

1. for Employees who began participating in the Plan prior to January 1, 2005, the attainment of age fifty-five (55) with twenty-five (25) or more years of Benefit Credit, or
2. for Employees who began participating in the Plan on or after January 1, 2005 and before January 1, 2016, the attainment of age fifty-eight (58) with thirty (30) or more years of Benefit Credit,
3. for Employees who began participating in the Plan on or after January 1, 2016, the attainment of age sixty-two (62) with thirty (30) or more years of Benefit Credit,

and the Employee's separation from Industry Service anywhere in the geographical jurisdiction of the United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada.

**d. Disability Retirement – Social Security Disability Award Required**

You are entitled to Disability Retirement Benefits if you meet the following requirements:

1. For Employees who began participating in the Plan prior to January 1, 2005, he has attained age 55 with ten (10) or more years of Vesting Credit; and for Employees who began participating in the Plan on or after January 1, 2005 and before July 1, 2007, he has attained age fifty-eight (58) with ten (10) or more years of Vesting Credit; and for Employees who began participating in the Plan on or after July 1, 2007, he has attained age fifty-eight (58) with fifteen (15) or more years of Vesting Credit. Disability Retirement Benefits are unreduced from your Normal Retirement Benefits. You will be required periodically to submit proof of your continuing disability.
2. He has become so disabled through sickness or accident as to be unable to work at any gainful employment, as demonstrated by an award of permanent and total disability benefits from the Social Security Administration;
3. He has ceased to perform Industry Service anywhere in the geographical jurisdiction of the United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada; and
4. He has submitted a full and complete application for disability retirement benefits.

Evidence of Disability. Notwithstanding the above, the Board of Trustees may require any Employee receiving Disability Retirement benefits to submit evidence of continuing to have a qualifying disability. Disability Retirement benefits may be terminated if an Employee fails to provide evidence on request, or if the Board of Trustees, in the Board's exclusive discretion, determines that the Employee is no longer totally and permanently disabled.

**ALERT: FILE EARLY APPLICATION**

You are urged to file a claim for a disability benefit with the Trust Fund Office at the same time that you apply for your Social Security Disability Benefit so that Plan benefits become payable as early as possible.

**d. Convert Early Retirement Benefit to Disability Benefit**

A Participant who files for and commences receiving an Early Retirement Benefit under the Plan shall have such benefit be converted to a Disability Retirement Benefit, upon written request, if subsequent to the Participant's Early Retirement, the Social Security Administration determines that such Participant qualifies for a total and permanent disability as of or prior to the date of the Participant's effective date of Early Retirement. The Participant must have filed an application for Social Security Disability benefits prior to or at the time of filing the Early Retirement application.

**e. Disability Benefit Rules.**

1. Loss of Eligibility. If you recover from your disability before age 65, Plan disability retirement benefits stop. Generally, you lose eligibility for disability benefits from the Plan when you lose eligibility for Social Security disability benefits.

2. Form of Payment For Disability Pension. If you are married when your Disability Pension begins, your payment will automatically be in the 50% Joint and Survivor Annuity. If you are

not married, or if you are married and your Spouse agrees in writing your Disability Benefit may be paid for your lifetime only. (Other benefit options are also available.)

**f. Postponed Retirement**

You may work past Normal Retirement Age and earn additional benefits in the same manner as you earned benefits prior to reaching age 65.

You have the right to defer your retirement until you reach the required beginning date pursuant to the Internal Revenue Code. That deadline is the later of April 1 following the year you reach age 70-1/2 or by the date you stop working in Covered Employment.

If you terminate your Covered Employment prior to age 65 but choose to delay your retirement until after your Normal Retirement Date, you will be entitled to a pension retroactive to the first day of the month following the date you reached age 65 or have the benefit actuarially adjusted to account for the delayed payments (assuming you were not working).

**5. HOW ARE MY BENEFITS PAID?**

Retirement benefits under the Plan are paid as monthly benefit payments. Your benefits may be paid for your life alone, or if you are married, for your life and your spouse's life. If you are married at retirement, your election of an optional form of benefit is subject to your spouse's written consent before a Plan representative or a Notary. If you receive benefits in the form of the Single Life Annuity, your spouse or other beneficiary will not be eligible for any further pension benefits. Study the following options carefully, because **once you have received your first pension payment, you may not change your election.**

**a. Single Life Annuity**

A Single Life Annuity is a monthly benefit for your life alone, followed by one of two death benefits. This form of benefit is the Plan's Normal Retirement Benefit for non-married Participants, and all other forms of a pension are adjusted to be the actuarial equivalent of this benefit. If you elect this option, your spouse, children, or other beneficiary (as defined in the Plan) are eligible for a death benefit of 36 months, less the number of payments made to you. The post-retirement death benefit rules appear in Article VI, Section a.

**b. 50%, 75% and 100% Joint and Survivor Annuity**

A 50% Joint and Survivor Annuity has two parts. The first part is a monthly benefit for your life which is reduced because it is to be paid over the lives of two persons. The second part is a monthly benefit paid to your spouse for her life, in an amount equal to 50% of the benefits paid while you were alive. The amount of the benefit paid in your lifetime is reduced so that the combined benefits payable to you both during your joint lives are the actuarial equivalent of a single annuity payable to you during your lifetime alone. The actual amount of this reduction depends on your age and your spouse's age at retirement. The 75% and 100% Joint and Survivor Annuity forms are similar to the 50% Joint and Survivor Annuity, except that the amount paid to your surviving spouse is equal to the amount paid during your joint lives for the 100% survivor annuity, or 75% for the 75% survivor annuity, and the amount paid during your joint lifetimes is subject to a greater reduction, to pay for the increased benefits paid to your survivor.

**The 50% Joint and Survivor Annuity form of benefit will apply automatically if you are married,** unless you and your spouse expressly reject it on the proper Plan form prior to the time you receive your first benefit payment. Your rejection will not be effective unless accompanied by the written consent of your spouse on that form, duly acknowledged by a Notary Public or witnessed by a Plan representative.

1. Rationale For Decreased Benefit. Because the benefits are payable for two lives -- yours and your Spouse's - the amount of your benefit will be reduced. If, for example, your Spouse is much younger than you, the reduction will be greater to reflect your Spouse's longer life expectancy.

2. Irrevocable Once Payments Start. If you elect a Joint and Survivor Annuity, you may not withdraw or change your benefit option after your first pension payment has been made, except as described in subsection 3 below.

3. Later Divorce And Remarriage Do Not Impact Benefit. If you retire on a Joint and Survivor Annuity and subsequently divorce your Spouse your pension will not be increased to the level you would have received had this reduced survivor coverage not been provided. A QDRO cannot require such action. Your former Spouse will continue to be entitled to his or her portion of your pension upon your death. **Moreover, if you subsequently remarry a different person after you retired, you may not transfer your Spouse's survivor benefits coverage to your new Spouse or elect a new survivor option.**

#### **c. Application Filing Requirement**

The payment of your pension benefits is not automatic. To be entitled to a pension or any other benefit under the Plan you must file a completed pension application with the Trust Fund Office. If possible, you should file your application at least three months (90 days) before you wish to retire. That will give the Trust Fund Office time to process your application and obtain all the necessary information. The Pension Application Form can be obtained from the Trust Fund Office or your local Union Office. As part of the application process you should submit the following to the Trust Fund Office:

- your anticipated last day of Covered Employment
- your intended retirement date (date you wish benefits to start);
- proof of your age (birth certificate) and that of your Spouse if you are married if applicable;
- Photo identification;
- your social security number and that of your spouse if you are married;
- proof of marriage, if applicable (marriage certificate)
- copy of any qualified domestic relations order (“QDRO”) showing approval by the Court, if applicable, including an Interlocutory Judgment and/or a Final Judgment, marital settlement agreement or any other court document which addresses your pension benefits with the Plan;
- military discharge papers, if applicable;

You will be notified in writing when your application is approved.

It is your responsibility to respond to all inquiries made by the Trust Fund Office within 90 days of the request. If you do not respond within this time frame your application will be cancelled and treated as if

it had not been filed. This means you must file a new application and that you may have a later Effective Date than the one which you had earlier requested.

**d. General Information on Your Benefits**

1. Summary of Benefit Options. The Plan provides different benefit payment options. When you apply for a pension, you will be advised of the amount of payment under each form of pension available to you. You will then have to select the form of payment you desire (subject to spousal consent if applicable).

**IMPORTANT: Once you start receiving pension benefits (except for certain disability benefits), you cannot change from one form of pension payment to another, even if additional Employer contributions are received on your behalf or your marital status changes.**

Benefits under the Plan provide monthly income for as long as you live. As described below, some benefits may continue to your beneficiary after your death. The benefit you have earned - either the Full Benefit or the Reduced Early Retirement Benefit - will be reduced under the different forms of payment, except the Single Life Annuity. The reductions are actuarially based on the average life expectancy of the people eligible for the benefit.

2. Spousal Consent Requirements. If you are married, your spouse must complete a spousal consent form if she desires to waive the Joint and Survivor Annuity form of benefit. By completing the spousal consent form, your spouse confirms that he or she consents to your election of the life only pension and that no monthly benefits continue after your death. The Spousal Consent Form must be completed and signed in the presence of a notary public or an authorized employee of the Plan.

3. Electing Your Form of Payment. You must choose a type of benefit and designate a beneficiary before payments begin. Ask the Trust Fund Office for the necessary forms to complete.

**ALERT: YOU MAY NOT CHANGE YOUR BENEFIT OPTION**

**You may not change your payment option after benefits commence.**

You make your election of your form of benefit at your retirement, in writing, on the Plan's application forms. If you are married, and your spouse consents to waiving the Joint and Survivor Annuity, you may elect the Single Life Annuity or the 100% or 75% Joint and Survivor Annuity forms. Once you receive your first pension payment, you may not change your form of benefit, except that retirees who have elected the Single Life Annuity may name a new beneficiary for the guaranteed benefits, subject to spousal consent if applicable. (The complete rules for election of your form of benefit appear in Article IV, Section 4, of the Plan.)

**6. WILL MY BENEFITS BE SUSPENDED IF I RETURN TO WORK IN INDUSTRY SERVICE?**

**a. General Rule—Restricting Work in the Plumbing & Pipefitting Industry After Retirement**

**Consider the following rules carefully when you plan your retirement because your right to a pension may be adversely affected if you work in the Plumbing and Pipefitting Industry after retirement.**

**You are not permitted to work in the Plumbing and Pipefitting Industry, with limited exceptions, while you receive pension benefits from the Plan.** This rule applies from your retirement, at any age, until April 1 of the year following the year in which you attain age 70½, after which you may work and receive benefits at the same time.

If you are retired and are under Age 65 and you return to **any** work in the Pipe Trades Industry in the United States or Canada, your monthly pension benefit will be suspended, unless the work qualifies for one of the exceptions listed below.

The term "Pipe Trades Industry" includes all work, public or private, covered, or if not actually covered, of the type covered by any Collective Bargaining Agreement of UA Local 467 or any Local Union of the UA, **as well as any other kind of work performed for any business engaged in the Pipe Trades Industry.** An Employee is presumed to be engaged in the Plumbing and Pipefitting Industry (also known as the "Pipe Trades Industry" and/or "Industry Service") if he or she holds a classification of contractors' license which would allow him or her to do any kind of work covered under a Collective Bargaining Agreement with U.A. Local 467 or other U.A. Local Union.

Such work, which is also known as "Prohibited Employment," includes without limitation: (1) work in employment of the type performed by Participants covered by the Plan, known as "Covered Employment"; (2) work which requires directly or indirectly the use of the same skills used by Participants covered by the Plan on the effective date of your retirement; (3) work in employment for compensation or wages of any kind or for profit in the Pipe Trades Industry; (4) work for profit as an owner or partner in any business directly or indirectly connected with the Pipe Trades Industry; (5) work where you supervise Participants in the same trade or craft or directly or indirectly use the same skills as Participants covered by the Plan on the date you retired. The minimal exceptions to these restrictions are summarized in section d below.

"Prohibited Employment" is interpreted in the broadest manner. "Hours" includes all hours for which compensation is paid or payable to you. Prohibited Employment includes work in which a salary is paid (including hourly, daily, weekly, bi-weekly, bi-monthly, monthly, annually, or any other rate), work for which you are considered an "Independent Contractor," work for which you will be entitled to receive deferred Retirement Benefits, or work in which you are due or actually receive anything of value in exchange for the services rendered.

**b. Strict Rules Regarding Performing any Work in the Pipe Trades Industry Before Age 65**

Before you become 65, if you perform any Industry Service anywhere in the United States or Canada, your pension benefits will be suspended. **Once you return to Industry Service, your benefits will be suspended until you attain age 65 and apply for Normal Retirement Benefits.** The only exception

to this rule is when the Business Manager of U.A. Local 467 has certified a shortage of journeymen and allows retirees to return to Covered Employment for specified periods of time.

**c. Limited Work in the Pipe Trades Industry is Permitted After Age 65**

After you attain age 65, your pension benefits will be suspended one month for every month in which you return to Industry Service for forty hours or more in the Plumbing and Pipefitting Industry anywhere in California. Industry Service includes employment in any capacity in the Plumbing and Pipefitting Industry, whether by or in association with a union contractor or non-union contractor, or as a self-employed person, except for work listed below in section d. If you intend to return to Industry Service, you are required to seek advance written approval for such work. If you fail to do so, it will be presumed that you worked forty hours in any month in which you are found working, and if employed on a construction site, that you were employed forty hours for every month your employer worked on the site. Such assumptions provide the authority for the Plan to suspend your pension benefits. You will, however, have the opportunity to rebut those presumptions.

**d. Exceptions to Industry Service Definition.** The Board of Trustees has total and absolute discretion to determine whether your anticipated or actual employment is Prohibited Employment. **You should submit a written request to the Plan Office well in advance if you desire to work in the Pipe Trades Industry after retirement.** The following specific and limited categories are currently excluded from the "Pipe Trades" Prohibited Employment definition. Thus, you may perform such work while receiving Retirement Benefits, **subject to approval of the Board of Trustees prior to your beginning such work (after you make a written request to perform such work):**

- i. ***Government Work.*** Employment directly for the Government of the United States or for a political sub-division of the State of California.
- ii. ***Estimator.*** Employment as an Estimator for a contributing or participating employer. For this purpose, the term "Estimator" is an individual who spends all of his or her working time doing estimating and related work and does not perform work which is otherwise covered under a Collective Bargaining Agreement to which his or her employer is party with UA Local 467.
- iii. ***In-House Maintenance.*** General in-house maintenance work at one or more fixed locations outside of the Bay Area Counties of San Mateo, Santa Clara, San Benito, San Francisco, Napa, Marin, Sonoma, Solano, Contra Costa, Alameda and Santa Cruz.
- iv. ***Certain CAD Work.*** You may if you have attained age 60 or older, perform computer assisted drawing and design work, known as "CAD", for an Employer which contributes to this Plan; however, to be eligible to perform such work, you must obtain advance approval for such work from the Board of Trustees or the Board's delegate and must not have worked for such contributing Employer for at least thirty consecutive days. The Board of Trustees will have total and absolute discretion in determining whether any such proposed or actual work qualifies as CAD, regardless of the job title.

**e. Access to Information.** If requested, you must provide the Board of Trustees with documents or other information for the purpose of verifying employment, such as time sheets, logs or records, income tax returns (including attachments), W-2 forms, and any other employment, income-related or other pertinent records. You must also comply with any request of the Board of Trustees that you request information from an Employer, contractor, subcontractor, union, government agency or any other person or entity relating to post-retirement employment.

**f. Written Request for Advance Determination.** Prior to beginning work, you are required to submit a written request for a determination from the Trust Fund Office on whether contemplated employment will be prohibited under the Plan. The Trust Fund Office will notify you with the determination of the Board of Trustees within a reasonable time, not to exceed ninety (90) days, unless the Board has not been provided with sufficient information to make such a determination or unless special circumstances exist. Failure to request an advance determination from the Board of Trustees will result in a suspension of your Retirement Benefits.

**g. Plan Presumptions Allowed By Department of Labor (DOL) Regulations.** If you do not report your work in the Pipe Trades Industry and Plan representatives learn that you have performed or are performing such work, the Plan will act on the basis of a **rebuttable presumption** that you have worked full time in such employment. Moreover, if representatives of the Plan learn that you have performed or are performing such work at a construction site, the Plan will act on a rebuttable presumption that you have been employed at that job site with the same employer for at least as long as that employer has worked at the job site. You will, however, have the opportunity to rebut these presumptions.

**h. Presumption Regarding No Disability.** If you are a Participant who retired on a Disability Pension and you return to work, the Plan will assume you are no longer eligible to receive a Disability Retirement Benefit. However, in rare situations, for good cause, an exception may apply. You must submit a written request to the Trust Fund Office for review; however, the benefit suspension rules will not apply to any disability retiree who returns to employment as part of any rehabilitation program and/or as a result of temporary recovery, and applies for resumption of disability retirement upon proof of recurrent disability.

**i. Shortage of Workers/Temporary Return to Work Program (Full Employment-Disabled Retirees not eligible).** When there is a shortage of workers in full or in certain designated positions and the U.A. Local 467 Business Manager establishes a Return to Work Program, Retirees who retired on a Disability Retirement are **not** eligible to return to work

**j. Offset of Future Benefits for Overpayments.** If you received benefit payments for any month in which your benefits should have been suspended, the overpayments will be deducted from future payments (including any death benefits) in accordance with Plan rules and applicable law.

**k. Notice and Appeal Rules Concerning Working in Industry Service.** The complete rules for suspension of benefits appear in Article VII. These rules require, among other things, that you submit in advance a written request of the Trust Fund Office before you work in Industry Service after retirement, or it will be presumed that you have worked full time in any month in which you performed any Industry Service. To avoid suspension of your benefits, if you are considering returning to employment which may be Industry Service, you should request an advance determination from the Trust Fund Office whether the proposed employment will cause your benefits to be suspended. .

The Plan will notify you by first class mail if your Retirement Benefits are suspended. The notice will include the reason for the suspension and a general description of the Plan's benefit suspension provisions. Plan Rules state that **if you are eligible for Retiree Health and Welfare Benefits, and your Retirement Benefits are suspended for Prohibited Employment, you will lose your Retiree Health and Welfare Benefits indefinitely.**

The applicable DOL regulation allowing the suspension of your Retirement Benefits may be found in the federal Code of Federal Regulations. A copy of that regulation (29 C.F.R. § 2530.203-3) is available from the Trust Fund Office upon written request.

You are entitled to a review of the Plan's decision to suspend your Retirement Benefits by a written request filed with the Plan within 60 days of the date of the suspension notice. The Plan's claims and appeal procedure applies to a Suspension of Retirement Benefits.

If your monthly Retirement Benefits have been suspended, you should notify the Plan when your Prohibited Employment has ended. The Trustees have the right to withhold benefit payments until such notice is received by the Trust Fund Office and Trust representatives determine that the notice is accurate.

If you engage in work in the Pipe Trades Industry after retirement and then you cease working, your monthly pension benefits will not be resumed until you attain Normal Retirement Age (65) except for Participants who qualify for Disability Retirement after returning to Industry Service, or Disability Retirees who return to Industry Service after recovering from the disability and subsequently qualify for Early or Disability Retirement.

## **7. WILL THE PLAN PAY ANY BENEFITS IF I DIE BEFORE RETIREMENT?**

If you die before retirement, your spouse or beneficiary may be eligible for one of the pre-retirement death benefits provided by the Plan:

### **a. Qualified Pre-Retirement Survivor Annuity**

If you have a vested interest in the Plan and you die before retirement, your spouse is entitled to a 50% Survivor Annuity, similar to the benefits you would have received if you had lived to retire. This benefit commences, upon the application of your spouse, at any time when you would have been eligible to retire on Early Retirement (age 55 or 58, whichever is applicable), subject to the reduction which would have been applicable to the Participant's retirement on that date.

### **b. Alternative Pre-Retirement Death Benefit**

The Plan provides an Alternative Pre-Retirement Death Benefit for eligible beneficiaries of Employees with ten years of Vesting Credit. Under this benefit, the beneficiary receives an amount based on an actuarial adjustment equal to 36 payments of the Employee's Normal Retirement Benefit accrued before his or her death.

If you qualify for pre-retirement death benefits which are not payable to a surviving spouse or to children, you may designate anyone as your beneficiary for those benefits. To designate a beneficiary, you must submit a complete Plan beneficiary designation form to the Trust Fund Office. Please note that a designation will be automatically voided in two circumstances: 1) A designation submitted before you marry is voided at the time of the marriage, and not revived if that marriage is dissolved. 2) The designation of your spouse as beneficiary is voided if that marriage is dissolved, unless preserved in a qualified domestic relations order or you reinstate it in writing.

**ALERT: Divorce Invalidates Beneficiary Designation**

If you divorce your spouse and you have not yet retired and selected a benefit option, any previous designation of your former spouse as a beneficiary is automatically revoked and is no longer valid. **Thus, if you have not yet retired, when your divorce is final you should immediately submit a new completed beneficiary form to the Trust Fund Office.**

**SECOND ALERT: Marriage Invalidates Beneficiary Designation**

If you marry prior to retirement, any previous designation of a beneficiary other than your new spouse is automatically revoked and is invalid. **Thus, upon becoming married, you should immediately submit a new beneficiary form to the Trust Fund Office (subject to the Plan's spousal consent requirements).**

**c. Who is your beneficiary?**

If you die prior to retirement and you are married at that time, your beneficiary is your surviving spouse. A surviving spouse has the option of electing either the Qualified Pre-Retirement Survivor Annuity, or the Alternative Death Benefit for which you were qualified at the time of your death.

If you have no surviving spouse or your surviving spouse has waived all rights to pre-retirement death benefits, and you have children, the children are automatically entitled to a pro rata share of your death benefits. If you do not name a Plan beneficiary or if your named beneficiary dies before you, your Plan considers at the following classes of survivors:

- Spouse on date of death
- Children (only natural or legally adopted are recognized)
- Parents
- Brothers and sisters
- Your estate

Your Plan beneficiary is selected from the first of these classes with a survivor. If there is more than one survivor in that class (such as if there are three children), they share equally in any lump sum death benefit payable.

**8. CAN ANYONE ELSE RECEIVE MY BENEFITS?**

**a. Anti-Assignment Rule (Exception for IRS Levy)**

In general, your benefits are payable only to you upon retirement, and may not be assigned or alienated. The intent of the Board of Trustees is that the Plan pay benefits only to you or your designated beneficiaries. As a result and pursuant to Internal Revenue Code requirements, you may not borrow against or otherwise pledge any part of your pension as security or collateral for a loan or otherwise transfer your rights. Moreover, your pension is exempt from claims of creditors, such as garnishments or executions, except for certain divorce and child support orders as set forth below, an IRS levy (that contains all required information), and as may be required by applicable law.

**b. Divorces: Qualified Domestic Relations Order**

If you were married when you accrued benefits under the Plan, and then you later get divorced, your former spouse may be entitled to a portion or all of your pension. The Plan is required by federal law to comply with a court order that awards a portion or all of your pension benefits to a former spouse(s), child or other alternate payee if the order qualifies as a Qualified Domestic Relations Order ("QDRO") as defined in ERISA.

A QDRO is an order that creates or recognizes the existence of a former spouse's or child's (or other alternate payee's) right to receive all or a portion of your accumulated pension benefits.

To be a QDRO, the order must direct the Plan to pay benefits directly to your former spouse, child or other dependent now or in the future. Such benefits must be of a type and form provided under the Plan and may not exceed the benefits to which you would be entitled to receive under the Plan. The Order must specify the portion or amount to be paid and the number of payments or specified period for which payments are required to be paid to the Alternate Payee. The order may not require the Plan to make payments to the Alternate Payee for any period prior to the date the Order is filed with the Plan.

Under the Plan's procedures, if a former spouse dies prior to or after benefits have commenced being paid to her, her portion reverts to the Participant.

When you file your pension application, you are required to provide the Trust Fund Office with information on any pending or former divorce action. This includes a final or interlocutory judgment, marital settlement agreement and any related document.

**PARTIAL PAYMENT TO PARTICIPANT EVEN WITH A PENDING DIVORCE**

If it appears that your former Spouse or other alternate payee is seeking only a portion of your pension benefits or there are delays in the court proceeding or for other reasons, the Plan may, at its discretion, commence paying that portion of your pension that is not likely to be part of a pending QDRO.

You, your spouse, former spouse or court agency seeking child support payments may request the Plan's Procedures for Handling Domestic Relations Orders, which includes a Sample Order containing language acceptable to the Plan. **You or any other party (or legal counsel) should submit a proposed QDRO to the Plan's legal counsel prior to submission to a court. The Plan's legal counsel will then provide notice of any required changes.**

**WARNING**

**Unresolved disputes regarding a divorce and your pension benefits may delay payment of your pension.**

If the Plan is notified of a pending divorce action or receives a court pleading known as a "Joinder Request" or a similar document, the Plan has the discretion to delay paying your Plan benefits for a reasonable period to allow time for the parties to prepare a QDRO, even if your pension application is on file.

## 9. OVERPAYMENTS RECOVERABLE BY THE PLAN

As a Participant or Beneficiary, you are entitled only to the amount and form of benefits described in the Plan document, as amended from time to time. If you are receiving an improper amount or benefit from the Plan and you become aware of that fact, the Plan requires that you notify the Trust Fund Office of the overpayment.

If you or any beneficiary receives an overpayment of benefits, the Plan will reduce or offset any future benefits to recover the overpayment, unless other arrangements can be made to the satisfaction of the Board of Trustees for the recovery of the overpayment. The Plan will withhold at least 25 percent of your pension payments until the overpayment is recovered by the Plan and to the extent permitted by law, the Plan may withhold up to 100% of your monthly payments until an overpayment is recouped. The Plan is authorized to offset lost interest on the overpayments and reimbursement to the Plan for any attorney fees and costs incurred as a result of the overpayment. The Plan may also file a claim against your estate or any other person or entity if amounts are still owed at your death and there are insufficient funds, including any death benefits payable to your beneficiary, to recover the overpayment. Any funds owed by a Participant to the Plan will be deducted from any death benefits that may be payable as a result of the Participant's death.

## 10. WHAT CAN I DO TO PROTECT MY PENSION RIGHTS IF THERE IS A PROBLEM?

The Trust Fund Office provides you with information about your Vesting and Benefit Credit, so that you may confirm that records of your pension rights are accurate. Every year, you are sent a pension statement, which shows the hours you worked that year and your total accrued pension benefit. You may also request information about your rights under the Plan, as explained in the section of this booklet entitled "Statement of ERISA Rights." **If you see an error concerning your rights under the Plan in your pension statement or in other information you receive from the Trust Fund Office, contact the Trust Fund Office immediately**, so that your questions and potential issues may be addressed in a timely fashion.

### Appeal Procedures

If a question is not resolved to your satisfaction, or if you or your beneficiary disagrees with, or is aggrieved by, any act, omission, decision, or ruling by the Trust Fund Office or any authorized representative of the Plan, affecting your rights or your beneficiaries' rights under the Plan, you may obtain a review of the same by the Board of Trustees by writing to the Trust Fund Office setting forth the substance of your grievance. **You must submit your appeal not more than sixty (60) days** from the time you first knew of the denial or advance action (such as receipt of the denial letter), or by the exercise of reasonable care, should have known, of the circumstances giving rise to your grievance. Upon receipt of your notice, the Trust Fund Office will place the matter on the agenda of the next meeting of the Board of Trustees (unless the notice is received within 30 days of the next meeting, then it may be the following meeting). You may submit any written materials for the Trustees' consideration at that meeting. The Trustees' decision will be based on your submissions and other relevant evidence in the Plan's possession. The Board of Trustees will then render a final decision, which is binding on all parties who may be affected by your claim. See Article XII of the Plan for the complete appeal procedures.

It is imperative that you follow these procedures as closely as possible. **Failure to timely appeal to the Board of Trustees is deemed to be a waiver of all objections to the actions of the Trust Fund Office, other agents of the Board, or the Board itself.** Please also note that if you fail to appeal to the Board of Trustees, you will be barred from pursuing any other remedy which might otherwise be available to you.

**If your appeal has been denied or there has been another form of adverse action taken against you, you have one year from such denied appeal or adverse action to file a lawsuit.**

## **11. DEFERRAL OF TAXES/TAX WITHHOLDING/ELECTRONIC DEPOSIT**

### **a. Deferral of Taxes**

You will pay taxes when you receive your pension benefits from the Plan. The amount of taxes you will owe will depend on when and how your benefits are paid to you and on the tax laws in effect at the time (as well as your tax bracket).

#### **ALERT - AGE 70-1/2 REQUIREMENT**

The IRS will assess a severe penalty against you if you do not begin receiving your benefits by April 1 of the year following the year you attain age 70½ if you have stopped working or the date you retire, whichever is later.

### **b. Tax Withholding Rules on Monthly Pension Payments**

You may elect to withhold federal income tax from your monthly benefit payments. The amount and form of the benefit generally determines the amount of the withholding; however, if you live outside the United States, different withholding rules may apply. You also have the option of having California state tax withholding from your monthly payments. When you retire, you must notify the Trust Fund Office on the appropriate Plan forms whether you wish tax withheld. You may want to consult with a tax advisor to discuss your payment and withholding options. You have the right, if you wish, to change your tax withholding amounts in future years.

If you choose not to have taxes withheld from your pension, you will be responsible for paying them when you file your tax return.

You may be required to pay estimated taxes if you decide not to have taxes withheld, or if the amount withheld is not enough to cover the actual taxes due.

### **c. Electronic Deposit of Pension Payments – Automatic Deposit.**

To increase efficiency and to reduce the possibility of theft, the Trust Fund Office recommends that you have your monthly benefit directly deposited electronically into an account at a bank, savings and loan, credit union, or other financial institution. You must complete the Trust Fund Office form and return it to the Trust Fund Office to identify the financial institution and account which will receive your electronic deposit.

**d. Other Internal Revenue Code Distribution Requirements.**

If you die before payment of your pension has begun, a distribution of your benefits to a non-Spouse must commence by December 31 of the calendar year containing the fifth anniversary of your death. If, however, your Spouse is your beneficiary, your Spouse does not have to commence receiving benefits until the December 31 following the year you would have attained age 70½.

If your benefits are payable to a designated beneficiary who is not your Spouse, the distribution may be made over the life (or life expectancy) of your designated beneficiary, but payments must commence on or before December 31 of the year immediately following the year in which you die.

**12. INTERNAL REVENUE CODE LIMIT ON BENEFIT AMOUNTS**

The Internal Revenue Code states that the monthly retirement benefit you receive from the Plan cannot exceed certain dollar maximums (sometimes called the Section 415 Dollar Limit). The amount of your 415 Dollar Limit depends on your age at retirement and the year when you retire. The younger you are at retirement, the lower the 415 Dollar Limit that applies.

**13. POTENTIAL LOSS OF BENEFITS/LATER PAYMENT OF BENEFITS**

You or your beneficiary could suffer a loss in the value of your pension or have payments delayed in at least the following circumstances:

- a. Insufficient Vesting or Benefit Credit.** If you fail to accrue the minimum years of Vesting or Benefit Credit for Normal, Early or Disability Retirement, you will not be entitled to a Pension.
- b. Inadequate or Improper Evidence.** The Plan grants the Board of Trustees the power to deny, suspend or discontinue benefits to a Participant who fails to submit at the request of the Trust Fund Office any information or proof reasonably required to administer the Plan.
- c. Domestic Relations Order Approved by Court (Divorce).** A Court may approve a Qualified Domestic Relations Order (QDRO) which assigns a portion or all of your Pension benefits to a former spouse or for support of a child or other dependent. The Plan may also delay paying your benefits or withhold a portion of your pension if the Plan is on notice of a divorce action even if there is no final filed QDRO or the order has not been approved by the Plan's legal counsel.
- d. Break-in-Service (failure to work in Covered Employment).** A permanent Break in Service which occurs before you become vested has the effect of canceling your participation and your accumulated Vesting and Benefit Credits.
- e. Prohibited Employment in the Pipe Trades Industry.** If after your retirement you engage in certain kinds of work in the Pipe Trades Industry, known as Prohibited Employment, your benefits may be suspended.
- f. Retire, Return to Work and Retire Again-Delay in Payment.** If you retire and later return to work, you will not be eligible to retire again and commence receiving your benefits until you reach age 65, with certain exceptions listed in the Plan.

**g. Fail to File Complete Application.** No benefits are payable until a completed application and other forms required by the Trust Fund Office are received by the Trust Fund Office. If you fail to respond to a request for information from the Trust Fund Office, after 90 days your application could be closed.

**h. Incomplete Information/False Statements.** If you fail to provide requested information or give false information to verify disability, age, beneficiary information, marital status or other vital information, payment of your pension may be postponed.

If you make a false statement to the Plan or other officials regarding the payment of benefits or other issues related to the Plan, you will be liable to the Plan for any benefits paid in reliance on such false statements or information, and any attorney fees and costs incurred in effecting recovery or which were incurred as a result of the false statement or information. This includes but is not limited to costs incurred by the Trust Fund Office, reasonable attorney fees, and interest charges. The Plan may deduct any such fees and costs from any benefits otherwise payable to you, your estate or a beneficiary.

**i. IRS Benefit Limits.** Your annual benefit cannot exceed the maximum amount allowed by the Internal Revenue Code and applicable IRS regulations. Although the Trustees do not foresee this occurring, the Plan contains provisions to address this situation.

**j. Plan Termination.** If the Plan terminates, the procedures for allocation of Plan assets on termination may result in a reduction or loss of your benefits if the Plan's assets are inadequate to cover the actuarial value of all of your accrued Benefits. Moreover, the Federal Pension Benefit Guaranty Corporation guarantees only a specified level of benefits, which are most likely smaller than the level of benefits you are receiving from the Plan.

**k. IRS Levy.** The Plan is required to follow an IRS Levy on your pension benefits. Thus, if you owe funds to the IRS and the IRS serves an IRS Levy on the Plan, the Plan will be required to withhold a portion of your pension benefits and have such amounts paid to the IRS.

**l. Later Early Retirement Age as of January 1, 2016.** For those commencing Plan participation after January 1, 2016, unreduced benefits are payable at age 62 with 30 years of Benefit Credit and a reduced benefit is provided at age 58 with at least 15 years of Benefit Credit.

#### **14. AMENDMENT/TERMINATION/MERGER OF PLAN/GUARANTEES**

##### **a. Amendment of Plan**

The Board of Trustees has the discretion to amend the Plan at any time.

Any amendment may apply to all groups and/or Participants covered by the Plan or only to certain groups of Participants. Retroactive amendments may be made to the extent permissible under ERISA. Except as is permitted or required by applicable law, no amendment may divest any accrued benefits which have previously been vested.

**b. Termination of Plan**

It is anticipated that the Plan is permanent and will continually be in operation. It is, however, legally necessary to consider the possibility of termination of the Plan and to state the rights of the Participants in such an unlikely event.

The parties to the Collective Bargaining Agreements between U.A. Local 467 and the various Employer associations may terminate the Plan in whole or in part. Although there is no intent to terminate the Plan, there is no guarantee that the Plan will last forever.

**c. Benefit Guaranty/PBGC Guarantees Certain Benefits**

If the Plan were to terminate, Plan benefits are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. Currently the Plan pays an annual insurance premium per Participant to the PBGC. If the plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. The PBGC does not, however, guarantee all types of benefits and the amount of guaranteed protection is limited.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough in employment covered under the Plan; (4) benefits for which you did not meet all of the requirements at the time the Plan terminated; (5) certain early retirement payments that result in an early retirement monthly benefit greater than your monthly benefit at the plan's Normal Retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay. Nevertheless, you may still receive a portion of some of these unguaranteed benefits, depending on how much money your Plan has and on how much the PBGC collects from employers.

Under PBGC's multiemployer plan termination program, the PBGC provides financial assistance through loans to Plans that are insolvent. A multiemployer plan, such as your Plan, is considered insolvent if the Plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due. Before a Plan receives financial assistance from the PBGC, it must suspend payments in excess of the guarantee level.

The PBGC guarantees vested benefits at the level in effect on the date of Plan termination subject to the maximum limits set forth above. If, however, benefits have been increased within the five years before Plan termination or insolvency, the whole amount of the Plan's vested benefits or the benefit increase that has been in effect for less than 12 full months before the Plan terminates may not be guaranteed.

For more information on PBGC insurance protection and its limitations, you may ask the Trust Fund Office or contact:

PBGC's Technical Assistance Division  
1200 K Street, N.W., Suite 930  
Washington, D.C. 20005-4026.

You may also phone the PBGC at 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 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>.

**d. Merger, Consolidation or Transfer of Assets**

In the event of a merger or consolidation of the Plan with another pension plan or a transfer in whole or in part of the assets or liabilities of the Plan to any other Pension Plan, each Participant is entitled to a benefit immediately after the merger, consolidation or transfer which is at least equal to the benefit such Participant would be entitled to receive before such merger, consolidation or transfer.

## STATEMENT OF ERISA RIGHTS

**1. Your Rights as a Participant.** As a Participant in the Plan, you are entitled to certain rights and protections under the employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that Participants are entitled to:

1. Examine without charge at the Plan Office and at other specified locations (such as worksites and the Union Office), documents governing the Plan, including collective bargaining agreements and the annual report (Form 5500 series) filed with the Department of Labor.

2. Obtain copies of Plan documents and other information required by law to be furnished upon written request to the Plan. Pursuant to ERISA, the Plan Office may require that you pay a reasonable charge for the copies.

3. Receive a summary of the Plan's annual financial report, known as a Summary Annual Report ("SAR"). The Plan is required by law to furnish each Participant with the SAR.

4. Receive a statement showing the value of your pension benefits once a year, upon written request.

**2. Prudent Action by Fiduciaries.** In addition to creating rights for Plan Participants, ERISA imposes duties upon the people responsible for operating the Plan. The people who operate your Plan, called "fiduciaries," 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 or entity, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

**3. Enforcing Your Rights.** If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request certain documents (specified in ERISA) from the Plan and do not receive them within 30 days, you may file suit in federal court. In such a 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 that is denied or ignored in whole or in part, and such denial is upheld on appeal (or ignored), you may file a lawsuit. 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 a lawsuit. **Any lawsuit must be filed within one year of the Trustees' determination on appeal or otherwise.**

If it should happen that Plan fiduciaries misuse the Plan's money or other assets, 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.

If you file a lawsuit, the court may decide who should pay court costs and legal fees. If you are successful, the court may order the person(s) you have sued to pay your costs and fees. If you lose, the

court may order you to pay the Trust's or other defendants' costs and fees (e.g., your claim was frivolous).

**4. Assistance If You Have Questions.** If you have any questions about this statement, the Plan or about your rights under ERISA or if you need assistance in obtaining Plan documents, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory (or which can also be found at the EBSA website at <http://www.dol.gov/ebsa/welcome.html> where you can review a publication called “*What You Should Know About Your Retirement Plan.*”), or you may address your concerns the Department at the following address:

Division of Technical Assistance  
U.S. Department of Labor  
Employee Benefits Security Administration  
200 Constitution Avenue NW  
Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling You can call the Employee Benefits Security Administration at (966) 444-3272; TTY/TDD users: (877) 889-5627. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security administration.

**You may find answers to your question(s) at <http://www.dol.gov/ebsa/welcome.html>.**

# **U.A. LOCAL UNION NO. 467 DEFINED BENEFIT PLAN**

## **FORMAL PLAN TEXT**

**RESTATED: JANUARY 1, 2016**

(Many provisions have earlier effective dates as required by the Internal Revenue Code and/or IRS Guidelines.)

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**U.A. LOCAL UNION NO. 467 DEFINED BENEFIT PLAN**  
**(Restated effective January 1, 2016)**

**FORMAL PLAN TEXT**

**ARTICLE I                    ELIGIBILITY FOR PARTICIPATION AND DEFINITIONS**

- a. All Employees shall be eligible for participation as of the first day of the Plan Year during which they are employed under a Collective Bargaining Agreement of U.A. Local Union No. 467 requiring payment into this Trust Fund.
  
- b. Apprentices are eligible to participate immediately upon enrollment in the Apprentice Training Program.
  
- c. The term Employee means any of the following, subject to their performance of the minimum number of hours of covered employment in a Plan Year then required to accrue Vesting Credit:
  - 1. any Employee of an Individual Employer whose work is covered by a Collective Bargaining Agreement of U.A. Local Union No. 467 requiring payment into this Trust Fund in a position for which contributions are required to be made to this Plan;
  - 2. any full-time paid officers and representatives of U. A. Local Union No. 467, other than Employees who are covered under a collective bargaining agreement;
  - 3. any other persons as may be included under the provisions of Article IV, Section 1, of the Trust Agreement; and
  - 4. any person who was an Employee under the Plan and whose interest in the Plan is vested, or if the former Employee's interest in the Plan is not vested, who is not on a temporary break in service and who has not suffered a permanent break in service.

To the extent required by the Internal Revenue Code and lawful regulations, Employee shall mean any employee of a contributing Employer maintaining the Plan or of any other Employer required to be aggregated with such Employer under sections 414(b)(m) (c), (m) or (o) of the Internal Revenue Code.

Employee shall also mean, to the extent required by applicable law (as this Plan has no leased Employees), any Employee of an Employer maintaining the Plan of any other Employer required to be aggregated with such Employer under sections 414(b)(c)(m) or (o) of the Internal Revenue Code. For purposes of testing for compliance with the nondiscrimination regulations of the Internal Revenue Code, leased Employees as defined in sections 414(n) or (o) of the Internal Revenue Code who have performed services for a Contributing Employer on a substantially full time basis for a period of at least one year are treated as employed by a Contributing Employer except to the extent such Employees are excluded in accordance with Code Section 414(n)(5).

To the extent required by applicable law only, an Employer shall include members of a controlled group of corporations, commonly controlled trades or businesses or affiliated service groups as defined in the Internal Revenue Code of which a Contributing Employer is a part.

d. The term Normal Retirement Age means the age at which an Employee qualifies for a Normal Retirement pension under Article II, Section a of the Plan.

e. The term Annuity Commencement Date means:

1. the first day of the first period for which an amount is payable as an annuity;
2. the first day on which a benefit is payable in a form other than an annuity, when all events have occurred which entitle the Participant to the benefit; or
3. the first day of the first period for which a benefit is to be received by reason of disability, but only if the benefit is not an auxiliary benefit.

f. The term Industry Service means any employment in the Plumbing and Pipefitting Industry, whether as an Employee or in a managerial, supervisory, proprietary, or any other capacity, for a participating or non-participating employer, or as a self-employed person, whether working with the tools of the trade or not. For purposes of this Plan, an Employee shall be presumed to be engaged in Industry Service if he holds a classification of contractors license which would allow him or her to do any kind of work covered under the Collective Bargaining Agreements; however, the following specific and limited work categories shall not be treated as Industry Service provided that the Employee notifies the Trust Fund Office that he is so employed, either at the time of retirement if thus employed then, or at the time he commences such employment after retirement:

1. Any employment for the Government of the United States or for a political subdivision of the State of California;

2. Employment as an estimator for a participating employer, which means an individual who spends all of his working time doing estimating and related work, and who does no work, whether as a journeyman, foreman, general foreman, project manager or in the types of work covered under the Collective Bargaining Agreements; or

3. General in-house maintenance work at one or more fixed locations outside of the Bay Area Counties of San Mateo, Santa Clara, San Benito, San Francisco, Marin, Napa, Sonoma, Solano, Contra Costa, Alameda and Santa Cruz.

4. Employment on or after October 1, 2008, in which a retiree who has attained age 60 or older performs computer assisted drawing and design work, known as "CAD", for an Employer which contributes to this Plan; however, to be eligible to perform such work, any such retiree must obtain advance approval for such work from the Board of Trustees or the Board's delegate and must not have worked for such contributing Employer for at least thirty consecutive days. The Board of Trustees will have total and absolute discretion in determining whether any such proposed or actual work qualifies as CAD.

g. Pursuant to Internal Revenue requirements, the term Compensation means wages or salary which is earned or made available to an Employee in a Plan Year and which is includible in gross income for federal income tax purposes in such year, or which would have been includible but for the election of the Employee to defer compensation, up to the amount allowed under Internal Revenue Code (IRC) §

401(a)(17). For purposes of applying the limitations of IRC Section 415, to the extent applicable for the Plan, compensation includes elective deferrals under IRC Sections 125, 132(f), 402(g)(3), 401(h)(1)(B), 403(b), 457(b) and Employee contributions described in IRC Section 401(h) which are treated as employer contributions.

h. The term Plan Year means the following for the following time periods:

<u>Time Period</u>	<u>Plan Year</u>
Through June 30, 1977:	July 1 through June 30 of each year
From July 1, 1977 through December 31, 1978:	July 1, 1977 through December 31, 1978
From January 1, 1979 forward:	January 1 through December 31 of each year.

i. The term Union or Local Union means U. A. Local Union No. 467.

j. The term Collective Bargaining Agreement means any agreement between the Local Union, the U.A., or any division of the U.A. and an employer or association of employers, requiring contributions to this Plan.

k. The term Actuarial Equivalent, for purposes of payment of a lump sum, means the present value of a series of payments, calculated using the annual rate of interest required by the Pension Protection Act of 2006 and as the Secretary of the Treasury may by regulations prescribe as the applicable interest rate under Section 417(e)(3)(A)(ii)(II) of the Internal Revenue Code and the mortality table prescribed by the Secretary of the Treasury.

l. As of January 1, 2013, spouse means a same-sex or opposite-sex spouse. Under this rule, individuals of the same sex will be considered to be lawfully married under the Internal Revenue Code as long as they were married in a state whose laws authorize the marriage of two individuals of the same sex, even if they are domiciled in a state that does not recognize the validity of same-sex marriages.

m. Any terms not defined in this Plan shall have the meaning, if any, ascribed to that term in the Trust Agreement or in an applicable Collective Bargaining Agreement. The Board of Trustees reserves the power to interpret all terms and provisions of this Plan.

## **ARTICLE II QUALIFICATION FOR PENSION**

a. Normal Retirement. An Employee shall qualify for a Normal Retirement pension to commence on the first day of the calendar month following the month upon which he meets any one of the following requirements (upon completion of a pension application form:

1. the attainment of age sixty-five (65) with a vested interest and the Employee's separation from Industry Service in California; or

2. the attainment of age sixty-five (65) and the tenth (10th) anniversary of the Employee's first participation in the Plan without a permanent break in service, or a temporary break in service then in effect, regardless of his years of Vesting Credit, and the Employee's separation from Industry Service in California. Effective as of January 1, 1998, "fifth anniversary" is substituted for tenth anniversary.

b. Early and Service Retirements. An Employee shall qualify for an Early Retirement pension to commence on the first day of the calendar month following the month in which he meets any one of the following requirements, and applies therefore (except as provided in Article III, Section 5(a)):

1. Reduced (and Unreduced) Early Retirement: You are entitled to Early Retirement Benefits, which may be reduced as described below, upon applying for benefits and attaining any of the following combinations of age and service, and you retire from the Plumbing and Pipefitting Industry:

1. for reduced benefits for Employees who began participating in the Plan prior to January 1, 2005, age 55 with 10 Years of Vesting Credit;
2. for unreduced benefits for Employees who began participating in the Plan prior to January 1, 2005, age 55 with 25 Years of Benefit Credit;
3. for reduced benefits for Employees who began participation in the Plan on or after January 1, 2005 and before July 1, 2007, age 58 with 10 Years of Benefit Credit;
4. for unreduced benefits for Employees who began participation in the Plan on or after January 1, 2005 and before January 1, 2016, age 58 with 30 Years of Benefit Credit, or age 62 and 10 Years of Benefit Credit;
5. for reduced benefits for Employees who began participation in the Plan on or after January 1, 2007 and before January 1, 2016, age 58 with 15 Years of Benefit Credit;
6. for unreduced benefits for Employees who began participation in the Plan on or after January 1, 2007 and before January 1, 2016, age 58 with 30 Years of Benefit Credit, or age 62 and 10 Years of Benefit Credit;
7. for reduced benefits for Employees who began participation in the Plan on or after January 1, 2016, age 58 with 15 Years of Benefit Credit;
8. for unreduced benefits for Employees who began participation in the Plan on or after January 1, 2016, age 62 with 30 Years of Benefit Credit;
9. for unreduced benefits for Employees regardless of the date of participation, age 65 with five years of Vesting Credit.

For reduced Early Retirements on or after January 1, 1989 for Employees who began participation in the Plan before January 1, 2016, if you earned any Vesting Credit in the two Plan Years prior to retirement, your benefits will be reduced 5% for each year of your age less than age 62. If you did not earn any Vesting Credit in the two Plan Years prior to retirement, your benefits will be reduced by 5% for each year of your age less than age 65 as provided below:

For reduced Early Retirements on or after January 1, 2016, for Employees who began participation in the Plan on or after January 1, 2016, if you earned any Vesting Credit in the two Plan years prior to retirement, your benefits will be reduced 5% for each year of your age less than age 65. If you did not earn any Vesting Credit in the two Plan Years prior to retirement, your benefits will be reduced by an actuarial equivalent reduction.

**REDUCTION FACTORS FOR EARLY RETIREMENT**

[For Employees who began Plan participating prior to January 1, 2005]

<u>Retirement Age</u>	<u>25 or more Years of Benefit Credit</u>	<u>Less than 25 Years of Benefit Credit</u>	
		<i>Active</i>	<i>Inactive</i>
65	100%	100%	100%
64	100%	100%	95%
63	100%	100%	90%
62	100%	100%	85%
61	100%	95%	80%
60	100%	90%	75%
59	100%	85%	70%
58	100%	80%	65%
57	100%	75%	60%
56	100%	70%	55%
55	100%	65%	50%

**REDUCTION FACTORS FOR EARLY RETIREMENT**

[For Employees who began participating in the Plan on or after January 1, 2005 and before January 1, 2016]

<u>Retirement Age</u>	<u>30 or more Years of Benefit Credit</u>	<u>Less than 30 Years of Benefit Credit</u>	
		<i>Active</i>	<i>Inactive</i>
65	100%	100%	100%
64	100%	100%	95%
63	100%	100%	90%
62	100%	100%	85%
61	100%	95%	80%
60	100%	90%	75%
59	100%	85%	70%
58	100%	80%	65%

**REDUCTION FACTORS FOR EARLY RETIREMENT**

[For Employees who began participating in the Plan on or after January 1, 2016]

<u>Retirement Age</u>	<u>30 or more Years of Benefit Credit</u>	<u>Less than 30 Years of Benefit Credit</u>	
		<i>Active</i>	<i>Inactive</i>
65	100%	100%	100.0%
64	100%	95%	93%
63	100%	90%	86%
62	100%	85%	80%
61	95%	80%	74%
60	90%	75%	69%
59	85%	70%	64%
58	80%	65%	60%

2(b) Unreduced Early Retirement: For an unreduced pension, for Employees who began participating in the Plan prior to January 1, 2016, the attainment of age sixty-two (62), and for

Employees who began participating in the Plan on or after January 1, 2016, the attainment of age sixty-five (65), with five (5) or more years of Vesting Credit and the Employee's separation from Industry Service anywhere in the geographical jurisdiction of the United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada.

3. Service Retirement. For an unreduced pension:
  - a. for Employees who began participating in the Plan prior to January 1, 2005, the attainment of age fifty-five (55) with twenty-five (25) or more years of Benefit Credit, or
  - b. for Employees who began participating in the Plan on or after January 1, 2005 and before January 1, 2016, the attainment of age fifty-eight (58) with thirty (30) or more years of Benefit Credit,
  - c. for Employees who began participating in the Plan on or after January 1, 2016, the attainment of age sixty-two (62) with thirty (30) or more years of Benefit Credit,

and the Employee's separation from Industry Service anywhere in the geographical jurisdiction of the United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada.

3(a) Disability Retirement: An Employee shall qualify for a pension on Disability Retirement to commence on the first day of the calendar month following the month in which he has satisfied all of the following conditions:

1. For Employees who began participating in the Plan prior to January 1, 2005, he has attained age 55 with ten (10) or more years of Vesting Credit; and for Employees who began participating in the Plan on or after January 1, 2005 and before July 1, 2007, he has attained age fifty-eight (58) with ten (10) or more years of Vesting Credit; and for Employees who began participating in the Plan on or after July 1, 2007, he has attained age fifty-eight (58) with fifteen (15) or more years of Vesting Credit;
2. He has become so disabled through sickness or accident as to be unable to work at any gainful employment, as demonstrated by an award of permanent and total disability benefits from the Social Security Administration;
3. He has ceased to perform Industry Service anywhere in the geographical jurisdiction of the United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada; and
4. He has submitted a full and complete application for disability retirement benefits.

Evidence of Disability. Notwithstanding the above, the Board of Trustees may require any Employee receiving Disability Retirement benefits to submit evidence of continuing to have a qualifying disability. Disability Retirement benefits may be terminated if an Employee fails to provide evidence on request, or if the Board of Trustees, in the Board's exclusive discretion, determines that the Employee is no longer totally and permanently disabled.

### **ARTICLE III VESTING AND ACCRUAL OF BENEFITS**

a. **VESTING.** An Employee's interest shall vest when he has satisfied any of the following conditions:

1. he has accrued ten (10) years of Vesting Credit, regardless of age;
2. effective January 1, 1988, for any Employee who has performed at least one hour of covered employment after that date, he has attained age sixty-five (65) and reached the fifth (5th) anniversary of his participation in the Plan, regardless of his years Vesting Credit; or
3. effective January 1, 1999, he has accrued five (5) years of Vesting Credit regardless of age, including either: (1) at least 300 hours of Vesting Credit in 1998 and one hour in 1999; or (2) at least 300 hours of Vesting Credit in 1999 or in any Plan Year thereafter.

b. **VESTING CREDIT.** A year of Vesting Credit for purposes of this Article III shall include:

1. All Prior Service, past or future, based upon hours credited during the period July 1, 1956 through June 30, 1976, by reason of employment by an Individual Employer as defined in the Trust Agreement; and

2. All Future Service from and after July 1, 1976, based upon hours of employment credited in accordance with the schedules at Article III, Section c.2, including:

- a. each hour for which the Employee is paid or entitled to be paid under a Collective Bargaining Agreement with U.A. Local Union No. 467 with an Individual Employer as defined in the Trust Agreement for work actually performed, for paid vacation, holiday or leaves of absence, or for any period for which an award of back pay was made;

- b. each hour of service for U.A. Local Union No. 467 or a related entity as a full-time paid officer or representative, for which the Local or related entity has agreed to make contributions to this Plan on behalf of the Employee;

- c. for vesting purposes only, each hour of contiguous employment for an Individual Employer, either preceding or following covered employment, without a quit, retirement, or discharge between the Covered and Non-covered Employment; or

- d. any combination of the above. Hours shall be credited as provided in Department of Labor Regulation 2530.200b-2.

c. **ACCRUAL OF BENEFITS.**

1. **PRIOR BENEFIT CREDIT.** Prior Benefit Credit for purposes of this Article III, Section 4 shall be allowed for all service previously credited to an Employee in accordance with U.A. Locals Nos. 393 and 467 Joint Pension Plan, in effect prior to July 1, 1976, including:

- a. Past Benefit Credit as provided in said Combined Pension Plan;

b. Future Benefit Credit by reason of all hours worked during each Plan Year from July 1, 1956 to June 30, 1976 under a Collective Bargaining Agreement with U.A. Local Union No. 393 or U.A. Local Union No. 467 requiring payment into this Trust Fund in accordance with the following schedules:

- (1) For all hours worked during each Plan Year prior to July 1, 1966:

<b>Hours Worked</b>	<b>Benefit Credit (In portions of a year)</b>
300 to 699	.25
700 to 1,099	.50
1,100 to 1,499	.75
1,500 or more	1.00

- (2) For all hours worked during each of the Plan Years from July 1, 1966 through June 30, 1968:

<b>Hours Worked</b>	<b>Benefit Credit (In portions of a year)</b>
300 to 599	.25
600 to 899	.50
900 to 1,199	.75
1,200 or more	1.00

- (3) For all hours worked during each of the Plan Years from July 1, 1968 through June 30, 1970:

<b>Hours Worked</b>	<b>Benefit Credit (In portions of a year)</b>
300 but less than 500	.25
500 but less than 600	.30
600 but less than 800	.50
800 but less than 900	.60
900 but less than 1,000	.75
1,000 but less than 1,100	.80
1,100 but less than 1,200	.90
1,200 and over	1.00

- (4) For all hours worked during each of the two Plan Years from July 1, 1970 through June 30, 1972:

<b>Hours Worked</b>	<b>Benefit Credit (In portions of a year)</b>
300 but less than 400	.10
400 but less than 500	.20
500 but less than 600	.30
600 but less than 700	.40
700 but less than 800	.50
800 but less than 900	.60

900 but less than 1,000	.70
1,000 but less than 1,100	.80
1,100 but less than 1,200	.90
1,200 and over	1.00

(5) For all hours worked during each of the Plan Years from July 1, 1972 through June 30, 1976:

(a) Hours worked during each such Plan Year prior to attainment of age fifty-five (55):

<b>Hours Worked</b>	<b>Benefit Credit (In portions of a year)</b>
120 but less than 240	.10
240 but less than 360	.20
360 but less than 480	.30
480 but less than 600	.40
600 but less than 720	.50
720 but less than 840	.60
840 but less than 960	.70
960 but less than 1,080	.80
1,080 but less than 1,200	.90
1,200 and over	1.00

(b) Hours worked during each such Plan Year on or after attainment of age fifty-five (55):

<b>Hours Worked</b>	<b>Benefit Credit (In portions of a year)</b>
100 but less than 200	.10
200 but less than 300	.20
300 but less than 400	.30
400 but less than 500	.40
500 but less than 600	.50
600 but less than 700	.60
700 but less than 800	.70
800 but less than 900	.80
900 but less than 1,000	.90
1,000 and over	1.00

## 2. FUTURE SERVICE.

a. Effective for Employees retiring on or after July 1, 1976, credit for hours worked under a Collective Bargaining Agreement with U.A. Local Union No. 467 requiring payment into this Fund, during any Plan Year thereafter, shall be credited in accordance with the following schedules:

- (1) For all hours worked during each of the Plan Years from July 1, 1976 through June 30, 1977, and from January 1, 1979 through December 31, 1997:

<b>Hours Worked</b>	<b>Benefit Credit (In portions of a year)</b>
100 but less than 200	.10
200 but less than 300	.20
300 but less than 400	.30
400 but less than 500	.40
500 but less than 600	.50
600 but less than 700	.60
700 but less than 800	.70
800 but less than 900	.80
900 but less than 1,000	.90
1,000 and over	1.00

- (2) For all hours worked during the Plan Year from July 1, 1977 through December 31, 1978:

<b>Hours Worked</b>	<b>Benefit Credit (In portions of a year)</b>
100 but less than 200	.10
200 but less than 300	.20
300 but less than 400	.30
400 but less than 500	.40
500 but less than 600	.50
600 but less than 700	.60
700 but less than 800	.70
800 but less than 900	.80
900 but less than 1,000	.90
1,000 but less than 1,100	1.00
1,100 but less than 1,200	1.10
1,200 but less than 1,300	1.20
1,300 but less than 1,400	1.30
1,400 but less than 1,500	1.40
1,500 and over	1.50

- (3). For all hours worked during each of the Plan Years from January 1, 1998, through December 31, 1999:

<b>Hours Worked</b>	<b>Benefit Credit (In portions of a year)</b>
300 but less than 400	.30
400 but less than 500	.40
500 but less than 600	.50
600 but less than 700	.60
700 but less than 800	.70

800 but less than 900	.80
900 but less than 1,000	.90
1,000 and over	1.00

(4) For all hours worked during each of the Plan Years from January 1, 2000, and thereafter:

	<b>Hours Worked</b>	<b>Benefit Credit (In portions of a year)</b>
Class A:	100 but less than 200	.10
Class A:	200 but less than 300	.20
Class B:	less than 300 hours	.00
All Employees:		
	300 but less than 400	.30
	400 but less than 500	.40
	500 but less than 600	.50
	600 but less than 700	.60
	700 but less than 800	.70
	800 but less than 900	.80
	900 but less than 1,000	.90
	1,000 and over	1.00

An Employee is in Class A if he has 10 or more Years of Vesting Credit, and Class B if he has less than 10 Years of Vesting Credit.

(b) For purposes of this Article III, Section 4(b), Future Service Credit shall be given for all hours worked for which an Employee is entitled to be paid under the terms of a Collective Bargaining Agreement. Also, credit shall be given for hours for which the Employee is entitled to be paid under a Collective Bargaining Agreement during any period of time when, due to vacation, illness, incapacity (including disability) layoff, jury duty, or leave of absence, no such hours are worked. (At the date of this Plan revision no Collective Bargaining Agreement provides for payment under these circumstances.) Credit shall be given for each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Individual Employer.

(c) If an Employee performs military service for which it is required under the laws of the United States that the Plan confer benefits, and the Employee returns to covered employment or registers for, and is actually available for work at U.A. Local Union No. 467 within the time required under such law, the Employee shall be credited with the number of hours he would have received had he continued working for participating Individual Employers during the period of his military service. If in the judgment of the Board of Trustees, the number of hours that the returning veteran would have worked during the period of his military service is not reasonably certain, the number of hours credited to the returning veteran during each month of military service shall be equal to the average of the hours worked in the twelve (12) month period immediately preceding his military service (or, if shorter, the average of the period of employment immediately preceding the military service).

4. **Hours of Service.** To the extent required by ERISA: "Hour of Service" means each hour for which an employee is paid or entitled to payment from an Employer, either directly or indirectly from the Employer.

"Covered Hour" means an hour worked in Covered Employment for which an Employer Contribution has been made or was required to be made on the Employee's behalf.

Hours shall be calculated and credited pursuant to Section 2530.200b of the Department of Labor regulations which are incorporated herein by this reference. In situations in which actual hours data is not available, absent any Plan provision to the contrary, the weekly equivalency rules will apply, crediting 45 Hours of Service for each week in which at least one hour was worked (except for Disability Service).

There shall be no duplication of hours, contributions or Future Service Credit for which credit or benefits are granted and/or no "double credit" for the same period.

5. **Protection of Accrued Benefits.** To the extent required by ERISA, no amendment to the Plan (including a change in the actuarial basis for determining optional or early retirement benefits) shall be effective to the extent that it has the effect of decreasing a Participant's accrued benefit. For purposes of this paragraph, a Plan amendment that has the effect of (1) eliminating or reducing an early retirement benefit or a retirement-type subsidy, or (2) eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment shall be treated as reducing accrued benefits subject to the Pension Protection Act and other applicable law. For a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the pre-amendment conditions for the subsidy. Notwithstanding the preceding sentences, a Participant's accrued benefit may be reduced to the extent permitted under IRC § 412(c)(8) (for plan years beginning on or before December 31, 2007) or IRC § 412(d)(2) (for plan years beginning after December 31, 2007), or to the extent permitted under §§ 1.411(d)-3 and 1.411(d)-4 of the regulations.

6. **Credit For Certain Military Service.** Pursuant to the Veterans Readjustment Assistance Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, and other applicable federal law, an authorized leave of absence due to military service in the Armed Forces of the United States shall be considered Credited Service and Vesting Credits under the Plan, provided that the Participant complies with all of the requirements of applicable federal law, this Plan, and any rules established by the Board of Trustees or its delegate. Only service in the Armed Forces of the United States for which credit is required under the above-referenced federal laws will be considered under this subsection. To be entitled to Credited Service and Vesting Credits for the period in the Armed Forces of the United States, a Participant whose active duty exceeded 90 days must have:

- (a) been working as a Covered Employee during the 90 days prior to commencement of his service in the Armed Forces; and
- (b) returned to work as a Covered Employee within 90 days following termination of his service in the Armed Forces; and
- (c) been honorably discharged from the service, and
- (d) served no more than five years in the Armed Service.

For any Participant whose active duty did not exceed 90 days, return to work as a Covered Employee must be made within the time periods required by the Uniformed Services Employment and Reemployment Rights Act of 1994, and any other applicable law.

In determining the Participant's period of absence for Military Service Leave the Plan will consider the Total Service Time ("Net Service this Period" plus up to a maximum of 6 months of time listed under "Other Service") provided on a Participant's applicable military discharge papers.

In determining the Participant's Credited Service and Vesting Credits, the Plan shall determine the Employer contributions that would have been made to the Plan on the Participant's behalf for this period of absence for Military Leave by taking an average of the hours, and/or contributions rate, and/or contract rates made to the Plan on the Participant's behalf during the two (2) Plan Years immediately preceding the date the Participant commenced his service in the Armed Services, or if greater, using the Plan Year in which the Participant entered the Armed Service. In determining this average, if the Plan can clearly identify the actual number of months that hours were reported on behalf of the Participant, the average would be based on the actual number of months the hours are reported in either the two (2) Plan Years immediately preceding the Plan Year in which the Participant entered Military Service, or the Plan Year in which the Participant entered Military Service (excluding the month of induction).

The Board of Trustees shall have sole and absolute discretion to determine the appropriate contributions to be allocated to a Participant in this situation subject to the minimum requirement of federal law.

e. **COMMENCEMENT OF BENEFIT PAYMENTS.**

1. **NON-FORFEITABILITY OF RIGHT TO RETIRE AND RECEIVE BENEFITS.**

Each Employee shall have the non-forfeitable right to receive benefits in accordance with the provisions of Article II, Sections 1 - 3, and Article III, Section 5(b). Notwithstanding the above, to the extent required by the Internal Revenue Code, benefits shall commence at the following times:

- a. no later than the sixtieth (60th) day of the year following the close of the latest of the Plan Year in which the latest of the following occurs, unless the Employee elects otherwise:
  - (1) the Employee attains age 65,
  - (2) the Employee attains the fifth anniversary of his first participation in the Plan, and
  - (3) the Employee terminates employment in the Plumbing and Pipefitting Industry in California; or
- b. no later than April 1 of the calendar year following the year in which the Employee attains age 70½, unless the Employee continues to work in Covered Employment.

2. **FILING OF APPLICATION FOR RETIREMENT.** Payment of monthly benefits payable to an Employee under Article II, Sections 1 - 3, shall commence only when the Employee has filed an application for retirement. If the Employee fails to file an application when eligible to apply for benefits, and the Employee has not attained age sixty-five (65), it shall be presumed that the Employee has deferred retirement to age sixty-five (65). However, whenever it is shown to the satisfaction of the Trustees that an Employee was unable to file an application earlier due to complete mental or physical incapacity and that the Employee was at all relevant times under a duly-appointed guardianship or conservatorship, application may be made by such Employee or such duly appointed guardian or conservator for payment of benefits retroactively to the first day of the calendar month following the month in which the benefits were otherwise due and payable to the Employee.

All applications for benefits under this Plan, whether on account of retirement, disability or death, and all elections and designations made by Participants or Beneficiaries under this Plan shall be made in writing to the Board of Trustees in the form and manner prescribed by the Board of Trustees. Such applications may be obtained from the Union or the Trust Fund Office.

The Board of Trustees has the right to require submission of all necessary information before any benefit is paid, including records of employment, proofs of date of birth, disability or death; and evidence of existence of marriage and/or divorce. No benefits dependent in any way upon such information shall be payable unless and until the information so required has been furnished. Upon receipt of such information, the Board of Trustees shall determine the eligibility of the applicant for such benefit, and shall notify the applicant of his or her determination and the amount of any benefit payable.

Any Participant or other person who makes a false statement or provides false information to the Plan regarding the payment of benefits or other issues related to the Plan will be liable to the Plan for any benefits paid as a result of such false statements or information, and any attorney fees and costs incurred in effecting recovery or which were incurred as a result of the false statement or information. The Plan may deduct any such fees and costs from any benefits otherwise payable to the Participant or other person or entity.

Payments or monthly pensions shall commence on the first day of the month in which the Vested Employee who has retired from covered Employment has applied for retirement benefits and provided all necessary information.

3. **NO LUMP SUM DISTRIBUTION.** The Trustees may not order a lump-sum distribution of an Employee's interest in the Plan, except at the election of a beneficiary as provided in Article VI, Section 3.

4. **DISTRIBUTION TO BENEFICIARY OF DECEASED EMPLOYEE:** Notwithstanding any other provision of this Plan, if benefits are to be paid to the beneficiary of a deceased Employee in a form other than an annuity for the life of the beneficiary, then the following rules apply to the payment of benefits:

a. If an Employee dies before benefits have commenced, and benefits are to be distributed to a beneficiary designated by the Employee, distribution of the Employee's interest shall be made to the designated beneficiary over a period no longer than the beneficiary's life expectancy, or five years, whichever is greater, commencing within one year of the date of death or, if the beneficiary is the surviving spouse, commencing no later than the date upon which the Employee would, if living, have attained age seventy and one-half (70 ½). To the extent required by the Internal Revenue Code, if

benefits are to be distributed to anyone other than a beneficiary designated by the Employee, then all benefits shall be distributed within five years of the Employee's death.

b. If an Employee dies after benefits have commenced, but before his entire interest has been distributed, the remaining interest shall be distributed at least as rapidly as under the method being used at the time of the Participant's death. Pursuant to Internal Revenue Code requirements, if the remaining interest is payable in monthly benefits to a beneficiary for a fixed period of time rather than for the life expectancy of the beneficiary, the entire interest will be distributed within 36 months of the Employee's death.

5. **MINIMUM DISTRIBUTION REQUIREMENTS.** Pursuant to Internal Revenue Code requirements, the Plan will apply the minimum distribution requirements of section 401(a)(9) of the Internal Revenue Code and in accordance with the regulations under section 401(a)(9), notwithstanding any provision of the Plan to the contrary. Unless a Participant elects otherwise, payment of Plan benefits to a Participant will begin no later than 60 days after the end of the Plan Year in which the latest of the following events occurs:

a. The Participant attains age 65 or the Normal Retirement Age specified under the Plan.

b. The fifth anniversary of the year in which the Participant commenced participation in the Plan

c. The Participant terminates his Service with an Employer.

In addition, a Participant who satisfied the service requirements for an Early Retirement Benefit, but separated from Covered Employment (with a non-forfeitable right to an accrued benefit) before satisfying the age requirement for such Early Retirement Benefit, is entitled upon satisfaction of such age requirement to receive a benefit not less than the benefit to which he would be entitled at the Normal Retirement Age, actuarially reduced based on the Plan's Early Retirement reduction factors subject to any applicable regulations prescribed by the Secretary of the Treasury.

6. **NO VESTING OR BENEFIT CREDIT IF FUNDS RECIPROCATED OUT.** Notwithstanding any other provision of this Plan, no Vesting or Benefit Credit shall be earned for any hour worked when, under a valid reciprocity agreement, the contributions made for that hour of work are transferred to a pension plan other than the U.A. Local Union No. 467 Defined Benefit Plan.

#### **ARTICLE IV AMOUNT AND FORM OF BENEFIT PAYMENTS**

1. **NORMAL RETIREMENT.** The 100% Normal Retirement Benefit of any Employee retiring on Normal Retirement shall be as provided in Article X, and the several schedules annexed thereto, adjusted for the form of benefit as provided in Section 3 of this Article, if applicable.

2. **EARLY NON-DISABILITY RETIREMENT.** The retirement benefit of Employees retiring on non-disability Early Retirement shall be the monthly pension calculated under Section 1 of this Article, multiplied by the factor listed in the following schedule of Early Retirement reductions. An Employee will be considered "active" if he earned Benefit Credit in any one of the two Plan Years prior to the Plan Year of retirement; otherwise, he will be "inactive."

**REDUCTION FACTORS FOR EARLY RETIREMENT**

[For Employees who began Plan participating prior to January 1, 2005]

<u>Retirement Age</u>	<u>25 or more Years of Benefit Credit</u>	<u>Less than 25 Years of Benefit Credit</u>	
		<i>Active</i>	<i>Inactive</i>
		65	100%
64	100%	100%	95%
63	100%	100%	90%
62	100%	100%	85%
61	100%	95%	80%
60	100%	90%	75%
59	100%	85%	70%
58	100%	80%	65%
57	100%	75%	60%
56	100%	70%	55%
55	100%	65%	50%

**REDUCTION FACTORS FOR EARLY RETIREMENT**

[For Employees who began participating in the Plan on or after January 1, 2005 and before January 1, 2016]

<u>Retirement Age</u>	<u>30 or more Years of Benefit Credit</u>	<u>Less than 30 Years of Benefit Credit</u>	
		<i>Active</i>	<i>Inactive</i>
		65	100%
64	100%	100%	95%
63	100%	100%	90%
62	100%	100%	85%
61	100%	95%	80%
60	100%	90%	75%
59	100%	85%	70%
58	100%	80%	65%

**REDUCTION FACTORS FOR EARLY RETIREMENT**

[For Employees who began participating in the Plan on or after January 1, 2016]

<u>Retirement Age</u>	<u>30 or more Years of Benefit Credit</u>	<u>Less than 30 Years of Benefit Credit</u>	
		<i>Active</i>	<i>Inactive</i>
		65	100%
64	100%	95%	93%
63	100%	90%	86%
62	100%	85%	80%
61	95%	80%	74%
60	90%	75%	69%
59	85%	70%	64%
58	80%	65%	60%

3. **EARLY DISABILITY RETIREMENT.** A qualified Employee who is receiving Disability Retirement benefits shall be entitled to a one-hundred-percent (100%) Normal Monthly Pension without reduction.

4. **FORMS OF RETIREMENT BENEFITS**

(a) **100% SINGLE LIFE ANNUITY BENEFIT.** Benefits for an Employee who is not married shall be in the form of a single annuity for the life of the Employee alone, followed by such death benefits for which the beneficiaries of the Employee qualify under Article VI. A married Employee may elect this form of benefit with the written consent of his spouse. The benefits shall be in the amount of the 100% Normal Retirement Benefit, reduced if applicable for Early Retirement.

(b) **QUALIFIED JOINT AND SURVIVOR ANNUITY.** Distribution of benefits to a married Employee, whether on Early, Normal or Disability Retirement, shall be in the form of a 50% Joint and Survivor Annuity, unless waived by the Employee with the written consent of the Employee's spouse as provided in Section 4 of this Article. This form of benefit shall consist of monthly benefits payable to the Employee for life, followed by monthly benefits in an amount equal to fifty percent (50%) of the amount paid to the Employee, payable to the Employee's spouse at retirement for the spouse's life. Benefits shall commence upon qualification for, and application for, benefits as provided in Article II, Sections 1 - 4. The amount of the monthly benefit paid during the Employee's life shall be actuarially reduced from the Employee's Normal or Early Monthly Benefit. The whole value of this form of benefit shall be the actuarial equivalent of the Single Life Annuity benefit for the Employee's life alone.

(c) **OPTIONAL 100% JOINT AND SURVIVOR ANNUITY.** A married Employee may, with the written consent of his spouse as provided in Section 4 of this Article, elect a 100% Survivor Annuity, which shall be identical to the 50% Joint and Survivor Annuity, except that the amount paid during the life of the spouse shall be equal to one hundred percent (100%) of the amount paid during the life of the Employee. The amount paid during the life of the Employee shall be actuarially reduced from the Normal or Early Monthly Benefit.

(d) **OPTIONAL 75% JOINT AND SURVIVOR ANNUITY.** A married Employee may, with the written consent of his spouse as provided in Section 4 of this Article, elect a 75% Survivor Annuity, which shall be identical to the 50% Joint and Survivor Annuity, except that the amount paid during the life of the spouse shall be equal to seventy five percent (75%) of the amount paid during the life of the Employee. The amount paid during the life of the Employee shall be actuarially reduced from the Normal or Early Monthly Benefit.

5. **PROCEDURES FOR ELECTION OF FORM OF BENEFITS:** The Trust Fund Office shall, within a reasonable time prior to a married Employee's Annuity Commencement Date, supply the Employee and spouse with an explanation of the Qualified Joint and Survivor Annuity, their respective rights thereto, including the right of the Employee to waive the benefit with spousal consent and the right of the spouse to consent or to refuse to consent to such a waiver, and the effect of such a waiver and of such consent or refusal to consent.

The Plan Administrator will notify the Participant when a benefit under the Plan is requested. Such notification shall include a general description of the material features and an explanation of the relative values of the optional forms of benefit available under the Plan in a manner that would satisfy the notice requirements of Internal Revenue Code Section 471(a)(3) and Regulations. 1.417(a)(3)-1

The Employee may thereafter, within the one hundred eight day period prior to the Annuity Commencement Date, waive or reinstate the Qualified Joint and Survivor Benefit any number of times. (Prior to July 1, 2007, that period was ninety days.) However, no waiver shall be effective unless the spouse provide a written waiver which is witnessed by a Plan representative or Notary Public, acknowledging the spouse's understanding of the effect of the waiver, and of his right to consent or refuse to consent thereto. The Employee having thus waived the benefit with the consent of his spouse, may elect any other form of benefit available under the Plan or designate another person to be beneficiary to the extent permitted under the Plan, provided that the spouse also consents to such election of such other form of benefit and/or designation of such other beneficiary, and further provided that no election will be valid if made more than 180 days prior to the Annuity Commencement Date.

#### 6. **QUALIFIED PRE-RETIREMENT SURVIVOR ANNUITY:**

(a) If a married Employee with a vested interest in the Plan dies before retirement, there shall be paid to his spouse, if surviving the Employee by at least 30 days, a 50% Qualified Pre-Retirement Survivor Annuity. This benefit shall commence, upon application of the surviving spouse, at any time after the date that the Employee would have been eligible for Early Retirement. The amount of the benefit shall be computed on the basis of the benefits the Employee had accrued up to his death, and shall be determined as if the Employee had lived to retire the month before the spouse applies for such benefits, and elected the 50% Qualified Joint and Survivor Annuity, and died immediately thereafter.

(b) If, at the time of the Employee's death, there was no valid designation of a person other than the Employee's spouse as beneficiary for death benefits payable under the Plan, the Employee's surviving spouse may waive this benefit after the Employee's death and elect any other death benefit for which he qualifies.

#### 7. **ELIGIBLE ROLLOVER DISTRIBUTIONS**

a. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Participant's election under this Section, a distributee, also known as a "recipient", may elect, at the time and in the manner prescribed by the Plan, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the recipient in a direct rollover.

##### b. Definitions.

1. Eligible Rollover Distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of a recipient, except that an eligible rollover distribution does not include:

(A) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life or life expectancy of the recipient or the joint lives or joint life expectancies of the recipient and the recipient's designated beneficiary, such as a monthly pension; or for a specified period of ten years or more;

(B) any distribution to the extent that such distribution is required under section 401(a)(9) of the Internal Revenue Code; and

(C) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

2. Eligible Plan. An eligible retirement plan includes without limitation an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan, an individual retirement account described in Section 408(a) of the Code, and individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, an annuity contract described in 403(b) of the Code, or a qualified plan described in 401(a) of the Code, that accepts the distributee's eligible rollover distribution. The definition of an eligible retirement plan shall also apply for a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a QDRO, as defined in 414(p) of the Code. An eligible retirement plan shall be interpreted in the broadest possible manner under the Internal Revenue Code and lawful regulations to permit a rollover if permitted by such law and/or regulation.

3. Recipient: A recipient includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order, ("QDRO") as defined in section 414(p) of the Code, is a recipient with regard to the interest of the spouse or former spouse. Pursuant to applicable law, on or after December 31, 2007, a non-spouse beneficiary may roll over a distribution from the Plan to an inherited Individual Retirement Plan. The Plan will permit rollovers to the fullest extent permitted by the Internal Revenue Code and applicable regulations.

(4) Direct Rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the recipient.

## 8. GENERAL PROVISIONS

a. Tax Withholding Requirements. Federal income tax law may require withholding from your monthly benefit payments unless the Participant elects, in writing, not to have the tax withheld. The amount and form of the benefit generally determines whether or not automatic withholding applies; however, if the Participant lives outside the United States, different withholding rules may apply. The Participant also has the option of having state tax withholding from his monthly payments. When a Participant retires, he must notify the Trust Fund Office on the appropriate Plan forms whether he wishes tax withholding.

b. Interest on Certain Delayed Payments. To the extent required by Internal Revenue Service regulations and other applicable law only, the Plan will pay interest on delayed pension payments. The Board of Trustees shall have absolute discretion in determining whether a retroactive payment is being made and whether the Plan is legally required to pay interest on such payments. Interest is required only to the extent that the applicable law and regulations require such payments. The Board of Trustees or its delegate may establish the method of paying interest and determining when a payment is late (e.g., payments late more than thirty days). To the extent allowed by applicable law and regulations, the Board of Trustees, or its delegate, may establish rules precluding the payment of interest in situations in which a person's failure to timely provide complete documentation or information to the Trust Fund Office results in the late payment or the Plan itself has a negative or low return for the period in question.

c. Interpretation of Plan by Board of Trustees. The Board of Trustees or persons appointed or so designated by the Board shall have the full discretionary authority to determine eligibility for and the amount of benefits and construe the terms of this Pension Plan, and any rules and regulations issued hereunder. If the Trustees determine or are advised that ruling, regulations, or Court action may determine an issue or dispute, the Trustees may defer action in making a determination hereunder for a reasonable period or until such time as they can determine what is a proper determination of that issue.

No person may rely upon any interpretation by any individual Trustee, Union officer or representative, Employer or any other person regarding the Plan benefits or otherwise. Any question of interpretation of the Plan should be directed in writing to the Board of Trustees at the Trust Fund Office. No oral statement of any person, including a Plan official, may be the basis of any claim for benefits if such statement is in conflict with this Plan or the Trust Agreement.

d. Limitations On Trustee Liability. Nothing in this Plan shall be construed to prevent any Trustee from receiving any benefit to which he may be entitled as a Participant or beneficiary in this Plan, so long as the benefit is computed and paid on a basis which is consistent with the terms of this Plan as applied to all other Participants and beneficiaries. Nor shall this Plan be interpreted to prevent any Trustee from receiving reimbursements of expenses properly and actually incurred in the performance of his duties with respect to the Plan.

e. Survivor Benefits Under Qualified Military Service. If a Participant dies while performing qualified military service as defined in the Internal Revenue Code, the Plan will make available to the Participant's beneficiary any additional benefits that would have been provided under the Plan had the Participant resumed employment and then terminated employment on the account of death.

Pursuant to IRS guidelines, this provision applies only to Participants who would have been entitled to reemployment rights under USERRA if he or she had applied for such rights immediately before his or her death. To the extent applicable for this Plan, any benefits under the Plan that would otherwise be provided to such Participant if he or she had died while employed would apply. This provision does not require that contributions be made for the period of qualified military services for purposes of determining benefits payable under the Plan.

f. Overpayments Recoverable by the Plan. A Participant or beneficiary is entitled only to the amount and form of benefits described in the Plan document, as amended from time to time. If a Participant or beneficiary is receiving an improper amount or benefit from the Plan and he or she becomes aware of that fact, the Plan requires that such person immediately notify Trust Fund Office of the overpayment.

If a Participant and/or any beneficiary receives an overpayment of benefits, the Plan will reduce or offset any future benefits to recover the overpayment, unless other arrangements can be made to the satisfaction of the Board of Trustees for the recovery of the overpayment. The Plan will withhold at least 25% of the monthly payments until the Plan recovers the overpayment. To the extent permitted by law, the Plan may withhold up to 100% of the monthly payments until an overpayment is recouped. The Plan may also file a claim against the estate or any other person or entity if amounts are still owed at the Participant's or beneficiary's death and there are insufficient funds, including any death benefits payable to the beneficiary, to recover the overpayment. Any funds owed by a Participant to the Plan will be deducted from any death benefits that may be payable as a result of the Participant's death.

g. Payments to a Minor/Or Adult With Principal Support of the Minor. Any death benefit payable to a minor under age 18 may be paid to the legally appointed guardian of the minor or, if there is no guardian, to such adult(s) that has, in the discretion of Plan representative, assumed principal support of said minor. The Plan may also decide to distribute benefits to a minor, depending upon the circumstances. The Board, and its delegates, have absolute discretion in making such determinations and may delay making a distribution until the beneficiary attains age 18.

## **ARTICLE V            LOSS OF ACCUMULATED PAST AND FUTURE CREDITS**

a. An Employee whose interest has not yet vested and who fails to be credited with at least one hundred (100) hours of Service Credit in any Plan Year through the 1997 Plan Year, or at least three hundred (300) hours in the 1998 Plan Year or any Plan Year thereafter, shall suffer a temporary break in service. Such break in service shall become permanent and the Employee's previously accumulated, nonvested years of Vesting Credit shall not thereafter be taken into account if, through the 1997 Plan Year, he fails to earn at least one hundred (100) hours of Vesting Credit in any Plan Year, or in the 1998 Plan Year or any Plan Year thereafter, he fails to earn at least three hundred (300) hours in any Plan Year during a number of Plan Years which equals or exceeds five (5) Plan Years or the aggregate number of his years of service credited prior to the break, whichever is greater.

b. Prior Break in Service. Years of service lost by reason of any prior break in service shall not be taken into account in determining any break in service occurring thereafter.

c. Hour of Service. An hour of service, for purposes of the above, shall be as defined in Article III, Section b

d. Special Break Rules. No break in service shall occur for an Employee during any Plan Year in which the Employee is absent from work for one hundred (100) or more hours through the Plan Year 1997, or in the 1998 Plan Year or any Plan Year thereafter, the Employee is absent from work for three hundred (300) or more hours, by reason of pregnancy, birth of a child, adoption of a child, or caring for such child for a period beginning immediately after the birth or placement, when the Employee would have otherwise been working on covered employment. Time so credited shall be counted in the Plan Year in which the absence from work begins only when necessary to prevent a break in service in that Plan Year, otherwise in the Plan Year next following.

e. Application of Prior Vesting And Break In Service Rules. This Plan text reflects the vesting and break in service rules currently in effect. If an Employee suffers a break in service at any time, he will continue to have his vesting status governed by the Plan's or the prior Plan's vesting and break in service rules which were in effect as of the Employee's last covered service before the break in service occurred. If an Employee suffers a permanent break in service at any time, he shall lose all credits that were accrued before the break in service began. Once a person suffers a permanent break in service, except as expressly provided in the Plan, all pre-break credits remain lost, and are disregarded for all purposes, even if the Employee returns to covered employment and earns enough years of Vesting Credit later to qualify for a pension for the later service. Pre-break credits also remain lost even if the Plan was or is amended after a break becomes permanent, and those credits would not have been lost under the later rule.

## ARTICLE VI DEATH BENEFITS

### a. POST-RETIREMENT BENEFIT FOR SURVIVING SPOUSES AND CHILDREN.

1. In the event of the death, after retirement, of an Employee who is receiving the 100% Single Life Annuity Benefit as provided in Article IV, Section 3(a), there shall be paid to his eligible beneficiary(ies) an amount equal to thirty-six (36) payments of the Employee's then accrued 100% Single Life Annuity Benefit, less whatever benefits were paid to the retiree prior to his death.

2. The beneficiary(ies) eligible to receive this benefit shall be determined in accordance with the following rules:

- a. If the Employee is married at the time of his death: the surviving spouse shall be the beneficiary of this benefit, unless the surviving spouse has waived all death benefits and survivor annuities in a writing which is notarized or witnessed by a Plan representative, and which is in a form satisfactory to the Board of Trustees.
- b. If there is no surviving spouse or the surviving spouse has waived all death benefits and survivor annuities on the required written form, then the remaining part of the thirty-six (36) month benefit, if any, shall be paid as follows:
  - (1) If the Employee has natural or adopted children, each natural or adopted child shall receive a pro rata share based on the total number of the Employee's natural and adopted children.
  - (2) If there are any benefits under this Section for which a child is not automatically the beneficiary under subparagraph (A), the Employee may designate any person(s) to be the beneficiary(ies) for such benefits, in writing on the form provided by the Trust Fund Office.
  - (3) Any benefits payable under this Section for which there is no child or spouse, and for which the Employee has not designated a beneficiary, shall be payable to the Employee's estate.
- c. Any designation of beneficiary made by an Employee shall automatically be revoked if the Employee later becomes married, and shall not be revived if that marriage is terminated. Any designation by an Employee of his spouse shall automatically be revoked if the marriage of the Employee and that spouse is terminated, unless preserved in a Qualified Domestic Relations Order, or revived by the Employee in writing thereafter.

3. Only one form of post-retirement death benefit shall be paid on behalf of any Employee. If a married Employee elected any form of Joint and Survivor Annuity form of retirement benefit, the benefits provided in this Section shall not be available.

**b. ALTERNATIVE PRE-RETIREMENT DEATH BENEFIT.**

1. In the event of the death before retirement of an Employee with ten years of Vesting Credit there shall be paid to his eligible beneficiary an amount equal to thirty-six (36) payments of the Employee's then accrued one hundred percent (100%) Monthly Pension benefit.

2. The beneficiary(ies) for this benefit shall be determined in accordance with the rules in Article VI, Section a.2.

3. Only one form of pre-retirement death benefit shall be paid on behalf of any Employee. If the surviving spouse is the beneficiary for an Employee's death benefit, he may elect between this benefit and the Qualified Pre-Retirement Survivor Annuity provided in Article IV, Section 6.

**c. FORM OF BENEFIT FOR 36-MONTH DEATH BENEFITS.**

The benefits provided in this Article VI, Sections a and b shall, at the election of the beneficiary, be paid either in monthly installments or in an actuarial equivalent lump sum. If a surviving spouse, having elected to take the benefit in the form of monthly payments, dies before receipt of all of the payments due, the balance of payments remaining shall be applied to the benefit of any children of the deceased Employee. If there are no children, any remaining payments will be payable to the estate.

**ARTICLE VII SUSPENSION OF BENEFITS**

**a. General Rule—Restricting Work in the Plumbing & Pipefitting Industry After Retirement**

A Participant is not permitted to work in the Plumbing and Pipefitting Industry, with limited exceptions, while receiving a pension benefits from the Plan. This rule applies from a Participant's retirement, at any age, until April 1 of the year following the year in which the Participant attains age 70½, after which a Participant may work and receive benefits at the same time.

If a Participant retired and is under Age 65 and returns to any work in the Pipe Trades Industry in the United States or Canada, his or her monthly pension benefit will be suspended, unless the work qualifies for one of the exceptions listed below.

The term "Pipe Trades Industry" includes all work, public or private, covered, or if not actually covered, of the type covered by any Collective Bargaining Agreement of UA Local 467 or any Local Union of the UA, as well as any other kind of work performed for any business engaged in the Pipe Trades Industry. An Employee is presumed to be engaged in the Plumbing and Pipefitting Industry (also known as the "Pipe Trades Industry" and/or "Industry Service") if he or she holds a classification of contractors' license which would allow him or her to do any kind of work covered under a Collective Bargaining Agreement with U.A. Local 467 or other U.A. Local Union.

Such work, which is also known as "Prohibited Employment," includes without limitation: (1) work in employment of the type performed by Participants covered by the Plan, known as "Covered Employment"; (2) work which requires directly or indirectly the use of the same skills used by Participants covered by the Plan on the effective date of your retirement; (3) work in employment for compensation or wages of any kind or for profit in the Pipe Trades Industry; (4) work for profit as an owner or partner in any business directly or indirectly connected with the Pipe Trades Industry; (5) work where you supervise Participants in the same trade or craft or directly or indirectly use the same skills as

Participants covered by the Plan on the date you retired. The minimal exceptions to these restrictions are summarized in section d below.

"Prohibited Employment" is interpreted in the broadest manner. "Hours" includes all hours for which compensation is paid or payable to you. Prohibited Employment includes work in which a salary is paid (including hourly, daily, weekly, bi-weekly, bi-monthly, monthly, annually, or any other rate), work for which you are considered an "Independent Contractor," work for which you will be entitled to receive deferred Retirement Benefits, or work in which you are due or actually receive anything of value in exchange for the services rendered.

**b. Strict Rules Regarding Performing any Work in the Pipe Trades Industry Before Age 65**

Before a Participant becomes 65, if he or she performs any Industry Service anywhere in the United States or Canada, his or her pension benefits will be suspended. Once the Employees return to Industry Service, his or her benefits will be suspended until attainment of age 65 and apply for Normal Retirement Benefits. The only exception to this rule is when the Business Manager of U.A. Local 467 has certified a shortage of journeymen and allows retirees to return to Covered Employment for specified periods of time.

**c. Limited Work in the Pipe Trades Industry is Permitted After Age 65**

After a Participant attains age 65, his or her pension benefits will be suspended one month for every month in which he or she returns to Industry Service for forty hours or more in the Plumbing and Pipefitting Industry anywhere in California. Industry Service includes employment in any capacity in the Plumbing and Pipefitting Industry, whether by or in association with a union contractor or non-union contractor, or as a self-employed person, except for work listed below in section d. If the Participant intends to return to Industry Service, the Participant is required to seek advance written approval for such work. If the Participant fails to do so, it will be presumed that the Participant worked at least forty hours in any month in which he or she is found working, and if employed on a construction site, that the Employee was employed for at least forty hours for every month the Participant's employer worked on the site. Such assumptions provide the authority for the Plan to suspend the Participant's pension benefits. The Participant will, however, have the opportunity to rebut those presumptions.

**d. Exceptions to Industry Service Definition.**

The Board of Trustees has total and absolute discretion to determine whether anticipated or actual employment is Prohibited Employment. A Participant should submit a written request to the Plan Office well in advance if the Participant desires to work in the Pipe Trades Industry after retirement. The following specific and limited categories are currently excluded from the "Pipe Trades" Prohibited Employment definition. Thus, a Participant may perform such work while receiving Retirement Benefits, subject to approval of the Board of Trustees prior to beginning such work (after having made a written request to perform such work):

- i. **Government Work.*** Employment directly for the Government of the United States or for a political sub-division of the State of California.
- ii. **Estimator.*** Employment as an Estimator for a contributing or participating employer. For this purpose, the term "Estimator" is an individual who spends all of his or her working time doing

estimating and related work and does not perform work which is otherwise covered under a Collective Bargaining Agreement to which his or her employer is party with UA Local 467.

iii. ***In-House Maintenance.*** General in-house maintenance work at one or more fixed locations outside of the Bay Area Counties of San Mateo, Santa Clara, San Benito, San Francisco, Napa, Marin, Sonoma, Solano, Contra Costa, Alameda and Santa Cruz.

iv. ***Certain CAD Work.*** A Participant who has attained age 60 or older may perform computer assisted drawing and design work, known as “CAD”, for an Employer which contributes to this Plan; however, to be eligible to perform such work, the Participant must obtain advance approval for such work from the Board of Trustees or the Board’s delegate and must not have worked for such contributing Employer for at least thirty consecutive days. The Board of Trustees will have total and absolute discretion in determining whether any such proposed or actual work qualifies as CAD, regardless of the job title.

e. **Access to Information.** If requested, a Participant must provide the Board of Trustees with documents or other information for the purpose of verifying employment, such as time sheets, logs or records, income tax returns (including attachments), W-2 forms, and any other employment, income-related or other pertinent records. A Participant must also comply with any request of the Board of Trustees that the Participant request information from an Employer, contractor, subcontractor, union, government agency or any other person or entity relating to post-retirement employment.

f. **Written Request for Advance Determination.** Prior to beginning work, the Participant is required to submit a written request for a determination from the Plan Office on whether contemplated employment will be prohibited under the Plan. The Plan Office will notify the Participant with the determination of the Board of Trustees within a reasonable time, not to exceed ninety (90) days, unless the Board has not been provided with sufficient information to make such a determination or unless special circumstances exist. Failure to request an advance determination from the Board of Trustees will result in a suspension of the Participant’s pension benefits.

g. **Plan Presumptions Allowed By Department of Labor (DOL) Regulations.** If a Participant do not report his or her work in the Pipe Trades Industry and Plan representatives learn that the Participant has performed or is performing such work, the Plan will act on the basis of a rebuttable presumption that the Participant has worked full time in such employment. Moreover, if representatives of the Plan learn that the Participant has performed or is performing such work at a construction site, the Plan will act on a rebuttable presumption that the Participant has been employed at that job site with the same employer for at least as long as that employer has worked at the job site. The Participant will, however, have the opportunity to rebut these presumptions.

h. **Presumption Regarding No Disability.** For a Participant who retired on a Disability Pension who returns to work in the Pipe Trades Industry, the Plan will assume the person is no longer eligible to receive a Disability Retirement Benefit. However, in rare situations, for good cause, an exception may apply. The Participant must submit a written request to the Trust Fund Office for review; however, the benefit suspension rules will not apply to any disability retiree who returns to employment as part of any rehabilitation program and/or as a result of temporary recovery, and applies for resumption of disability retirement upon proof of recurrent disability.

i. **Unable to Retire Again until Age 65.** If a Participant engages in work in the Pipe Trades Industry after retirement and then ceases working, the monthly pension benefits will not be resumed until

the Participant attains Normal Retirement Age (65) except for Participants who qualify for Disability Retirement after returning to Industry Service, or Disability Retirees who return to Industry Service after recovering from the disability and subsequently qualify for Early or Disability Retirement.

**j. Shortage of Workers/Temporary Return to Work Program (Full Employment-Disabled Retirees not eligible).** When there is a shortage of workers in full or in certain designated positions and the U.A. Local 467 Business Manager establishes a Return to Work Program, Retirees who retired on a Disability Retirement are not eligible to return to work

**k. Offset of Future Benefits for Overpayments.** If a Participant received benefit payments for any month in which pension benefits should have been suspended, the overpayments will be deducted from future payments (including any death benefits) in accordance with Plan rules and applicable law.

**l. Notice and Appeal Rules Concerning Working in Industry Service.** The Plan will notify you by first class mail if your Retirement Benefits are suspended. The notice will include the reason for the suspension and a general description of the Plan's benefit suspension provisions.

The applicable DOL regulation allowing the suspension of your Retirement Benefits may be found in the federal Code of Federal Regulations. A copy of that regulation (29 C.F.R. § 2530.203-3) is available from the Trust Fund Office upon written request.

A Participant is entitled to a review of the Plan's decision to suspend his or her pension Benefits by a written request filed with the Plan within 60 days of the date of the suspension notice. The Plan's claims and appeal procedure applies to a Suspension of Retirement Benefits.

If a Participant's monthly Retirement Benefits have been suspended, the Participant should notify the Plan when the Prohibited Employment has ended. The Trustees have the right to withhold benefit payments until such notice is received by the Trust Fund Office and Trust representatives determine that the notice is accurate.

## **ARTICLE VIII      ADDITION OF COVERED EMPLOYEES**

- a. It having been agreed as provided in the U.A. Local No. 467 First Amended Pension Trust Agreement that payment is allowed to be made into the Fund with respect to full-time paid representatives of the Union, Director of Training or similar position and any full-time paid instructor of the U.A. Local Union No. 467 Apprentice Training Program, in the same manner and amount as required by the Collective Bargaining Agreement, the provisions of this Plan shall apply to such persons, and for that purpose employment by the Union or the Apprentice Training Trust Fund shall be the equivalent of employment by an Individual Employer in a classification covered by a Collective Bargaining Agreement.
- b. In the event under a Collective Bargaining Agreement payment is required to be made into this Fund with respect to classifications of Employees other than those now covered, the provisions of this Plan shall, if necessary, be adjusted as to such persons affected so as to make equitable and actuarially sound provisions for all Covered Employees.

**ARTICLE IX PENSION ON TERMINATION OF TRUST**

a. It is intended that the Plan shall continue indefinitely. However, the Trustees reserve the right to amend the Plan at any time, provided no such amendment shall be allowed which would reduce the interest of any Employee which is then vested, or divert any portion of the Fund to any purpose other than the payment of retirement benefits to retired Employees or their beneficiaries.

b. No merger of the Plan with any other Plan, or transfer of its assets shall be permitted which would result in any Employee receiving a benefit immediately after the merger or transfer less than the benefit to which he would have been entitled if the Plan had been terminated immediately prior thereto.

c. In the event of the termination of the Plan, whether partial or complete, the assets then remaining shall be distributed in accordance with the provisions of Section 4041a of the Employee Retirement Income Security Act of 1974, to the extent applicable, or under any applicable Regulations of the Pension Benefit Guarantee Corporation. Upon such termination the interests of all Employees shall be regarded as vested to the extent funded.

**ARTICLE X AMOUNT OF 100% NORMAL PENSION**

a. **Amount of 100% Normal Pension.**

1. Table 1: From earliest Past Service through June, 1968:

<u>Period</u>	<u>120-1200 Hours in Year</u>	<u>1201 or More Hours in Year</u>
Prior to 06/56	\$1.70 for each 120 hrs	\$17.00 per year of Benefit Credit
07/56 - 06/62	\$1.80 for each 120 hrs	\$18.00 per year of Benefit Credit
07/62 - 06/66	\$1.90 for each 120 hrs	\$19.00 per year of Benefit Credit
07/66 - 06/67	\$2.00 for each 120 hrs	\$20.00 per year of Benefit Credit
07/67 - 06/68	\$2.10 for each 120 hrs	\$21.00 per year of Benefit Credit

b. Table 2: From July, 1968 through June, 1977:

<u>Period</u>	<u>Hours in Year</u>				
	<u>120-1200 Hours in Year</u>	<u>1201-1400</u>	<u>1401-1600</u>	<u>1601-1800</u>	<u>1801&amp;+</u>
07/68 - 06/69	\$2.20 for each 120 hrs	\$23.00	\$24.00	\$25.00	\$26.00
07/69 - 06/70	\$2.30 for each 120 hrs	\$24.00	\$25.00	\$26.00	\$27.00
07/70 - 06/71	\$2.40 for each 120 hrs	\$25.00	\$26.00	\$27.00	\$28.00
07/71 - 06/72	\$2.50 for each 120 hrs	\$26.00	\$27.00	\$28.00	\$29.00
07/72 - 06/73	\$2.60 for each 120 hrs	\$27.00	\$28.00	\$29.00	\$30.00
07/73 - 06/74	\$2.70 for each 120 hrs	\$28.00	\$29.00	\$30.00	\$31.00
07/74 - 06/75	\$3.10 for each 120 hrs	\$36.00	\$41.00	\$47.00	\$51.00
07/75 - 06/76	\$3.30 for each 120 hrs	\$42.00	\$49.00	\$56.00	\$61.00
07/76 - 06/77	\$3.50 for each 120 hours	\$48.00	\$55.00	\$62.00	\$68.00

c. Table 3: July, 1977, through December, 1978:

<u>Period</u>	<u>Hours in Year:</u>				
	<u>300-599</u>	<u>600-899</u>	<u>900-1199</u>	<u>1200-1499</u>	<u>1500-1799</u>
07-77 to 12-78	\$15.00	\$30.00	\$45.00	\$60.00	\$75.00
	<u>1800-2099</u>	<u>2100-2399</u>	<u>2400-2699</u>	<u>2700+</u>	
	\$90.00	\$105.00	\$120.00	\$135.00	

d. Table 4: January, 1979, through December, 1983:

<u>Period</u>	<u>Hours in Year</u>						
	<u>250-499</u>	<u>500-749</u>	<u>750-999</u>	<u>1000-1249</u>	<u>1250-1499</u>	<u>1500-1749</u>	<u>1750+</u>
01-79 to 12-79	\$17.00	\$34.00	\$51.00	\$68.00	\$85.00	\$102.00	\$119.00
01-80 to 12-80	\$18.00	\$36.00	\$54.00	\$72.00	\$90.00	\$108.00	\$126.00
01-81 to 12-81	\$19.00	\$38.00	\$57.00	\$76.00	\$95.00	\$114.00	\$133.00
01-82 to 12-82	\$22.00	\$44.00	\$66.00	\$88.00	\$110.00	\$132.00	\$154.00
01-83 to 12-83	\$23.00	\$46.00	\$69.00	\$92.00	\$115.00	\$138.00	\$161.00

e. Table 5: January, 1984, through present:

<u>Period</u>	<u>Benefit Amount</u>	<u>Minimum. Service Required</u>
01-84 to 12-87	2.00% of Applicable Contribution	100 Hours
01-88 to 12-88	2.50% of Applicable Contribution	100 Hours
01-89 to 12-90	2.75% of Applicable Contribution	100 Hours
01-91 to 12-97	3.00% of Applicable Contribution	100 Hours
01-98 to 12-99	3.00% of Applicable Contribution	300 Hours
01-00 and after	3.00% of Applicable Contribution	Class A: 100 Hours; Class B: 300 Hours*

\* An Employee is in Class A if he has 10 or more Years of Vesting Credit, and Class B if he has less than 10 Years of Vesting Credit.

f. For purposes of Table 5, Applicable Contribution, for each Employee for whom contributions are made (or required to be made) at the standard rate for journeymen under the Master Labor Agreement, means: 1) the number of hours of covered employment worked by the Employee during the Plan Year, times 2):

1. for covered employment from January 1, 1984, through June 30, 1996, the hourly rate of contributions to this Plan less 25¢ per hour, except that for covered employment in 1987, the 25¢ per hour deduction does not apply;
2. for covered employment from July 1, 1996, through June 30, 1997, the hourly rate of contributions to this Plan less 50¢ per hour;
3. for covered employment from July 1, 1997, through June 30, 1999, \$5.00;
4. for covered employment from July 1, 1999, through June 30, 2000, \$5.20;
5. for covered employment from July 1, 2000, through June 30, 2004, \$5.45; and

6. for covered employment from July 1, 2004, until further action of the Board of Trustees, \$5.00.

g. For each Employee for whom contributions were made (or required to be made) at an hourly rate which was different from the standard rate for journeymen under the Master Labor Agreement, the Employee's benefits shall be calculated on a pro-rated basis, as if the Employee had performed the number of hours of covered employment at the standard rate for journeyman that would have yielded the same gross contribution amount, with the deduction or limitation in effect in each month applied to the adjusted number of hours for that month.

h. Extended Service Benefit: For the period January 1, 2001 through December 31, 2003, qualified Employees will earn an Extended Service Benefit in lieu of the Benefit Amount listed in Table 5. For purposes of this paragraph, an Employee is considered a qualified Employee as of the first day of the calendar month following the month in which he attains age 55 with twenty-five (25) or more years of Benefit Credit. The Extended Service Benefit shall be 4.00% of the Applicable Contribution.

i. In addition to the amounts provided herein, the Board of Trustees may, from time to time, provide for the payment of additional benefits to retirees on a one-time basis, subject to any limitations in the Collective Bargaining Agreement or Trust Agreement, but otherwise at their exclusive discretion, with the Minutes of such actions deemed a part of this Plan.

j. The 100% Normal Pension for all years through December 31, 1989, for each Employee whose retirement date is after September 30, 1990, shall be increased from the amount otherwise payable under the Plan by 10% if any of the following applies to the Employee:

(1) the Employee performed 100 hours of covered employment in 1990;

(2) the Employee was available for employment and on the out-of-work list throughout 1990;

or

(3) the Employee was receiving Short Term Disability Benefits from the U. A. Local Union No. 467 Health and Welfare Plan for the equivalent of 100 hours of employment in 1990.

k. The 100% Normal Pension for years through December 31, 1989, for each Employee whose retirement date is on or before September 1, 1990, shall be increased by 10%, effective for benefits paid on or after February 1, 1991.

l. In addition to the benefits provided under any other Section of this Plan, effective January 1, 1991, all retirees age 70 or over on January 1, 1991, shall receive an additional \$15 per month, and all retirees under age 70 on that date shall receive an additional \$10 per month. This identical additional \$15 and \$10 per month benefit increases were granted in each year thereafter through January 1, 2006.

## **ARTICLE XI LIMITED ASSIGNMENT OF BENEFITS**

a. **LIMITED ASSIGNMENT OF BENEFITS.** Benefits under this Plan may not be assigned or alienated except as provided in Section 2 of this Article XI below or as is provided by applicable law.

### **b. QUALIFIED DOMESTIC RELATIONS ORDERS**

1. The benefits provided by this Plan are subject to any Qualified Domestic Relations Order which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to a Participant under the Plan. It includes any judgment, decree, or order (including approval of a property settlement agreement) which relates to the provision of child support, alimony or marital property rights to a spouse, child, or other dependent of a Participant and is made pursuant to a state domestic relations law (including a community property law).

2. Benefits are payable to an alternate payee if so provided in a Qualified Domestic Relations Order, upon application by the alternate payee at any time after the earliest retirement date for which the Participant would be (or would have been) eligible for benefits under the Plan. However, benefits paid to an alternate payee before the Participant actually retires shall take into account only the present value of benefit actually accrued as of the alternate payee's annuity starting date, and shall not include any subsidy for early retirement, within the meaning of 29 U.S.C. § 1056(d)(3)(E)(i)(II) and 26 U.S.C. § 414(p)(4)(A)(ii).

3. The Board of Trustees has adopted Procedures for Administering Domestic Relations Orders, including use of a Sample Order to be furnished to Participants, Alternate Payees, their counsel, actuaries or other persons seeking information about the Plan in regard to a marital dissolution action affecting a Plan Participant or Pensioner. The Board of Trustees, or its delegate, including Trust Legal Counsel and the Trust Fund Office, shall have total discretion in administering and processing domestic relations and child support orders. The Plan is not required to request the amendment of domestic relations order entered into prior to January 1, 1985. Trust Legal Counsel and the Trust Fund Office have total discretion to determine the appropriateness of such orders in the manner deemed reasonable under the circumstances.

## **ARTICLE XII IRS LIMITATION OF BENEFITS AND TOP-HEAVY RULES**

a. **INTERNAL REVENUE CODE SECTION 415 LIMITS.** No benefit shall be paid to an Employee which exceeds the amount permitted under Internal Revenue Code § 415, taking into account all cost-of-living increases permitted thereunder. The Plan incorporates the applicable provisions of Section 415 and lawful regulations issued thereunder to the extent required. Notwithstanding any provision of the Plan to the contrary, effective January 1, 2001, the maximum annual additions under the Plan shall not exceed the limits provided for under Code section 415 and the Treasury Regulations adopted on April 5, 2007, both of which are incorporated by reference in this document pursuant to Treasury Regulation 1.415(a)-1(d)(3).

b. **TOP-HEAVY.** Effective as of January 1, 2001, to the extent required by law, the Plan shall comply with top heavy requirements of Internal Revenue Code section 416 and applicable regulations issued thereunder, including any requirements added as a result of EGTRRA (§613). Section 416 of the Code and the applicable regulations are incorporated by this reference. Such provisions are incorporated herein by reference. This Plan is a multiemployer collectively bargained plan and as such it is not

intended that there be any Key Employees as defined in the Internal Revenue Code and lawful regulations.

3. **HIGHLY COMPENSATED EMPLOYEES.** Effective for years beginning after December 31, 1996, the term highly compensated employee means any employee who: (1) was a 5-percent owner at any time during the year or the preceding year, or (2) for the preceding year had compensation from the employer in excess of \$80,000 and, if the employer so elects, was in the top-paid group for the preceding year. The \$80,000 amount is adjusted at the same time and in the same manner as under Internal Revenue Code Section 415(d), except that the base period is the calendar quarter ending September 30, 1996. For this purpose the applicable year of the plan for which a determination is being made is called a determination year and the preceding 12-month is called a look-back. A highly compensated former employee is based on the rules applicable to determining highly compensated employee status as in effect for that determination year, in accordance with Temporary Regulations § 1.414(q)-1T, A-4 and Notice 97-45.

4. **AMENDMENTS TO COMPLY WITH EGTRRA**

a. **PURPOSE AND SCOPE.** The plan amendments set forth in this Article are adopted to reflect certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). These amendments are intended to constitute good faith compliance with the requirements of EGTRRA and are to be construed in accordance with EGTRRA and the guidance issued thereunder. Except as otherwise provided herein, the amendments contained in this Article shall be effective as of the first day of the first Plan Year beginning after December 31, 2001.

b. **LIMITATIONS ON BENEFITS**

1. In General.

(a) Effective for limitation years beginning after December 31, 2001, a Participant's accrued benefit shall not exceed the maximum permissible benefit.

(b) To the extent that any provisions of Article XII are inconsistent with the provisions of this Section, the provisions of this Section shall govern.

2. Effect on Participants. Benefit increases resulting from the increase in the IRC §415(b) limitations enacted in the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") will be provided to all Participants whose Annuity Starting Date is on or after the first day of the first limitation year beginning after December 31, 2001.

3. Definitions.

(a) Defined Benefit Dollar Limitation. The "defined benefit dollar limitation" is \$160,000, as adjusted, effective January 1 of each year, under IRC §415(d) in such manner as the Secretary shall prescribe, and payable in the form of a straight life annuity. A limitation as adjusted under IRC §415(d) will apply to limitation years ending with or within the calendar year for which the adjustment applies.

(b) Maximum Permissible Benefit. The "Maximum Permissible Benefit" is the defined benefit dollar limitation (adjusted where required).

(1) Fewer Than 10 Years of Participation. If the Participant has fewer than 10 years of participation in the Plan, the defined benefit dollar limitation shall be multiplied by a fraction, (i) the numerator of which is the number of years (or part thereof) of participation in the Plan and (ii) the denominator of which is 10.

(2) Benefits Beginning before Age 62. If the benefit of a Participant begins before the Participant attains age 62, the defined benefit dollar limitation applicable to the Participant at such earlier age is an annual benefit payable in the form of a straight life annuity beginning at the earlier age that is the actuarial equivalent of the defined benefit dollar limitation applicable to the Participant at age 62 (adjusted, if required). The defined benefit dollar limitation applicable at an age before age 62 is determined as the lesser of (i) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using the interest rate and mortality table (or other tabular factor) specified in the Plan, if any, for purposes of determining actuarial equivalence for the most generous early retirement benefit for which the Participant qualifies as of the Annuity Starting Date and (ii) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using a 5 percent interest rate and the Applicable Mortality Table.

(3) Benefits Beginning after Age 65. If the benefit of a Participant begins after the Participant attains age 65, the defined benefit dollar limitation applicable to the Participant at the later age is the annual benefit payable in the form of a straight life annuity beginning at the later age that is actuarially equivalent to the defined benefit dollar limitation applicable to the Participant at age 65 (adjusted if required). The actuarial equivalent of the defined benefit dollar limitation applicable at an age after age 65 is determined as the lesser of the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using the interest rate and mortality table (or other tabular factor) specified in the Plan, if any, for purposes of determining actuarial equivalence for late retirement (whether or not applicable in an individual case) and the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using a 5 percent interest rate and the Applicable Mortality Table. For these purposes, mortality between age 65 and the age at which benefits commence shall be ignored.

4. Aggregation. Effective for limitation years beginning after December 31, 2001, this Plan shall not be combined or aggregated with a non-multiemployer plan for purposes of applying the IRC §415(b)(1)(B) compensation limit to the non-multiemployer plan.

**c. INCREASE IN LIMIT ON COMPENSATION TAKEN INTO ACCOUNT**

1. Increase in Limit. The annual compensation of each Participant taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2001 shall not exceed \$200,000. For this purpose, annual compensation means compensation during the Plan Year or such other consecutive 12-month period over which compensation is determined under the Plan (the “determination period”). For purposes of determining benefit accruals in a Plan Year beginning after December 31, 2001, compensation for any prior determination period shall be limited as provided in subsection 3 below.

2. Cost-of-Living Adjustment. The \$200,000 limit on annual compensation in subsection (a) above shall be adjusted for cost-of-living increases in accordance with IRC §401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

3. Compensation Limit for Prior Determination Periods. In determining benefit accruals in Plan Years beginning after December 31, 2001, the annual compensation limit in subsection (a) above, for determination periods beginning before January 1, 2002, shall be \$ 200,000.

**d. DIRECT ROLLOVER OF PLAN DISTRIBUTIONS**

1. Effective Date. This Section shall apply to distributions made after December 31, 2001.

2. Modification of Definition of Eligible Retirement Plan. For purposes of the direct rollover provisions of the Plan, an “eligible retirement plan” also shall include an annuity contract described in IRC §403(b) and an eligible plan under IRC §457(b), which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to account separately for amounts transferred into such plan from this Plan. The definition of eligible retirement plan also shall apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order as defined in IRC §414(p).

e. **APPLICABLE MORTALITY TABLE.** This section shall apply to distributions with annuity starting dates on or after December 31, 2002. Notwithstanding any other plan provisions to the contrary, any reference in the plan to the applicable mortality table or the mortality table prescribed in Revenue Ruling 95-6 shall be construed as a reference to the mortality table prescribed in Revenue Ruling 2001- 62 for all purposes under the Plan.

**ARTICLE XIII CLAIMS AND APPEALS PROCEDURE**

**a. GENERAL CLAIMS AND APPEAL PROCEDURES**

1. No Employee, beneficiary, alternate payee named in a domestic relations order, or any other person shall have any right or claim to benefits under this Plan except as specified in the rules of the Trust Agreement or Plan. The procedures specified in this Article shall be the sole and exclusive procedures available to any such individual who is dissatisfied with an eligibility determination or benefit award, or who is adversely affected by any action of the Board of Trustees, the Plan Administrator or any other Plan fiduciary. The Board of Trustees shall have full discretionary authority to interpret Plan language and to decide all claims or disputes regarding right, type, amount, duration of benefits, or claim to any payment from this Plan.

2. Any person whose claim for benefits is wholly or partially denied shall be notified in writing of the denial. The notice shall tell the claimant the reason for the denial and the section of the Trust Agreement or Plan on which the denial is based. If applicable, the notice shall request any additional information needed together with an explanation as to why the additional information is necessary. The notice will also explain the right to appeal the denial of the claim.

3. The claimant may then file an appeal in writing. This appeal shall be filed with the Plan not more than 60 days after the claimant has received written notice of the denial of his claim. Failure to file an appeal within 60 days will be a complete waiver of the claimant's right to appeal, and the initial decision of the Plan or Board of Trustees will be final and binding.

4. The written appeal shall state in clear words each reason why the claimant feels that the denial was in error. Documents supporting the appeal should be sent at the same time. The claimant may examine documents in possession of the Plan which are pertinent and relevant to the appeal.
5. After receipt of a timely filed appeal, the Administrator shall place the matter on the agenda of the next meeting of the Board of Trustees, or if sufficient time is not allowed thereby, the next meeting thereafter, and shall notify the grievant of the time and place of the meeting. The grievant may then submit any written material in support of his grievance. The Board shall then render a decision within a reasonable time, and inform the grievant of its actions in writing.
6. After receipt of the appeal, the Board of Trustees or its committee shall decide the matter as soon as possible but in no event more than 120 days from receipt of the appeal, unless special circumstances require additional time for due consideration of the matter.
7. The decision of the Board of Trustees or its committee shall be in writing, and shall state the specific reasons for the decision with specific references to the Trust Agreement or Plan on which the decision is based. The Board's decision shall be final and binding on all parties.
8. One Year to File Lawsuit. If your appeal has been denied or there has been a different form of adverse action taken against you, such person (Participant, beneficiary or any other person or entity) has one year from the date of such denied appeal or adverse action to file a lawsuit. If the person fails to do so, no lawsuit is permitted.

#### **b. DISABILITY RETIREMENT CLAIMS AND APPEAL PROCEDURES**

1. Filing a Claim for Disability Retirement Benefits. To file a claim for Disability Retirement benefits, the Participant must submit a completed application form, with proof of Social Security disability, to the Trust Fund Office. Along with the claim form, the claimant may submit written comments, documents, records or other information relating to his claim. The Plan will provide access to and/or copies of all documents, records and other information relevant to the claim, upon request and free of charge. An authorized representative may act on behalf of the claimant in filing a claim for Disability Retirement benefits under this Plan.
2. Time Limits/Requests for Additional Information. If a claim for Disability Retirement benefits is denied, the Plan will notify the claimant as soon as reasonably possible, but no later than 45 days after the Plan received the claim. That time period may be extended for up to two additional 30-day periods, but only due to matters beyond the Plan's control. If the Plan needs a 30-day extension, it will notify the claimant, within 45 days of receiving the claim, of the following: (a) the reason for the delay, (b) the expected date of decision, (c) the basis on which the decision will be made, (d) any unresolved issues preventing a decision now, and (e) any additional information the Plan needs to make the decision. The claimant will then have up to 45 days to provide the specified information. The Plan's response period will be extended by any additional time it takes for the claimant to provide the requested information.
3. Contents of Notice. The Plan will provide the claimant with written notice if the claim for disability benefits is denied. The notice will include the following information:
  - (a) a statement of the specific reason(s) for the denial;
  - (b) reference to the specific Plan provision(s) on which the denial was based;

(c) if the Plan's decision relied upon an internal Plan rule, guideline, protocol or similar criterion, either the specific rule, or a statement that the specific rule was relied upon and that a copy of such rule will be provided free of charge upon request;

(d) a description of any additional information or documents that the claimant will need to submit if he or she wants the claim to be reconsidered, and an explanation of why that information is necessary;

(e) a description of the Plan's appeal procedures; and

(f) a statement of the claimant's right to bring a civil action under ERISA § 502(a), if the appeal is unsuccessful.

4. Written Appeal Procedures: Time Limits. If a claim for Disability Retirement benefits has been denied, the claimant may appeal the denial to the Board of Trustees. Appeals must be in writing. To submit an appeal, the claimant must send a letter with any documents and information that he wants the Board to consider, to:

U.A. Local Union No. 467 Defined Benefit Plan  
6800 Santa Teresa Boulevard, Suite 100  
San Jose, California 95119-1239

To comply with Plan rules, claimants must submit their appeals within 60 days of receiving a denial of benefits. If a claimant does not submit an appeal within 60 days of receiving a denial, he will be deemed to have waived any objection to the denial.

5. Discretionary Authority. The Board of Trustees has full discretionary authority to decide an appeal and to interpret the Plan language conclusively and to make a final determination of the rights and benefits of any Participant, beneficiary, assignee, or other person.

6. Standard of Review. In deciding the appeal, the Board of Trustees will take into account everything that the claimant submitted, even material that was submitted or considered in the initial benefit determination. The Board of Trustees will not give deference to the initial determination. Neither a person who made the initial determination nor such a person's subordinate will take part in the decision on appeal.

7. Time Limits. The Board of Trustees will render a decision on appeal at the meeting immediately following the filing of the appeal, unless the appeal is filed within 30 days of the meeting, in which case the decision may be made at the second meeting following the appeal.

8. Special Circumstances. If special circumstances (such as the need for a hearing) require further extension, the decision will be made no later than the third meeting following the filing of the appeal. In such cases, the Plan will notify the claimant in writing of the extension, describing the special circumstances and the date the determination will be made, before the extension begins.

9. Notification of Decision. The Plan will notify the claimant of the decision as soon as possible, but no later than 5 days after the decision is made. The Plan's response period will be extended by any additional time it takes for the claimant to provide the requested information.

10. Contents of Notice. The Plan will send the claimant written notice of the Board of Trustees' decision on appeal. If the appeal has been denied, the notice will include the following information:

- (1) the specific reason(s) for the denial;
- (2) reference to the specific Plan provision(s) on which the denial is based;
- (3) if the decision relied upon an internal Plan rule, guideline, protocol or similar criterion, either the specific rule, or a statement that the specific rule was relied upon and that a copy of such rule will be provided free of charge upon request;
- (4) a statement that the claimant may view and copy any documents, records or other information relevant to the claim, upon request and free of charge; and
- (5) a description of any further appeal procedures, and the claimant's right to receive information about the procedures, and the claimant's right to bring a civil action under ERISA § 502(a).

11. Procedures. The procedures specified in this section shall be the sole and exclusive procedures available to any such individual who is dissatisfied with an eligibility determination or benefit award, or who is adversely affected by any action of the Trustees, the Trust Fund Office or any other Plan fiduciary. The Board of Trustees shall have full discretionary authority to interpret Plan language and to decide all claims or disputes regarding the right, type, amount or duration of benefits, or claim to any payment from this Trust. The decision of the Board of Trustees on any matter within its discretion shall be final and binding on all parties.

12. One Year to File Lawsuit. If your appeal has been denied or there has been a different form of adverse action taken against you, such person (Participant, beneficiary or any other person or entity) has one year from the date of such denied appeal or adverse action to file a lawsuit. If the person fails to do so, no lawsuit is permitted.

#### **ARTICLE XIV AMENDMENT/MERGER OF PLAN/TERMINATION**

##### **a. Amendment of Plan**

The Board of Trustees has the discretion to amend the Plan at any time. Any amendment may apply to all groups and/or Participants covered by the Plan or only to certain groups of Participants. Retroactive amendments may be made to the extent permissible under ERISA. Except as is permitted or required by applicable law, no amendment may divest any accrued benefits which have previously been vested.

##### **b. Merger, Consolidation or Transfer of Assets**

In the event of a merger or consolidation of the Plan with another pension plan or a transfer in whole or in part of the assets or liabilities of the Plan to any other Pension Plan, each Participant is entitled to a benefit immediately after the merger, consolidation or transfer which is at least equal to the benefit such Participant would be entitled to receive before such merger, consolidation or transfer.

##### **c. Termination of Plan**

It is anticipated that the Plan is permanent and will continually be in operation. It is, however, legally necessary to consider the possibility of termination of the Plan and to state the rights of the Participants in such an unlikely event. The parties to the Collective Bargaining Agreements between U.A. Local 467 and the various Employer associations may terminate the Plan in whole or in part. Although there is no intent to terminate the Plan, there is no guarantee that the Plan will last forever.

**U.A. LOCAL UNION NO. 467  
DEFINED CONTRIBUTION 401K PLAN  
(401k Plan as of January 1, 2016)**

**SUMMARY PLAN DESCRIPTION  
AND FORMAL PLAN TEXT**

**Effective as of: January 1, 2016**

**(Many provisions have earlier effective dates pursuant to  
the Internal Revenue Code and/or IRS Guidelines)**

**KEEP THIS BOOKLET FOR FUTURE REFERENCE!**

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## BOARD OF TRUSTEES

LABOR TRUSTEES	EMPLOYER TRUSTEES
Mark Burri, Chairman U.A. Local Union No. 467 1519 Rollins Road Burlingame, CA 94010	Ronald Mitchell, Co-Chairman No. California Mechanical Contractors Assn. 144 East G. Street Benicia, CA 94510-0159
Gary Saunders U.A. Local Union No. 467 1519 Rollins Road Burlingame, CA 94010	Michael Vlaming Scarth-Lyons & Associates 447 Georgia Street Benicia, CA 94510-0159
Pete Default U.A. Local Union No. 467 1519 Rollins Road Burlingame, CA 94010	Ken Westphal ACCO Engineered Systems 1133 Aladdin Avenue San Leandro, CA 94577
Eric Tassio U.A. Local Union No. 467 1519 Rollins Road Burlingame, CA 94010	Daniel Larratt DLI Mechanical 944 Terminal Way San Carlos, CA 94070

### TRUST FUND OFFICE

United Administrative Services  
6800 Santa Teresa Boulevard, Suite 100  
San Jose, CA 95119  
(408) 288-4400

Please direct all correspondence for the Board of Trustees to United Administrative Services.

### PENSION CONSULTANT AND PLAN ACTUARY

Sidney Kaufmann  
Kaufmann & Goble Associates  
160 W. Santa Clara Street, Suite 1550  
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(415) 677-9440

## **LIMITATION UPON RELIANCE ON BOOKLET AND STATEMENTS**

This booklet provides a brief, general summary of the Plans. It is not intended to cover all of the details of the Plans. Nothing in this Summary Plan Description is meant to change the Plans' provisions. You should review the Plans to fully determine your rights. The Plans, as amended, are available for your review at the Trust Fund Office upon written request.

You are not entitled to rely upon oral statements of Employees of the Trust Fund Office, a Trustee, an Employer, any Union officer, or any other person or entity. As a courtesy to you, the Trust Fund Office may respond orally to questions; however, oral information and answers are not binding upon the Plans and cannot be relied upon in any dispute concerning your benefits.

If you wish an interpretation of the Plans you should address your request in writing to the Board of Trustees at the Trust Fund Office. To make their decision, the Trustees must be furnished with full and accurate information concerning your situation.

You should further understand that, from time to time, there may be an error in a statement that you receive which may be corrected upon an audit or review. The Board of Trustees reserves the right to make corrections whenever any error is discovered.

## **CAUTION - FUTURE PLAN AMENDMENTS**

Future amendments to the Plans may have to be made from time to time to comply with new laws or amendments passed by Congress, rulings by federal agencies or courts, and other changes deemed necessary or prudent by the Trustees. You will be notified if there are important amendments to the Plans. Before you decide to retire, you may want to contact the Trust Fund Office to determine if there have been Plan amendments or other developments that may affect your retirement.

## **SEEK ADVICE OF TAX CONSULTANT**

The Trust Fund Office does not provide tax advice or suggest how you should receive your benefits. You should discuss with a tax advisor the tax consequences of any withdrawal of funds or selection of benefit options.

## **ONE YEAR TO FILE LAWSUIT**

If your appeal has been denied or there has been a different form of adverse action taken against you, such person (Participant, beneficiary or any other person or entity) has one year from the date of such denied appeal or adverse action to file a lawsuit. If the person fails to do so, no lawsuit is permitted.

# U.A. LOCAL UNION NO. 467 DEFINED CONTRIBUTION PLAN

## SUMMARY PLAN DESCRIPTION

### 1. ACCRUE IN AN ACCOUNT UNDER THE DEFINED CONTRIBUTION PLAN AND ESTABLISHMENT OF THE 401K PLAN.

The U.A. Local No. 467 Defined Contribution Plan is an individual account plan. Each covered employee accrues an account based on the amount of Employer contributions made on his behalf. All Employees who work in a position for which contributions are required to be made to this Plan are Participants in the Plan, and all accounts are 100% vested. Nonetheless, it is possible that your pension benefits may decrease because the value of your Individual Account depends upon the yields of the investments that you select.

**ESTABLISHMENT OF A 401K PLAN.** Effective as of January 1, 2015, the Plan is a 401k Plan. You may elect to defer a percentage of your eligible compensation into the Plan. The percentage of your eligible compensation you elect will be withheld from each payroll and contributed to an Account in the Plan on your behalf. For pre-tax contributions being withheld from your compensation, the percentage you defer is subject to an IRS annual limit of \$18,000 for 2016. That amount may be increased in future years as determined by the Secretary of the Treasury.

**Age 50 and Over Catch-Up Contributions (\$6,000 as of 2015 and 2016).** The Plan provides that Participants who will be age 50 or older by the end of the calendar year and who are making Deferral Contributions to the Plan may also make a catch-up contribution of up to \$6000 in 2016 (that amount is also adjusted periodically by the Secretary of the Treasury).

**Change Deferral Amount Once a Year.** You will be permitted to change the amount you have elected to defer to the 401k Plan once a year.

**Participant-Directed Account.** The Plan is a Participant-directed Plan as described in Section 404(c) of ERISA, which means that fiduciaries of the Plan are ordinarily relieved of liability for any losses that are the direct and necessary result of investment instructions given by a Participant or beneficiary.

**No Insurance under PBGC.** The Plan is governed by a federal law known as the Employee Retirement Income Security Act, as amended ("ERISA"). The Plan is not, however, insured under ERISA's Pension Benefit Guaranty Corporation ("PBGC"), which applies only to defined benefit pension plans. **Thus, there is no federal guarantee or protection if the market value of your Individual Account decreases in value.**

### 2. WHAT EMPLOYER CONTRIBUTIONS ARE MADE ON MY BEHALF?

a. **Employer Contributions.** Pursuant to Internal Revenue Code provisions, the Plan is technically a profit sharing plan. Employees who work in Covered Employment under the U. A. Local Union No. 467 Master Labor Agreement have contributions made on their behalf in accordance with the terms of that Agreement. The Agreement provides for different contribution amounts for different classifications of Employees. You will be informed by the Local Union or the Trust Fund Office of the rules for changes of classification if and when they apply to you. Whenever you are dispatched, the Local Union

informs your new employer what your classification is, so that your employer will make hourly contributions in the right amount.

Your Employer is required to make contributions for your hours of work by the 20th day of the month following the month in which your hours of work were performed. Your Employer forwards to the Trust Fund Office a transmittal form that contains the name, Social Security number, and hours of work performed by each covered employee together with a payment to the Trust. The Trust Fund Office credits your Individual Account with the amount of contributions made on your behalf.

**ALERT: IF YOU NOTICE YOUR FULL CONTRIBUTIONS ARE NOT PAID**

You should notify the Union and the Trust Fund Office immediately if you are aware or suspect that your Employer has not contributed to the Plan on your behalf the full amount required under your Collective Bargaining Agreement. If you fail to do so, your Individual Account may not be credited with the correct or full amount.

The Trust Fund Office reviews your Employer's transmittal report for mathematical accuracy and notifies the Employer if there is an error in the Employer's contributions which requires correction. Each month the Trust Fund Office makes the necessary computer entries reflecting the contributions made on your behalf.

Certain full-time Employees of the Union and Apprenticeship Trust are also allowed to participate in the Plan under rules and contribution rates approved by the Board of Trustees.

b. Reciprocity. The Trustees are Signatory to the U.A. National Reciprocity Agreement. That agreement allows for the transfer of your pension benefits with this Plan to another defined contribution Plan, or vice versa, depending on your Home Local Union. If you are working for an Employer in an area covered by a different employee benefit plan sponsored by a different U.A. Local Union, you should contact the Trust Fund Office to determine whether that Trust Fund is signatory to the U.A. National Reciprocity Agreement.

If you work under a Collective Bargaining Agreement in the jurisdiction of another U.A. Local Union, your Employer's contributions under that agreement will be made on your behalf to that Local Union's pension fund. If that Local Union's Pension Fund is signatory to the U. A. National Reciprocity Agreement and you execute a pension transfer authorization form, a portion or all of the contributions that are reported to the other pension fund will be transferred to this Plan and be calculated as if you had worked in Local 467's jurisdiction (and vice versa). The specific terms of each reciprocity agreement govern such transfers. **As a general rule, contributions made prior to the execution and effective date of a Reciprocity Agreement will not be transferred.**

If there is no such reciprocal agreement the contributions will not be transferred and the contributions made on your behalf to the other pension fund will be subject to that other Plan's rules.

c. Rollover to This Plan. The Plan accepts other types of contributions. If you are a Participant in the Plan and you are eligible for a distribution from another IRS tax-qualified defined contribution pension plan, you may roll over that distribution into this Plan. The Plan will accept trustee-to-trustee transfers from another pension plan or from a rollover IRA, which received a rollover from another qualified pension plan. Specifically, you may roll over amounts from the following sources to this Plan:

- qualified Employee 401K or other pension plans;
- 403(a) and 403(b) annuity plans;
- government plans (Code Section 457 plans);
- Individual Retirement Accounts (previously rolled over from a qualified retirement plan).

Whether to roll over these funds is at your discretion. The Plan just provides you with the option if you wish to do so. You are encouraged to consult with a financial advisor.

### 3. HOW IS MY ACCOUNT INVESTED?

The entire Plan is self-directed with multiple mutual fund investment options. There are numerous investments which you may choose for your account. Your account is earning the dividends or interest of the investments you have selected, and increases and/or decreases in value as the prices of the investments you have selected go up or down. All accounts are responsible for a share of the expenses of the Plan and your account is charged for any expenses of your choice of investment options.

Because the entire Plan is self-directed, it is known as "an ERISA § 404(c) plan," because it is intended to be in compliance with Section 404(c) of the Employee Retirement Income Security Act. **Under that statute, the Plan fiduciaries may be relieved of liability for losses which result from your investment decisions.**

You will be given the opportunity to direct the investment of your account in a variety of mutual funds and/or portfolios of mutual funds with different risk and return characteristics. The mutual funds are selected, and the portfolios are designed, by the Plan's Investment Manager, and may be changed at any time at the Investment Manager's discretion. Changes in the particular mutual funds or portfolios are not intended to change the risk and return characteristic of that option.

**Individual Mutual Funds.** There is a list of mutual funds available for investment. These mutual funds have been selected to offer Participant investors choices across domestic stock funds, foreign stock funds, index funds, and bond funds. In addition, these categories are further divided: selections can be made from funds comprising primarily large, medium, or small stocks; and within each of these three categories, a further choice may be made among three investment styles (growth, value, or blend).

Over time, the Investment Manager might make changes in the individual funds that are offered. The proceeds from any fund that has been sold will be invested in the new mutual fund that has been selected by the investment adviser to replace the fund being removed.

**Asset Allocation Models.** For those investors who prefer not to evaluate and select individual mutual funds, the Plan offers Asset Allocation Models. You may select the Model that you believe best represents your investment objectives from a list of five Models: (1) Conservative, (2) Moderately Conservative, (3) Moderate, (4) Moderately Aggressive, or (5) Aggressive. These Models represent investment approaches composed of varying percentages of the mutual funds in the Individual Mutual Funds list discussed above. (These models or the number of models could change in the future.)

To obtain detailed information about the current investments of the various Plan self-directed account options, to get your current account balance, or to direct the investment of your account, you may use the Plan's Internet Web page at [WWW.KANDG.COM](http://WWW.KANDG.COM). To access your account, enter 467 as the Plan code, and then enter your Social Security No. (without dashes) and your Personal Identification Number. You may also contact Kaufmann & Goble at (408) 298-1170. You may change the investment of your

account among the various options at any time. **If for some reason you have an account but you have not completed an initial enrollment form, or if there is no one to direct the investment of your account, your account will be held in a Plan self-directed account in the Moderately Conservative option.** A notice with more detailed information about directing the investment of your account is available from the Local Union Office.

### **CAREFULLY CONSIDER THE INVESTMENT OPTIONS**

Before investing in any investment option, please carefully consider the investment objective, risks, charges and expenses. Most investments carry some degree of risk. For example, equity investments are subject to market fluctuations. Investing outside the United States (especially in developing countries) involves certain risks, such as currency fluctuations. The return of principal in bond funds and in a fund's bond holdings is not guaranteed, as bonds are subject to interest rate, inflation and credit risks. Diversification does not eliminate risk; losses are possible in diversified portfolios. Investments are not FDIC-insured nor are they guaranteed by a bank or any other entity, so investors may lose money.

For this and other information, call Kaufmann & Goble at (408) 298-1170 or visit [WWW.KANDG.COM](http://WWW.KANDG.COM) for a free mutual fund prospectus or, if available, a summary prospectus. Read them carefully before you invest.

#### **4. WHEN MAY I RECEIVE A DISTRIBUTION OF MY ACCOUNT?**

To receive your benefits once you are eligible for such benefits, you should file an application in a form and manner prescribed by the Plan within 60 days of your anticipated retirement or benefit commencement date. Applications and instructions may be obtained from:

United Administrative Services  
6800 Santa Teresa Boulevard, Suite 100  
San Jose, CA 95119  
408-288-4400

To avoid delays, you should submit with your application:

- your intended retirement date or benefit commencement date;
- proof of age (your birth certificate), and that of your spouse if you are married;
- your Social Security number, and if married, your spouse's Social Security number;
- proof of marriage, if applicable (marriage certificate);
- Court-approved copy of any Final Judgment in your divorce, including any Settlement Agreement, Qualified Domestic Relations Order or other pertinent divorce papers.

If you are not eligible for retirement under the Defined Benefit Plan, you may also receive a distribution at any of the following times:

a) Termination of Employment--24 months lapse. After a lapse of 24 months from your last employment of any kind in the Plumbing and Pipefitting Industry; whether as an Employee or in a managerial, supervisory, proprietary, or any other capacity, for a participating or non-participating Employer, or a self-employed person, whether working with the tools of the trade or not.

There are three exceptions to the above rule. A Participant who has not had Employer contributions made to the Plan for at least twenty four consecutive months is entitled to a distribution if:

i. Certain Government Work. The Participant performed work for the Government of the United States, a political subdivision of the State of California (including a city, county or school district) even if such work is in the Plumbing and Pipefitting Industry, or

ii. In-House Maintenance. The Participant performed general in-house maintenance at one or more fixed locations outside of the Bay Area Counties of San Mateo, Santa Clara, San Benito, San Francisco, Napa, Marin, Sonoma, Solano, Contra Costa, Alameda and Santa Cruz, on the condition that the Participant has not otherwise worked in other employment in the Pipe Trades Industry in the United States that does not require employer contributions to a U.A. sponsored pension plan;

iii. Computer Assisted Drawing/Design (“CAD”) and Begin Work-Over Age 60. You may if you have attained age 60 or older perform computer assisted drawing and design work, known as “CAD”, for an Employer which contributes to this Plan; however, to be eligible to perform such work, you must obtain advance approval for such work from the Board of Trustees or the Board’s delegate and must not have worked for such contributing Employer for at least thirty consecutive days. The Board of Trustees will have total and absolute discretion in determining whether any such proposed or actual work qualifies as CAD, regardless of the job title.

**WARNING - POTENTIAL ADVERSE TAX CONSEQUENCES**

(Pre-age 55 Distributions)

Under the Internal Revenue Code, if you begin receiving your benefits from the Plan upon termination of employment before age 55, to avoid paying a penalty to the Internal Revenue Service (and the State of California, if applicable), your defined contribution pension payments will have to be paid in a series of substantially equal periodic payments over your lifetime or the joint lives of you and a beneficiary, unless you meet the definition of disability or other exceptions in the Code, or you roll over the benefits to an IRA or other qualified employer pension plan.

b) Termination of Employment—Attainment of Age 59-1/2. A Participant who has reached age 59-1/2 or older who has been laid off or has otherwise terminated his Covered Employment as reflected by not having had employer contributions made or required to be made on his behalf for at least one month and who has not performed any work in the Pipe Trades Industry during that period, is entitled to a partial or total distribution of his Individual Account with the Plan.

c) Retirement. Upon proving to the satisfaction of the Board of Trustees that you have permanently left covered employment and are eligible to receive a pension from the U.A. Local 467 Defined Benefit Pension Plan;

d) Disabled. If you are disabled from work in the Pipe Trades Industry, you have a Social Security Permanent and Total Disability award and you are over the age of 55; or

e) Age 62. Attainment of age 62 and not working in non-covered employment in the Pipe Trades Industry.

f) Age 70-1/2. Please note that you may also maintain your interest in this Plan even after you retire under the Defined Benefit Plan. Under the Internal Revenue Code, however, the Plan must commence paying your benefits no later than April 1 following the year in which you attain age 70½ or the date you retire, whichever is later. This is known as your Required Minimum Distribution or "RMD." Although you may take your first RMD by the end of the calendar year in which you turn 70-1/2, you can delay taking that first distribution until April 1 of the year following the year in which you turn 70-1/2. If you wait, you will have to take two distributions in that same year (the second one by December 31). Consequently, you may want to compare the advantage of leaving the money in your account for as long as possible with the tax consequences of taking two distributions in one year. All subsequent RMDs must be taken by December 31 of each year.

Your RMD is calculated each year according to IRS guidelines. If you take only your RMD, the remaining part of your Individual Account balance can remain in the Plan and continue to be tax-deferred. You can take more than the minimum. **Not taking the RMD, however, will result in a significant penalty.** (If you own five percent or more of a contributing employer, the Plan will be required by IRS rules to commence paying your benefit at age 70-1/2 even if you are still working.)

## 5. HOW ARE MY BENEFITS PAID?

The Plan pays benefits at retirement in the following forms:

- (a) Lump Sum. Total lump sum distribution;
- (b) Partial Lump Sum. Partial lump sum distribution; or
- (c) Periodic Payments. Equal periodic installments of at least \$300 over a fixed period not to exceed your life expectancy (or the life expectancies of you and a designated beneficiary) in accordance with Internal Revenue Code Section 401(a)(9) and lawful regulations.

The periodic payment will terminate when the account is exhausted, which may occur if the Participant lives longer than the period of payments selected. The periodic payments and any other payment option under the Plan may be facilitated through an insurance company or other entity or provided in any manner deemed reasonable the Trustees or their delegate, and subject to Internal Revenue Code distribution requirements.

### **WARNING REGARDING INSUFFICIENT TAX WITHHOLDING**

The federal tax withholding on your payment may be insufficient to meet your tax obligations, particularly if you take a large partial or total distribution from the Plan. The Plan distribution, which may have the effect of increasing your taxable income, may, in many instances, place you in a higher tax bracket requiring a tax payment of much more than the 20% tax withholding by the Plan (plus there may be a greater state tax).

If you die before retirement, and you were married at the time your death, the Plan provides your surviving spouse with the same options as you had, unless your spouse has waived her rights and has consented to the designation to another beneficiary. If you were not married at the time of your death or your spouse has waived her rights, your benefits are paid to your children, if any.

## 6. DEATH BENEFITS

a. Beneficiary Designation. You may contact the Trust Fund Office to request a beneficiary designation form. You may change your beneficiary at any time, except if you are married, your spouse must provide written consent before a notary to any beneficiary designation and the form of benefit. Each designation of beneficiary or beneficiaries must be in writing, signed, in a form acceptable to the Trust Fund Office and submitted to and received by the Plan during your lifetime. If you have a Beneficiary Form on file at the Trust Fund Office and you complete a new Beneficiary Form, the old Beneficiary Form will be inapplicable.

### **ALERT: Divorce Invalidates Beneficiary Designation**

If you divorce, any previous designation of your former spouse as a beneficiary prior to your retirement is automatically revoked and is no longer valid. **Thus, when your divorce is final, you should immediately submit a new completed beneficiary form to the Trust Fund Office.**

### **SECOND ALERT: Marriage Invalidates Beneficiary Designation**

If you marry, any previous designation of a beneficiary other than your new spouse prior to your retirement is automatically revoked and is invalid. **Thus, upon becoming married, you should immediately submit a new beneficiary form to the Trust Fund Office (which is subject to the Plan's spousal consent requirements).**

b. Payments to a Minor's Guardian or other Designated Person. Any death benefit payable to a minor under age 18 may be paid to the legally appointed guardian of the minor or, if there is no guardian, to such adult(s) that has, in the discretion of Plan representative, assumed principal support of said minor. The Plan may also decide to distribute benefits to a minor, depending upon the circumstances. The Board, and its delegates, have absolute discretion in making such determinations and may delay making a distribution until when a beneficiary attains age 18.

c. Rollover Option. Whenever you receive a lump sum distribution or a payment which is part of a series for a period of less than ten years, you may roll it over to an IRA or to another tax-qualified plan. If you do not roll a lump sum distribution or other eligible rollover distribution over directly to an IRA or qualified plan, the Plan is required by federal law to withhold 20% of your distribution for federal income taxes. Please note that this is a withholding rule, and does not increase your final tax liability.

The rollover rules apply only when you are entitled to receive your benefits by meeting the eligibility requirements summarized above in Section 4. If you are eligible to receive your benefits in a lump sum or in periodic payments of less than ten years and your distribution otherwise meets the requirements of an eligible rollover distribution (as defined by the Internal Revenue Code), you may have your benefits paid in two ways. A rollover is a payment of your Plan benefits to a traditional individual retirement arrangement (IRA) or to another qualified employer plan. A "traditional IRA" does not include a Roth IRA, SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an "Education IRA"). A qualified Employer Plan includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401K plan, profit sharing plan, defined benefit pension plan, stock bonus

plan, money purchase pension plan; a Section 403(a) annuity plan; a Section 403(b) tax-sheltered annuity; an eligible Section 457(b) plan maintained by a government employer; and any other Plan permitted by the Internal Revenue Code.

You should file an application with the Trust Fund Office at least 60 days prior to your anticipated distribution date.

Required distributions such as when you attain age 70-1/2 or retire, whichever is later, cannot be rolled over pursuant to Internal Revenue Code requirements. Spouses and other beneficiaries may also roll over certain distributions from the Plan. For distributions made after December 31, 2007, a non-spouse beneficiary may rollover his or her benefit to an inherited IRA.

You have two ways in which you can roll over your funds. This choice will affect the tax you owe, as follows:

1. Direct Rollover. You choose a DIRECT ROLLOVER
  - a. Your payment will not be taxed in the current year and no income tax will be withheld.
  - b. our payment from the Plan must be made directly to your IRA or if you choose, to another qualified employer plan that accepts your rollovers.

But, your payment will be taxed later when you take it out. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would if received from this Plan.

2. Benefits Paid Directly to You. You choose to have your Plan benefits PAID TO YOU
  - a. You will receive only 80% of the payment, because the Trust Fund Office is required by law to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes. (This is so even if you later decide to roll over your pension distribution within 60 days of your receipt of it.)
  - b. Your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. If, however, you receive the payment before the Plan's early retirement age of 55, you also may have to pay an additional excise tax.
  - c. You can roll over all or part of your payment to your traditional IRA or to another eligible Employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the IRA or the eligible Employer plan.
  - d. If you want to roll over 100% of the payment to an IRA or an eligible employer plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

7. **DEFERRAL OF TAXES.** An advantage of this Plan is that non-taxed employer contributions to the Plan accumulate non-taxed earnings for your retirement. **You will pay taxes only when you receive your benefits.** The amount of taxes you will owe will depend on when and how your benefits are paid to you and based on the tax laws in effect at the time.

Due to the complexity and frequency of changes in the federal laws that govern benefit distributions, penalties and taxes, the following is only a brief explanation of the law and IRS rules and regulations as of the date this summary is issued. You will receive additional information from the Plan at the time of any benefit distribution. **Regardless, it is recommended that you consult with a tax advisor to determine your personal tax situation before taking a distribution from the Plan.**

Congress passed a law imposing a 10% penalty on early lump sum distributions, except for distributions on account of certain disabilities, death, and distributions upon termination of employment at age 55 or older, among other reasons. Thus, if you receive a partial or full lump sum distribution from the Plan prior to age 55, the IRS could assess a 10% penalty on the distribution. The penalty also applies if you default on a loan or receive disability benefits but are not totally disabled as defined in the Internal Revenue Code. The California Franchise Tax Board assesses a 2-1/2% penalty for the same reasons.

The Plan is required by federal law to withhold for taxes 20% of certain lump sum and other distributions from the Plan (see section B below). For monthly or other periodic payments, federal income tax will be withheld unless you elect otherwise.

8. **TAX WITHHOLDING RULES ON PENSION PAYMENTS.** The Plan will withhold federal income taxes from your pension payments unless you elect otherwise. When you retire, you must complete the appropriate form designating whether you wish federal and state tax withholding. **You are encouraged to consult with a tax advisor to discuss your payment and withholding options and the tax consequences of a distribution.**

**WARNING REGARDING INSUFFICIENT TAX WITHHOLDING**

The federal and state tax withholding on your pension payment may be insufficient to meet your tax obligations, particularly if you take a large partial or total distribution from the Plan. **The Plan distribution, which will increase your taxable income, may, in many instances, place you in a higher tax bracket requiring a tax payment of much more than the 20% or smaller tax withholding (plus there may be a greater state tax).**

Participants who choose to take a distribution are responsible for satisfying the IRS' distribution rules and any tax consequences of the distribution. Distributions to Participants are reported annually on IRS Form 1099R, which is sent to you (and the IRS) in January following the calendar year in which the distribution was issued.

9. **BENEFITS FOR CERTAIN MILITARY SERVICE.** Pursuant to various military veterans' laws including the Veterans' Reemployment Rights Act and USERRA (Uniformed Service Employment and Reemployment Rights, Act), an authorized leave of absence due to certain military service in the United States Armed Forces is considered Covered Employment provided that you comply with the requirements of applicable federal law, the Plan and any rules established the Board of Trustees. **This Plan provides benefits only for military service for which the Plan is required to provide under applicable federal law.** The Plan also is in compliance with the Heroes Earnings Assistance and Relief

Tax Act (known as "HEART"). (Covered Employment is employment under a collective bargaining agreement with U.A. Local 467 which requires employer contributions to the Plan.)

To be entitled to such benefits, you must have been working as a Covered Employee during the 90 days prior to your commencement in the Armed Service, have returned to work as a Covered Employee within the time required by federal law following your discharge from the Armed Service, have been honorably discharged, and served no more than five years in such military service. (Under federal law, there are some exceptions to this five year rule.) The Board of Trustees has the absolute discretion to determine whether you meet the military service requirements and may require that you certify periods of employment if the Plan is unable to determine your beginning and ending dates of employment and provide any other pertinent information or documentation.

USERRA applies to persons who perform duty, voluntarily or involuntarily, in the "uniformed services." These services include the Army, Navy, Marine Corps Air Force, Coast Guard, and Public Health Service Commissioned Corps. Federal training or service in the Army National Guard and Air National Guard also provide rights under USERRA. Uniformed service includes active duty, active duty for training (such as drills), and initial active duty training.

In determining your Employer contributions, the Plan will calculate the Employer contributions that were made to the Plan on your behalf based on the average of the contributions made on your behalf during the Plan Year immediately preceding the date you commenced such service, or if greater, by using the Plan Year in which you entered the Armed Services. Such amounts shall be considered an expense of the Plan to be shared among the Participants.

10. **IRS BENEFIT AND CONTRIBUTION LIMITS.** Congress has established annual limits on Employer contributions that could apply to your Individual Account. The amount of contributions that can be allocated to your Account for any Plan Year is limited by law to the lesser of 100% of your Compensation or the annual IRS-established dollar limit, which is \$53,000 for the Plan Year 2016, and which will thereafter be the amount set annually by law, adjusted periodically to account for inflation. This limitation does not apply to the amount of earnings that can be allocated to your Account, to the amount of any Rollover Contributions you can make to the Plan, or to any other funds transferred to this Plan on your behalf from another qualified plan. Although it is anticipated that these rules should not affect your benefits, they are contained in the Plan because of IRS requirements.

11. **IRS REQUIRED MINIMUM DISTRIBUTIONS (RMD).** Under the Internal Revenue Code, the Plan must commence paying your pension benefit no later than April 1 following the year in which you attain age 70-½ or the date you retire, whichever is later. This is known as your Required Minimum Distribution or "RMD". Although you may take your first RMD by the end of the calendar year in which you turn 70-1/2, you can delay taking that first distribution until April 1 of the year following the year in which you turn 70-1/2. If you wait you will have to take two distributions in that same year (the second one by December 31). Consequently, you will want to compare the advantage of leaving the money in your account for as long as possible with the tax consequences of taking two distributions in one year. All subsequent RMDs must be taken by December 31 of each year.

A Participant who attains age 70-1/2 may elect to receive his or her benefits regardless of whether he or she retires. Upon attainment of age 70-½, the Plan must, if you are receiving periodic or specified monthly payments, ensure that your payments are paid over a period that does not exceed your life expectancy or the life expectancy of you and a designated beneficiary. Your RMD is calculated each year according to IRS guidelines. If you take only your RMD, the remaining part of your Individual

Account balance can remain in the Plan and continue to be tax- deferred. You can take more than the minimum. **Not taking the RMD, however, will result in a significant penalty.** (If you own five or more percent of a contributing employer, the Plan will be required by IRS rules to commence paying your benefit at age 70-1/2 even if you are still working.)

Federal income tax withholding applies at the rate of 10% unless you elect some other rate or you elect not to have withholding apply. Certain states also require withholding. You will owe income tax on the distribution. You cannot roll the RMD portion of your pension into an IRA or retirement plan.

**WARNING—POTENTIAL IRS PENALTY ASSESSED AGAINST YOU**

(If your benefits are not paid at Age 70-1/2)

The IRS assesses a severe penalty against you if you do not begin receiving your pension benefits by April 1 of the year following the date you attain age 70-1/2 or the date you retire, whichever is later. If you are a 5 percent owner you must begin receiving your benefits at age 70-1/2 even if still working.

12. **OTHER INTERNAL REVENUE CODE DISTRIBUTION RULES.** Pursuant to the Internal Revenue Code, the Plan contains certain other benefit distribution rules. First, if you die after payment of your Individual Account has commenced and a portion of your Individual Account remains to be paid, the payments to your beneficiary must be made at least as rapidly as provided in the form of payment being made at the time of your death.

Second, if your death occurs before distribution of your Individual Account has begun, distribution of your Individual Account must be completed by December 31 of the calendar year containing the fifth anniversary of your death. If, however, your benefits are payable to a designated beneficiary, the distribution may be made over the life (or life expectancy) of the designated beneficiary, but payments must commence on or before December 31 of the year immediately following the year in which you died. If your spouse is the beneficiary, however, he or she does not have to commence receiving benefits until the April 1 following the year you would have attained age 70-1/2.

13. **MAY I BORROW FROM THE PLAN?** The Plan permits creditworthy Participants to borrow against their accounts; however, in compliance with Internal Revenue Service rules and limitations, the amount of your loan and the repayment period are limited. The permitted amount is limited to the lesser of: 1) half of your account balance; or 2) \$50,000 (less any payments you have made on other Plan Loans in the past twelve months), unless your account balance is less than \$20,000, in which case you may borrow the lesser of \$10,000 or your account balance. If the purpose of your loan is the acquisition of your principal residence, the repayment period may be up to 30 years, but in all other situations, your loan must be repaid in five years. You are required to use your Plan account as security for your loan, and if you are married, you must have your spouse's consent to obtain a loan. To request an application for a Plan Loan, contact the Trust Fund Office.

Pursuant to Internal Revenue Code requirements, the \$50,000 maximum is reduced by the amount of outstanding Participant loans in existence during the prior twelve month period. Thus, if you had a \$20,000 loan balance twelve months ago, for which you now only owe \$15,000, the maximum amount that you may borrow is an additional \$30,000 (not \$35,000).

(a) **Basis on Which Loans Will Be Approved or Denied.** You will have your loan application reviewed in the same manner and under similar conditions as other loan applicants. Factors considered include but are not limited to your income, assets, outstanding loans or other debt, your past repayment record on loan payments and credit reports. If you are in a bankruptcy action, federal

bankruptcy regulations have to be followed before you incur new debt. If your loan request is denied, you may file a written appeal with the Board of Trustees.

(b) **Interest Rate.** The Plan's interest rate is the prime rate at the time of your loan application.

(c) **Default/Additional Taxes.** Pursuant to applicable Internal Revenue Service regulations, a cure period for a delinquent loan cannot extend beyond the last day of the calendar quarter following the calendar quarter in which the missed payment was due. Accordingly, under the Plan, your loan will be in default if you are 90 days late on a payment. Upon a default, the Plan will charge your Individual Account with the loan balance, including any costs incurred relating to the loan default.

If you default on your Plan loan, you will owe income taxes on the distribution. As required by applicable law, the Trust Fund Office automatically reports your distribution to the IRS and state tax authorities after the end of the year (on IRS Form 1099R). If you are under age 55, you will owe an additional federal tax of 10%, and a state tax of 2-1/2% (in California). In addition, you may owe a penalty for failing to have sufficient taxes withheld. If you are unable to timely pay these taxes you may also be liable for penalties and interest.

(d) **Pension Loss if You Default.** Once your loan is declared a distribution, the unpaid balance is lost as a pension benefit. You may not repay a defaulted loan later to restore your Plan account. This also will result in the loss of the future income on your Plan account and the tax savings that you would have earned under the Plan for the defaulted amount of the loan.

(e) **How Loan Balance is Treated Upon a Distribution or Death.** Neither you, a beneficiary, nor an alternate payee may receive a distribution of the portion of an Individual Account balance which is security for a loan. If you are eligible for a distribution from the Plan, any remaining amount owed on a loan will be converted to a regular distribution. Upon your death, your Individual Account balance is used to pay off the loan prior to distribution of the remaining account balance.

(f) **Military Service.** Your loan payments may be excused (payments postponed) and the interest rate adjusted during certain military service to the extent required by federal law.

(g) **Changes.** The terms and conditions of the Plan's Participant loan program as set forth herein may be changed by the Board of Trustees at any time without a formal Plan amendment.

#### 14. **WHAT IF I HAVE A PROBLEM WITH A LOAN?**

Plan Participants receive quarterly statements. If you believe that there has been an error in your account, such as a shortage in the hours or contributions reported by an employer, contact the Local Union or Trust Fund Office immediately. If a question is not resolved to your satisfaction, or if you or any beneficiary of yours disagrees with, or is aggrieved by, any act, omission, decision, or ruling by the Trust Fund Office or any authorized representative of the Plan affecting your rights or your beneficiaries' rights under the Plan, you may obtain a review of the same by the Board of Trustees by writing to the Trust Fund Office setting forth the substance of your grievance.

**A L E R T : If You Find Errors in Your Information or Statement.**

**If you find errors in your statement you should notify the Plan Office immediately. If you notice any errors in your hours, contributions or otherwise or you have any questions regarding your statements, you should notify the Plan Office immediately.**

See section 17 below for a summary of your appeal rights under the Plan.

15. **CAN ANYONE ELSE RECEIVE MY BENEFITS?** In general, your benefits are payable only to you on retirement, and may not be assigned or alienated. If, however, you were married when you accrued benefits under the Plan, and then you later get divorced, your former spouse may be entitled to a portion or all of your pension. The Plan is required by federal law to comply with a court order that awards a portion or all of your pension benefits to a former spouse, child or other alternate payee if the order qualifies as a Qualified Domestic Relations Order ("QDRO") as defined in ERISA.

A QDRO is a court order that creates or recognizes the existence of a former spouse's or child's (or other alternate payee's) right to receive all or a portion of your pension benefits.

When you file your Pension application, you are required to provide the Trust Fund Office with information on any pending or prior divorce action. This includes a Final and/or Interlocutory Judgment, marital settlement agreement and any related documents. You, your spouse or former spouse may request the Plan's procedures for handling domestic relations orders which includes a sample order containing sample language acceptable to the Plan. **You or your attorney (or your spouse or her attorney) may submit a proposed QDRO to the Plan's legal counsel prior to submission to a court. Counsel will then provide notice of any required changes.**

The Plan assesses a fee of \$500.00 for administering and handling qualified domestic relations orders ("QDROs"). Such fee is shared equally between the Participant and Spouse unless directed otherwise by the Court or pursuant to a written Stipulation of the parties. The Board, and its delegate, is authorized to deduct such administration fee from the Individual Accounts of the Participant and/or Spouse (or other alternate payee) even if there is no language in the Court order. The Board of Trustees is authorized to increase the QDRO fee in the future if deemed prudent without a formal amendment of the Plan.

**WARNING: PENDING DIVORCE MAY AFFECT YOUR PENSION**

Unresolved disputes regarding a divorce and your pension benefits may delay payment of your pension.

If the Plan is notified of a pending divorce action or receives a court pleading known as a "Joinder Request" or a similar document, the Plan has the discretion to delay paying your Plan benefits for a reasonable period to allow time for the parties to prepare a QDRO, even if your pension application is on file. If it appears that your former spouse or other alternate payee is seeking only a portion of your pension, the Plan may, at its discretion, distribute to you that portion of your pension benefit that is not addressed by the pending QDRO. Moreover, if a spouse or other person fails to pursue a QDRO in a timely manner, the Plan may proceed with a partial or full distribution.

**16. OVERPAYMENTS RECOVERABLE BY THE PLAN.** As a Participant or beneficiary, you are entitled only to the amount and form of benefits described in the Plan document, as amended from time to time. If you receive an improper amount or benefit from the Plan and you become aware of that fact, the Plan requires that you notify the Plan Office of the overpayment and repay the excess amounts.

If you or any beneficiary receives an overpayment of benefits, the Plan will reduce or offset any future benefits to recover the overpayment, unless other arrangements can be made to the satisfaction of the Board of Trustees for the recovery of the overpayment. The Plan will withhold at least 25% of your pension payments until the overpayment is recovered by the Plan and to the extent permitted by law, the Plan may withhold up to 100% of your monthly payments until an overpayment is recouped. The Plan is also authorized to offset lost earnings on the overpayments and reimbursement to the Plan for any attorney fees and costs incurred by the Plan as a result of the overpayment. The Plan may also file a claim against your estate or any other person or entity if amounts are still owed at your death and there are insufficient funds, including any death benefits payable to your beneficiary, to recover the overpayment. Any funds owed by a Participant to the Plan will be deducted from any death benefits that may be payable as a result of the Participant's death.

**17. CLAIMS AND APPEAL PROCEDURES.** The Plan, which is available for review by appointment at the Plan Office, or upon written request of the Plan Office, contains a claims and appeal procedure that must be followed. Be sure to read the claims procedure carefully before filing a claim or a lawsuit regarding your pension or the Plan.

The purpose of the claims procedure is to make it possible for claims and disputes to be resolved fairly and efficiently without necessitating costly litigation and attorneys' fees. **No lawsuit affecting the Plan may be brought unless the Plan's appeal procedure is followed first.**

**(a) Denial of Claim and Appeal Rights**

Under the procedures set forth in the Plan and as is required by ERISA, if your claim for a pension benefit is denied in whole or in part, you will receive a written explanation including the specific reasons for the denial. You then have the right to have the Board of Trustees review and reconsider your claim.

To have your claim reviewed or if an issue is not resolved or you or any beneficiary disagrees with any act, omission or decision by the Plan Office, you must file with the Plan Office a written appeal within 60 days of your receipt of the Board's initial denial of your claim or other adverse action. Your appeal must state the specific reasons the denial of the claim or other adverse action was in error. **If you fail to submit your written appeal within that period, there will be no review of your claim.**

You may submit supporting documents or records, and you may examine Plan records pertinent to your dispute. You have the right to representation throughout the review procedure.

If you believe that you are entitled to a non-Disability related benefit that you are not receiving, you can make a written request to the Plan (or its representative) for the benefit. If your request is denied, you will be informed by written notice within 90 days after the Plan received your request.

If you timely file an appeal, a review of your appeal will be held and a decision rendered by the Board of Trustees by the next regularly scheduled Trust meeting, unless the appeal is received within thirty days of such meeting or special circumstances exist requiring additional time. You may request or you may

be requested by the Board of Trustees to appear at a hearing on your appeal. The Board of Trustees, however, has the sole discretion whether to hold a hearing and whether to allow you to appear at such a hearing.

The decision on review will be in writing and, if your appeal is denied, will include the specific reason(s) for the denial. There is no mandatory arbitration of any denied claim or appeal. The parties may mutually agree on arbitration but that is voluntary only.

If the Board of Trustees needs more than 90 days to review your claim for benefits, you will be advised by written notice within 90 days after receipt of your claim. The notice will inform you why the Plan needs more time (which cannot exceed an additional 90 days), and the date by which you can expect a decision.

**(b) Disability Claims and Appeals**

Appeals involving disability claims and/or determinations are required to be reviewed within 45 days of the Plan's receipt of the appeal unless special circumstances exist. An extension of time not exceeding 30 days may be necessary due to matters beyond the control of the Plan. The notice of extension will include in addition to the reasons for the denial, the standards on which entitlement to the benefit is based; the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. The Claimant would have at least forty-five (45) days to provide the specified information, if any. The deadline for the Board of Trustees to render its decision is tolled from the date on which the notification of the extension is sent to the Claimant until the date a response from the Claimant is received.

Any notice of an adverse benefit determination shall include, in addition to the reasons for the denial (1) the specific rule, guideline, protocol, or other similar criterion, if any, relied upon in making the determination (if applicable); and (2) an explanation of the scientific or clinical judgment for the determination if the adverse benefit determination was based on medical necessity or other similar exclusion or limitation.

If the application for benefits of a claim is denied, the Claimant or the Claimant's duly authorized representative may petition the Board of Trustees for review of the decision. The petition for review shall be filed by the Claimant or the Claimant's duly authorized representative with the Plan Office within sixty (60) day of receipt of the notification of adverse benefit determination. The Claimant shall have access to relevant documents, records and other pertinent information, including any statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit for the Claimant's diagnosis, without regard to whether such advice or statement was relied upon in making the benefit determination. The Board of Trustees will not afford any deference to the initial benefit determination. If the adverse benefit determination is based in whole or in part on a medical judgment, the Board of Trustees shall consult with a health care professional with appropriate training and experience in the field of medicine involved in the medical judgment. Such consultant shall be different from any individual consulted in connection with the initial determination nor the subordinate of any such person.

**(c) One Year Limitation Period for Filing Lawsuits**

Upon exhausting the above claims and appeal procedures, if you are still not satisfied, your next step is to file a lawsuit if you so desire and such lawsuit is permitted under ERISA or other applicable law. **No**

**legal action may be commenced or maintained against the Plan, a Trustee, the Board of Trustees, or other person or entities involved with the denial or decision on appeal more than one year after the determination of your appeal by the Board of Trustees, or if not a formal appeal, one year after the act or omission of which you are questioning.**

18. **POTENTIAL LOSS OR DELAY IN THE PAYMENT OF BENEFITS.** You or your beneficiary could suffer a loss in the value of your Individual Account balance or have payments delayed in the following circumstances:

(a) **Investment Losses.** Your Account incurs investment losses, such as the depreciation in the market value of the Plan Assets.

(b) **Divorce or Child Support Order ("QDRO").** Pursuant to a Qualified Domestic Relations Order, a Court may award a spouse, former spouse, child or other dependent with a portion or all of your Individual Account. Payments may also be required by a Court order to be paid to a county or state child support agency.

(c) **Plan Expenses.** Plan expenses decrease the yield you would otherwise earn on your Plan assets.

(d) **Time Lag in Distribution.** Because there may be a time lag between the time you request a distribution of your Plan benefit, there might be a difference in the fair market value at the time you ask for the distribution and when you receive the distribution.

(e) **Fail to File Complete Application.** You fail to file a completed application or other forms required by the Trust Fund Office before the date you want your benefits.

(f) **Incomplete Information/False Statements.** You fail to provide information or give false information to verify disability, age, beneficiary information, marital status or other vital information. If you do not keep your current address on file with the Plan, benefit payments may be delayed and cause a disadvantageous time lag between valuation and distribution.

If you make a false statement to the Plan or other officials regarding the payment of benefits or other issues related to the Plan, you will be liable to the Plan for any benefits paid in reliance on such false statements or information, and any attorney fees and costs incurred in effecting recovery or which were incurred as a result of the false statement or information. This includes but is not limited to costs incurred by the Trust Fund Office, reasonable attorney fees, and interest charges. The Plan may deduct any such fees and costs from any benefits otherwise payable to you or other persons.

(g) **IRS Benefit/Contributions Limits.** Your annual contribution cannot exceed the maximum amount allowed by the Internal Revenue Code and applicable IRS regulations. Although the Trustees do not foresee this occurring, the Plan contains provisions to address this situation.

(h) **Default on a Participant Loan.** If you default on a Participant loan you will lose your entitlement to such defaulted amount, be required to pay state and federal income tax on the defaulted amount, and you could be assessed a penalty by the IRS. Such a default can also reduce the amount of any future loan that you granted from the Plan.

(i) **Refund Overpayments.** If the Plan mistakenly makes an overpayment to you or your beneficiary you (and/or your beneficiary) will be required to reimburse the Plan. If the Plan is forced to incur legal fees and costs to recover said amounts, you and/or your beneficiary will be responsible for such fees and costs.

19. **AMENDMENT/TERMINATION/MERGER OF PLAN**

a. **Amendment of Plan**

The Board of Trustees may amend the Plan at any time. Any amendment may apply to all groups and/or Participants covered by the Plan or only to certain groups of Participants. Retroactive amendments may be made to the extent permissible under ERISA and other applicable law. Except as is permitted or required by applicable law, no amendment may divest accrued benefits which have previously been vested or been approved.

b. **Merger or Consolidation**

In the event of a merger or consolidation of the Plan with, or transfer in whole or in part, of the assets or liabilities of the Plan to any other pension plan, each Participant is entitled to a benefit immediately after the merger, consolidation or transfer which is at least equal to the benefit such Participant would be entitled to before such merger, consolidation or transfer.

c. **Termination of Plan**

The parties to the collective bargaining agreements between U.A. Local 467 and the various Employer associations may terminate the Plan in whole or in part. Although there is no intent to terminate the Plan, there is no guarantee that the Plan will last forever.

In the event of termination or partial termination of the Plan, the assets then remaining, after providing for the expenses of the Plan and for the payment of any previously approved distributions would be distributed among Participants. Each Participant would be 100% vested in his accrued benefits and shall receive that part of the total remaining assets in the same ratio as his Individual Account bears to the aggregate amount of the Individual Accounts of all Participants. Once the Plan is terminated and all assets have been distributed, the Board of Trustees will be discharged from all liability under the Plan and Participants will have no further rights or claims.

Once the Plan is terminated and all assets have been distributed, the Board of Trustees will be discharged from all liability under the Plan and Participants will have no further rights or claims.

## STATEMENT OF ERISA RIGHTS

**A. Your Rights as a Participant.** As a Participant in the Plan, you are entitled to certain rights and protections under the employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that Participants are entitled to:

- Examine without charge at the Plan Office and at other specified locations (such as worksites and the Union Office), documents governing the Plan, including collective bargaining agreements and the annual report (Form 5500 series) filed with the Department of Labor.

- Obtain copies of Plan documents and other information required by law to be furnished upon written request to the Plan. Pursuant to ERISA, the Plan Office may require that you pay a reasonable charge for the copies.

- Receive a summary of the Plan's annual financial report, known as a Summary Annual Report ("SAR"). The Plan is required by law to furnish each Participant with the SAR.

- Receive a statement showing the value of your pension benefits once a year, upon written request.

**B. Prudent Action by Fiduciaries.** In addition to creating rights for Plan Participants, ERISA imposes duties upon the people responsible for operating the Plan. The people who operate your Plan, called "fiduciaries," 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 or entity, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

**C. Enforcing Your Rights.** If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request certain documents (specified in ERISA) from the Plan and do not receive them within 30 days, you may file suit in federal court. In such a 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 that is denied or ignored in whole or in part, and such denial is upheld on appeal (or ignored), you may file a lawsuit. 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 a lawsuit. **Any lawsuit must be filed within one year of the Trustees' determination on appeal or otherwise.**

If it should happen that Plan fiduciaries misuse the Plan's money or other assets, 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.

If you file a lawsuit, the court may decide who should pay court costs and legal fees. If you are successful, the court may order the person(s) you have sued to pay your costs and fees. If you lose, the

court may order you to pay the Trust's or other defendants' costs and fees (e.g., your claim was frivolous).

**D. Assistance If You Have Questions.** If you have any questions about this statement, the Plan or about your rights under ERISA or if you need assistance in obtaining Plan documents, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory (or which can also be found at the EBSA website at <http://www.dol.gov/ebsa/welcome.html> where you can review a publication called “*What You Should Know About Your Retirement Plan.*”), or you may address your concerns the Department at the following address:

Division of Technical Assistance  
U.S. Department of Labor  
Employee Benefits Security Administration  
200 Constitution Avenue NW  
Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the Employee Benefits Security Administration at (966) 444-3272; TTY/TDD users: (877) 889-5627. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security administration.

**U.A. LOCAL UNION NO. 467  
DEFINED CONTRIBUTION 401K  
PLAN**

**FORMAL PLAN TEXT**

**RESTATED AS OF JANUARY 1, 2016**

**[Many provisions have earlier effective dates pursuant to  
The Internal Revenue Code and/or IRS guidelines]**

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## U.A. LOCAL UNION NO. 467 DEFINED CONTRIBUTION 401K PLAN

(As Restated January 1, 2016)

### FORMAL PLAN TEXT

#### ARTICLE I EFFECTIVE DATE AND DEFINITIONS

1. This Defined Contribution Plan was originally effective as of 1984. The most recent restatement of the Profit Sharing Plan has been restated as of January 1, 2016. Many provisions have earlier or different effective dates as required by the Internal Revenue Code and lawful regulations issued thereunder. Effective as of January 1, 2015, the Plan has been converted into a 401k Plan.
2. The Plan Year for purposes of the Plan is from January 1 through December 31 of each year. This Plan is a Profit Sharing Plan under the Internal Revenue Code.
3. Except as otherwise provided herein, all words used in this Plan which are defined in the U. A. Local No. 467 Pension Trust Fund Trust Agreement shall have the meaning provided therein.
4. Pursuant to Internal Revenue Code requirements, the term Compensation means wages or salary which is earned or made available to an Employee in a Plan Year and which is includible in gross income for federal income tax purposes in such year and to the extent applicable for this Plan up to the amount allowed under Internal Revenue Code (IRC) § 401(a)(17). For purposes of applying the limitations of IRC section 415, compensation includes elective deferrals under Internal Revenue Code §§ 125, 132(f), 402(g)(3), 401(h)(1)(B), 403(b) 457(b) and Employee contributions described in IRC § 401(h) which are treated as employer contributions.
5. Annuity starting date means the first day of the first period for which an amount is payable as an annuity (monthly payment) or as any other form of benefit on the basis of qualification for a distribution from the Plan on any grounds.
6. Employee means an employee covered by a Collective Bargaining Agreement between the Union and an employer (or employer association) and on whose behalf the employer is obligated to make contributions to this Plan.

Employee also includes full time paid officers and representatives of the Union and other such persons as are permitted but excluding employees of the Union who are part of a separate bargaining unit recognized by the Union acting as an employer and for whom there has been good faith collective bargaining with respect to retirement benefits, unless that agreement provides for contributions to this Plan.

Employee also includes employees who, pursuant to a Subscription Agreement entered into between the Employee's Employer with the Board of Trustees, are included in the Plan and on whose behalf such Employer makes contributions to this Plan. The Board of Trustees shall have total and absolute discretion to approve Subscription Agreements and to determine which individuals or classifications of employees may participate in the Plan, subject to the Internal Revenue Code and lawful regulations.

Employee shall also mean, to the extent required by the Code, effective as of January 1, 2002, any employee of an Employer maintaining the plan of any other employer required to be aggregated under Code sections 414(b),(c),(m) or (o). For purposes of compliance with the nondiscrimination regulations under Section 401(a)(4) of the Internal Revenue Code, leased employee as defined in sections 414(n) or (o) of the Internal Revenue Code who have performed services for a Contributing Employer on a substantially full time basis for a period of at least one year are treated as employed by a Contributing Employer except to the extent they are excluded under Code Section 414(n)(5).

7. Employee Contributions. The term “Employee Contributions” means the amounts which are voluntarily contributed by an Employee pursuant to a wage reduction agreement which, when added to the amounts, if any, of Contributions to other plans qualified under IRC Section 401(a) or 401(k) to which his or her Employer contributes, do not exceed 25% of the Employee’s Compensation while an Employee, to ensure compliance with IRC Section 415.

8. Employer means any employer, including without limitation, affiliated Trust Funds and the Union, which makes or is required by a Collective Bargaining Agreement or Subscription Agreement to make contributions to the Fund.

To the extent required by applicable law only, an Employer shall include members of a controlled group of corporations, commonly controlled trades or businesses or affiliated service groups as defined in the Internal Revenue Code of which a Contributing Employer is a part.

9. Employer Contributions. Subject to the terms of its Collective Bargaining Agreement with the Union and during its term, Employers shall contribute to the Plan with respect to each calendar month the amount which the Employer is obligated to pay on behalf of each Employee under the terms of the Collective Bargaining Agreement or any subscription agreement approved by the Board of Trustees authorizing contributions from the Union.

Pursuant to requirements of the Internal Revenue Code, the express formula for determining benefits shall be as provided in the applicable collective bargaining agreement. Pursuant to the Code, there shall be no employer discretion in determining the benefits provided in this Plan and the contributions made to this Plan.

## **ARTICLE II            FUNDING AND ESTABLISHMENT OF 401K PLAN**

1. The Defined Contribution Pension Plan, which is a Profit Sharing Plan, shall consist of the following contributions to the U.A. Local Union No. 467 Pension Trust Fund:

(a) All contributions, if any, that are required to be made by an Individual Employer by reason of his, her, or its employment of any Employee under a Collective Bargaining Agreement of U.A. Local Union No. 467, except for those contributions which, under a valid reciprocity agreement, are transferred to a pension Plan other than the U.A. Local Union No. 467 Defined Contribution 401K Plan.

Pursuant to requirements of the Internal Revenue Code, the express formula for determining benefits shall be as provided in the applicable collective bargaining agreement. Pursuant to the Code, there shall be no employer discretion in determining the benefits provided in this Plan and the contributions made to this Plan.

Contribution shall also include contributions owed for periods of Qualified Military Service in the armed forces of the United States consistent with and only to the extent required by the Uniformed Services Employment and Reemployment Rights Act of 1994, and Section 414(u) of the Internal Revenue Code.

(b) All contributions required to be made under 38 U.S.C. § 4318 for a Participant who is reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. § 4301, et seq.), as credited and computed in accordance with 38 U.S.C. § 4318(b)(3), and lawful regulations issued thereunder.

(c) The Fund will also accept rollover distributions from a qualified pension Plan or from a qualified rollover individual retirement account as defined in Internal Revenue code Section 408(d)(3), if the contribution was originally a qualified total distribution as defined in Internal Revenue Code Section 402(a)(5)(E), and if the contribution is made directly from the other Plan, and if the Employee indicates in writing that the contribution is a rollover contribution. The Plan may accept such a rollover if it reasonably concluded that the rollover was valid (i.e., even without a favorable determination letter from the transferring Plan).

The Plan will accept a direct rollover of an eligible rollover distribution from a qualified Plan described in Sections 401(a) or 403(a) of the Code, excluding after-tax employee contributions; an annuity contract described in Section 403(b) of the Code, excluding after-tax employee contributions; and an eligible Plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. The Plan will accept a Participant rollover contribution of the portion of a distribution from an individual retirement account or annuity described in Code Section 408(a)-(b) that is eligible to be rolled over and would otherwise be included in gross income. This provision is intended to be interpreted in the broadest manner possible to allow rollovers and distributions as permitted by the Internal Revenue Code.

Rollover contributions shall not be counted for purposes of any limitation on contributions for the year or years in which they are made. The Employee may be required to provide reasonable proof of the qualified status of the other Plan and of the qualified status of the distribution.

## 2. Employee Deferrals-401K Plan as of January 1, 2015.

(a) An Employee may elect to enter into, with his or her Employer, a written wage reduction agreement approved by the Trust, which will be applicable to all payroll periods until such agreement is revoked or modified (in accordance with the time periods established by the Board of Trustees). The wage reduction agreement shall provide that the Employee agrees to accept a reduction in Compensation from his or her Employer equal to a specified amount per hour. Such amount shall not result in reductions in excess of \$18,000 (or \$24,000 if age 50 or older) for any taxable year, as indexed in accordance with Internal Revenue Code Section 402(g)(5). The election to defer may be made only with respect to amounts which the Employee otherwise could elect to receive in cash, and with respect to amounts which were not currently available to the Employee at the time the Employee entered into the wage reduction agreement.

1. Deferral Amounts. The Participant may elect to defer \$1.00, \$3.00, \$5.00, \$7.00 or \$9.00 per hour of his or her compensation. The Board of Trustees may change these amounts in the future by a majority vote. It is not necessary to amend the Plan each time these amounts are changed.

2. Once per Year. A Participant may change his or her election once each year, in accordance with procedures established by the Board of Trustees or the Board's delegate. The Board of Trustees may permit changes more often as the Board deems appropriate.

3. Compliance with IRS Maximum Limits. No Participant shall be permitted to make elective deferrals during a taxable year in excess of the dollar limitation contained in Section 402(g) of the Code in effect for such taxable year.

- (b) In accordance with such wage reduction agreement, the Employer shall make monthly wage reduction Employee Contributions to the Employee Account on behalf of the Employee for such month in an amount equal to the total amount by which the Employee's Compensation from the Employer was reduced during such month pursuant to the wage reduction agreement. Not less than once per Plan Year (or more frequently at such times and in such intervals as the Trustees may uniformly permit), an Employee may revoke his or her wage reduction agreement. The Account shall be 100% vested and non-forfeitable at all times (subject to changes in the market value of the Account as well as applicable Plan expenses).
- (c) The Plan and its representative may require that an employer refrain from making contributions to this Plan if it is determined that such action is necessary to insure that the Participant's annual additions for any Plan Year will not exceed the limitations of the Internal Revenue Code or to insure that the Actual Deferral Percentage Test described below is met for such Plan Year. In any such event, an employer may pay to the Participant the amount which otherwise would have been paid prior to the Participant's election to reduce his wage, rather than as a contribution made pursuant to a wage reduction agreement.
- (d) All Employees who are eligible to make elective deferrals under this Plan and who have attained age 50 before the close of the Plan Year shall be eligible to make catch-up contributions in accordance with and subject to the limitations of Code Section. 414(v). Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Code Sec. 402(g) and Code Section 415. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Code Section 401(k)(3), Code Section 401(k)(11), Code Section 401(k)(12), Code Section 410(b), or Code Section 416, as applicable, by reason of such catch-up contributions.
- (e) ADP Test Safe Harbor Rules. Notwithstanding any provision to the contrary, it is the intent that this Plan meet the requirements of the IRS' ADP Safe Harbor Employer Contribution rules. The Safe Harbor contribution requirement must be satisfied without regard to Section 401(l) of the Internal Revenue Code. Under the non-elective contribution requirement, the non-elective contribution ("mandatory") shall be made on behalf of each Participant. For purposes of this section, the Plan Year shall equal twelve consecutive months ending on December 31 (calendar year).

(1) Safe Harbor Nonelective Contribution. It is the intent of the Board of Trustees that as of July 1, 2015, an Employer will be required by the collective bargaining agreement to make a mandatory (non-elective) contribution of at least three percent (3%) of an Employee's Compensation to this Plan on behalf of each Employee who is eligible to participate in the Plan without regard to whether such Employee makes elective deferrals under Article III. Non-elective contributions under this section are immediately vested and shall not be distributed prior to:

- (a) the Participant's severance from employment, disability as defined in this Plan; or

(b) the termination of the Plan without the existence at the time of Plan termination of another defined contribution plan or the establishment of an alternative defined contribution plan by an Employer or an affiliated employer within the period ending twelve months after distribution of all assets from the plan. For this purpose, a defined contribution plan is not treated as an alternative defined contribution plan if it is an employee stock ownership plan (as defined in section 4975(e)(7)) or 409(a) of the Code, a simplified employee pension (as defined in Section 408(k) of the Code, a SIMPLE IRA plan (as defined in Section 408(p) of the Code, a plan or contract that satisfies the requirements of Section 403(b) of the Code or a plan that is described in Section 457(b) or (t) of the Code.

(2) Notice Requirement To the extent required by the Internal Revenue Code and/or lawful regulations hereunder and recognizing that contribution amounts are specified by the Collective Bargaining Agreement and disclosed to members of U.A. Local 467, as least thirty days and no more than ninety days prior to the beginning of each Plan year, the Plan shall provide each Employee eligible to participate in the Plan with notice in writing in a manner calculated to be understood by the average eligible Employee, or through an electronic medium reasonably accessible to such Employee, of the contribution requirement described above and of any other contributions under the Plan, and the conditions under which such contributions are made, the type and amount of Compensation that may be deferred under the Plan, the procedures for making deferrals and the administrative and timing requirements that apply, the periods available under the Plan for making elective deferrals, the Plan to which safe harbor contributions will be applicable to contributions under the Plan. During the ninety day period ending with the day an Employee becomes eligible to participate in the Plan, the same notice shall be provided to the Employee.

(f) Limitations--ADP Test. If at any time the Plan does not meet the Safe Harbor Test, the Plan will comply with the ADP Test as provided herein. The Trustees may limit, revoke or modify an Employer's right to make Employee Contributions on behalf of any Employee at any time, but only if they determine that such limitation, revocation or amendment is necessary under one of the following circumstances:

(i) Definitions. The following definitions are applicable to this section:

(a) "ADP" means the average deferral percentage calculated using elective deferral contributions allocated to Participants eligible to make elective deferral contributions as of a date within the Plan Year.

(b) "ADP Test" means the determination of whether the ADP is in compliance with the Basic or Alternative Limitations for a Plan Year.

(c) "Average Percentage" means the average of the calculated percentages for Participants within the specified group. A calculated percentage refers to the elective deferral contributions made on each Participant's behalf for the Plan Year, divided by the Participant's Compensation. Elective deferral contributions to the Plan which must be refunded solely because they exceed the limitation under Code Section 401(g)(1)(A) are included in the Average Percentage, except that they are excluded for the Non-Highly Compensated Employees ("NHCE") Group to the extent that limitation is exceeded when computed solely with respect to Plan Compensation.

(d) “Current Year Testing Method” means the use of the Plan Year’s ADP for the Plan Year’s NHCE Group for purposes of performing that Plan Year’s ADP Test.

(e) “HCE” and “NHCE” means, respectively, highly compensated employee and non-highly compensated employee, each as defined in Code Section 414(q) and related regulations.

(f) “HCE Group” and “NHCE Group” means, for a Plan Year, the respective group of HCEs and NHCEs who are eligible to have elective deferral contributions made on their behalf for the Plan Year, but excluding any NHCE who would not have been eligible if the Plan had required one Year of Service as a condition of eligibility.

(ii) ADP Test. For each Plan Year, the Current Year Testing Method shall be used and the ADP for the HCE Group must meet either the Basic or Alternative Limitation when compared to the respective ADP for the NHCE Group, defined as follows:

(a) “Basic Limitation” means the HCE Group Average Percentage does not exceed 1.25 times the NHCE Group Average Percentage.

(b) “Alternative Limitation” means the HCE Group Average Percentage does not exceed the NHCE Group Average Percentage as follows:

<b><u>If the NCHE Group Average Percentage is:</u></b>	<b><u>Then the Maximum HCE Group Average Percentage is:</u></b>
Less than 2%	2 times NHCE Group Average %
2% to 8%	NHCE Group Average % plus 2%
More than 8%	N/A – Basic Limitation applies

(iii) Correction of ADP Test. If the ADP Test is not satisfied, there shall be determined, no later than the end of the next Plan Year, a maximum percentage to be used in place of the calculated percentage for all HCE’s that would reduce the ADP for the HCE Group by a sufficient amount to satisfy the ADP Test. With regard to each HCE whose ADP percentage is in excess of the maximum percentage, a dollar amount of excess contributions shall be determined by subtracting the product of such maximum percentage for the ADP Test and the HCE’s Compensation from the HCE’s actual elective deferral contributions. Such amounts shall then be aggregated to determine the total dollar amount of excess contributions. The HCE with the highest elective deferral contribution dollar amount shall have that dollar amount reduced by an amount equal to the lesser of the dollar amount of excess contributions for all HCE’s or the dollar amount that would cause the HCE’s dollar amount to equal that of the HCE with the next highest elective deferral contribution dollar amount. The process shall be repeated until the total of the elective deferral contribution dollar amount reduction equals the dollar amount of excess contribution for all HCE’s. An HCE’s elective deferral contributions that are determined to be reduced as described in the preceding sentence shall first be reduced by an amount equal to the elective deferral contributions previously refunded because they exceeded the limitation under Code Section 402(g), with the remainder refunded to the HCE as per-tax elective deferral contributions.

- (iv) Adjustment for Investment Gain or Loss. Any excess contributions to be refunded to a Participant or forfeited shall be adjusted for investment gain or loss. Refunds to a Participant or forfeited shall be adjusted for investment gain or loss. Refunds or forfeitures shall include investment gain or loss for the period between the end of the applicable Plan Year and the date of distribution or forfeiture.
- (v) Separate Testing. Testing maybe conducted separately, at the discretion of the Administrator and to the extent permitted under Regulation §1.40(k)-2(a)(iii).

Section 3.05. Excess Deferrals. If during any taxable year the total amount of an Employee's wage reduction contributions to all qualified cash or deferred arrangements exceeds \$18,000.00, as indexed in accordance with IRC Section 402(g)(5), (and \$24,000 if age 50 or older) then the amounts in excess of the allowable amount, as so indexed, are to be included in the Employee's gross income for the taxable year to which such deferral relates (except for amounts permitted under the Catch-up provision of the Internal Revenue Code).

Notwithstanding anything in this Plan to the contrary, the Plan shall return (not later than the first April 15 after the Employee's taxable year ends) the amount the Employee's deferral amount exceeds the Internal Revenue Code limit, as indexed. The Board of Trustees shall establish such rules and regulations as they deem necessary to carry out the intent of this Section.

### **ARTICLE III PARTICIPATION AND VESTING**

1. Any Employee who has been employed at any time in any one Plan Year shall be eligible to participate in this Defined Contribution 401K Plan, subject to the restrictions and classifications in the Collective Bargaining Agreement.
2. A separate account shall be maintained for each Employee which shall consist of all contributions that are required to be made by Individual Employers upon the Employee's behalf. The account is in a "self-directed account" in one of the options provided for such accounts allocated in accordance with the instructions of the Employee ("a self-directed account").

If no election is made, the Employee's account will automatically be allocated to a "default" account, which shall be the moderately conservative option selected by the Board of Trustees provided by the Plan.

3. The right, title and interest of each Employee in and to his account as so constituted shall be at all times one hundred percent (100%) vested and, under Article VI, Section 1 of the Plan, the Employee's right to retire and commence receiving benefits shall at all times be non-forfeitable. This rule is subject to a reduction in benefits in an Individual Account as a result of a decrease in the market value of the Individual Account.
4. The Trustees are authorized to enter into reciprocity agreements with the Trustees of other qualified U.A. sponsored retirement Plans upon terms mutually agreeable and lawful. Such agreements allow for the transfer of pension benefits from this Plan to another defined contribution plan, or vice versa, depending on the Participant's Home Local Union and Trust Fund. The form and content of any such reciprocity agreement is at the total and absolute discretion of the Board of Trustees or the Board's delegate. The Board may approve some reciprocity agreements and reject others.

## **ARTICLE IV COST OF THE PLAN AND EMPLOYER CONTRIBUTIONS**

a. Contributions to the account of each participating Employee shall be forwarded to the appropriate investment option as so designated. If an Employee has designated where new contributions are to be invested, they shall be so invested. If an Employee has not designated where new contributions are to be invested, they shall be invested in the current default option.

b. The expenses of administration shall be paid by means of a per capita or pro rata assessment against each person's account, or a combination thereof, in amounts determined from time to time by the Board of Trustees, with the minutes of such actions deemed a part of this Plan.

Because claims against the Plan arising from a Participant's marital dissolution, support obligations or community property interests will otherwise unjustly create a drain on other Participants' interests in the Plan's assets, the Plan may assess against a Participant's interest in the Fund for any or all reasonable attorneys' fees and costs incurred by the Plan as a result of any claims against the Plan, whether as a party to litigation, an alleged garnishee, or otherwise, arising from said Participant's marital dissolution, support obligations or community property interests or other disputes. The Board has established a fee of \$500.00 for processing and approving each Qualified Domestic Relations Order (QDRO), which shall be shared equally by the parties, unless otherwise specified in a court order. The Board may change this fee in the future without a Plan amendment. The Plan is authorized to deduct such fee from an applicable Individual Account.

## **ARTICLE V ACCOUNTING/INDIVIDUAL ACCOUNTS**

a. Individual Accounts. No Employee shall have any right, title or interest in any specific asset of the Fund. The Trustees shall, however, maintain separate accounts in the name of each Employee, which shall reflect the proportional interest of each Employee in the fund based upon the contributions paid in upon his behalf together with his share in the income, profits and losses of the Plan as determined in Section 2 of this Article V.

1. In accordance with the rules and regulations established by the Trustees for the election and administration of such accounts, each Employee may direct the investment of his account into a self-directed investment option. Within the scope of permitted investments, the direction of the investment of each Employee's self-directed account shall be the exclusive responsibility of the Employee.

2. For purposes of the rules related to direction of the investment of a deceased Employee's account, if there is a single beneficiary entitled to succeed to the interest of the Employee, the beneficiary may make any election which the Employee would have been permitted, or required, to make. If there is more than one beneficiary, the beneficiaries may designate one of them, in writing in a form satisfactory to the Board of Trustees, to act on all of their behalf, who may then make any election which the Employee would have been permitted, or required, to make.

b. Valuation of Accounts. The Plan is valued daily (as of each business day). The value of an Individual Account is based on the amount of Employer contributions made to the Plan on the Participant's behalf and his or her share of the Plan's earnings (which includes any asset appreciation), minus his or her share of the Plan's expenses and any asset depreciation. An Individual Account could also include rollover transfers, if applicable.

Notwithstanding any other provision herein, the Board of Trustees may, at any time, in its sole and absolute discretion, uniformly reduce the amount in each Individual Account so that in no event on any Valuation Date shall the total amounts in all Individual Accounts plus amounts established for expenses and any lawful reserves at that time, exceed the Market Value of the total net assets of the Fund.

If such event shall occur, then all existing Individual Accounts shall automatically be proportionately reduced so that the total of all Individual Accounts plus amounts established for expenses and reserves is not more than the total assets of the Fund. Any reduction resulting from the procedure above described is part of the mathematical formula for valuation and is not a forfeiture.

c. Vesting. A Participant's right, title and interest in his or her individual account are 100% vested. The Participant's right to his or her Individual Account is non-forfeitable, subject to the Plan's expenses and any asset depreciation.

d. Various Investment Rules-Crediting Income, Losses and Expense/Using Fair Market Value.

1. The income, profits, losses and the transactions (including investment expense charges) of the Plan shall be debited or credited as the case may be, to the account of each Employee, subject to periodic valuations and adjustments as the Trustees shall deem to be necessary and appropriate in order to preserve to each Employee his full proportional interest in the Plan.

2. The income, profits, losses and the transactions (including investment expense charges) of assets held in each self-directed account shall be debited and credited solely to that account. The income, profits, losses and the transactions (including investment expense charges), of each of the self-directed account investment options shall be debited and credited solely to that option, and allocated proportionally to each Employee whose account includes that option.

3. In evaluating any assets held by the Plan, the Trustees shall use the fair market value as of the date of valuation. For purposes of evaluating an Employee's self-directed account except for purposes of distribution, fair market value shall be determined using the last listed market price of the assets held in the Employee's account. For the purposes of the distribution, the Employee's account shall be evaluated at the time of the distribution using the market price of the assets held in the Employee's account when the assets are sold.

e. Maximum Plan Contributions and Benefits. Notwithstanding any provision of the Plan to the contrary, the maximum annual additions under the Plan shall not exceed the limits provided for under Code section 415 and the Treasury Regulations adopted on April 5, 2007, both of which are incorporated by reference in this document pursuant to the Treasury Regulation.

The following provisions relating to Section 415 apply only if the IRS is not satisfied with the paragraph above, which includes the reference to and incorporation provision.

1. In any Plan Year, an annual addition to a Participant's individual account shall not be credited to such individual account to the extent that it exceeds the lesser of:

- (a) \$40,000 as of January 1, 2002 (\$53,000 as of January 1, 2016), or
- (b) 100% of the Employee's compensation during the Plan Year.

The compensation limit referred to herein shall not apply to any contribution for medical benefits after separation from service within the meaning of Internal Revenue Code Section 401(h) or Section 419A(f)(2)).

2. For purposes of this Section, "annual addition" means the sum for any Plan Year of (1) Employer contributions and (2) any forfeitures allocated to an individual account and (3) amounts allocated to an Individual Medical Account as defined in the Code and (4) the amount of any Employee contributions.

3. The maximum allowable amounts shall be adjusted for any increases in the cost of living in accordance with applicable federal law and regulations.

4. The annual compensation taken into account for each Participant for any year shall not exceed \$160,000, as adjusted for any cost of living increases in accordance with the Internal Revenue Code 401(a)(17)(b) (\$265,000 as of 2016). The annual compensation of each Participant taken into account in determining allocations for any Plan year beginning after December 31, 2001, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the Code. Annual compensation means compensation during the Plan Year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

5. For limitation years beginning on or after January 1, 2001, for purposes of the Community Renewal Tax Relief Act of 2000 (CRA) and for applying the Code Section 415(c)(3) limitations described herein, compensation paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the Employee by reasons of Code Section 132(f)(4). Effective as of January 1, 2001, this provision shall also apply to the definition of compensation for purpose of this Article.

6. For Plan years beginning on or after January 1, 2001, for purposes of the CRA amendment of Code Section 414(a), compensation shall not include elective amounts that are not includible in the gross income of the Employee under Code Section 125, 132(f)(4), 402(e)(3), 402(h) or 403(b). Effective as of January 1, 2001, this provision shall also apply to the definition of compensation for purposes of Article 10 herein.

f. Investment Options. Except as otherwise provided below, the Trustees shall designate appropriate investment media for investment of the assets of the Plan.

g. Reciprocity/Transfers Between Plans. The Trustees are authorized to enter into reciprocity agreements with the Trustees of other qualified U.A. sponsored retirement plans upon terms mutually agreeable and lawful. Such agreements allow for the transfer of pension benefits from this Plan to another defined contribution plan, or vice versa, depending on the Participant's Home Local Union. The form and content of any such reciprocity agreement is at the total and absolute discretion of the Board of Trustees or the Board's delegate. The Board may approve some reciprocity agreements and reject others.

h. Credit for Qualified Military Service. Notwithstanding any other provision of this Plan, effective December 12, 1994, contributions and benefits with respect to qualified military service within the

meaning of the Uniformed Services Employment and Reemployment Rights Act of 1994 or any similar law will be provided in accordance with Internal Revenue Code section 414(u). Any such credit or benefits granted under this section shall be only that amount required by such applicable federal law. Contributions and benefits will be calculated based on the employer contributions made on such employee's behalf during the 12-month period immediately prior to the period of qualified military service, in the prior Plan Year or the current Plan Year, whichever is greater.

Notwithstanding any provision to the contrary, a Participant's benefits shall include contributions (but not investment income or forfeitures) owed for periods of Qualified Military Service in the uniformed services of the United States consistent with and to the extent required by USERRA, as amended, and Section 414(u) of the Internal Revenue Code, as amended. Qualified Military Service will be counted for purposes of crediting an Employee's Individual Account with contributions provided the following conditions are satisfied:

(1) An Employee must have reemployment rights under USERRA in order for his or her period of Qualified Military Service to be recognized.

(2) After discharge from Qualified Military Service, the Participant must return to work within the time required by USERRA.

(3) No more than five years of Qualified Military Service may be recognized for any purpose, except as required by law.

A Reemployed Veteran who takes a distribution from the Fund in connection with Qualified Military Service has the right to repay the distribution to the Fund in accordance with the regulations promulgated by the U.S. Department of Labor.

To the extent applicable, the Plan shall comply with the Heroes Earnings Assistance and Relief Tax Act (known as "HEART"). Effective January 1, 2007 the Plan shall provide a beneficiary of a Participant who becomes disabled and/or dies while performing qualified military service as defined in the Internal Revenue Code with any additional benefits that would have been provided under the Plan had the Participant resumed employment and then terminated employment on the account of death or disability. Pursuant to IRS guidelines, this provision applies only to Participants who would have been entitled to reemployment rights under USERRA if he or she had applied for such rights immediately before his or her death or disability.

## **ARTICLE VI PAYMENT OF BENEFITS**

a. Participants are entitled to a distribution of their individual accounts, under the following circumstances:

1. Retirement Under Pension Plan. Eligibility for retirement under the U.A. Local 467 Defined Benefit Pension Plan;

2. Normal Retirement Age. Attainment of age 65 and termination of employment;

3. Age 62. Attainment of age 62 (and not working in non-covered employment in the Plumbing and Pipefitting industry);

4. Disability. Permanent and total disability precluding work in the Plumbing and Pipe Fitting Industry and a Social Security determination of permanent and total disability if age fifty-five (55) or greater (age 58 for those starting after 2005).

5. Termination of Employment--24 Months Lapse. Upon application of the Employee after a lapse of twenty-four (24) months since the Employee last worked in the Plumbing and Pipefitting Industry, whether as an Employee or in a managerial, supervisory, proprietary, or any other capacity, for a participating Employer, or as a self-employed person, whether There are three exceptions to the above rule. A Participant who has not had Employer contributions made to the Plan for at least twenty-four consecutive months is entitled to a distribution if:

i. Certain Government Work. The Participant performed work for the Government of the United States, a political subdivision of the State of California (including a city, county or school district) even if such work is in the Plumbing and Pipefitting Industry, or

ii. In-House Maintenance. The Participant performed general in-house maintenance at one or more fixed locations outside of the Bay Area Counties of San Mateo, Santa Clara, San Benito, San Francisco, Napa, Marin, Sonoma, Solano, Contra Costa, Alameda and Santa Cruz, on the condition that the Participant has not otherwise worked in other employment in the Pipe Trades Industry in the United States that does not require employer contributions to a U.A. sponsored pension plan;

iii. Computer Assisted Drawing/Design (“CAD”) and Begin Work-Over Age 60. You may if you have attained age 60 or older perform computer assisted drawing and design work, known as “CAD”, for an Employer which contributes to this Plan; however, to be eligible to perform such work, you must obtain advance approval for such work from the Board of Trustees or the Board’s delegate and must not have worked for such contributing Employer for at least thirty consecutive days. The Board of Trustees will have total and absolute discretion in determining whether any such proposed or actual work qualifies as CAD, regardless of the job title.

6. Age 70-1/2. On April 1 of the calendar year after the calendar year in which the Employee has attained age seventy and one-half (70-½), regardless of whether the Employee has retired from covered employment, and whether or not application for benefits has been made.

7. Termination of Employment--Attainment of Age 59-1/2. A Participant who has reached age 59-1/2 or older who has been laid off or has otherwise terminated his Covered Employment as reflected by not having had employer contributions made or required to be made on his behalf for at least one month and who has not performed any work in the Pipe Trades Industry during that period, is entitled to a partial or total distribution of his Individual Account with the Plan.

b. An Employee may, at his option, elect to maintain his Plan account, but in no event beyond April 1 of the calendar year following the year in which he attains age seventy and one-half (70-½), at which time distribution must be commenced in accordance with the Internal Revenue Code and lawful regulations issued thereunder.

## ARTICLE VII METHODS OF DISTRIBUTION OF BENEFITS

### a. DISTRIBUTION TO EMPLOYEE.

1. Forms of Benefit. Distribution from this Plan may be made in any one of the following ways at the Employee's election, each of which forms of benefit shall be equal in actuarial value to a single annuity for the Employee's life alone, based upon the Employee's entire account in the Plan as of the annuity commencement date:

(a) Lump Sum. Total lump sum distribution;

(b) Partial Lump Sum. Partial lump sum distribution, upon application; and/or

(c) Periodic Installments. Equal periodic installments of not less than \$300 over a fixed period of years, not to exceed the life expectancy of the Employee or the Employee and a designated beneficiary, in accordance with Internal Revenue Code Section 401(a)(9) and the applicable regulations of the Internal Revenue Service issued thereunder.

An Employee who has elected equal periodic installments may not change the dollar amount of those installments more than two times per Plan year.

2. IRS Minimum Distribution Requirements. The Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Internal Revenue Code in accordance with the regulations under Section 401(a)(9).

3. 60-Day Rule for Certain Distributions. Pursuant to the Internal Revenue Code, unless a Participant elects otherwise, payment of benefits under the Plan shall begin not later than the 60th day after the latest of the close of the Plan Year in which (a) the date on which the Participant attains the earlier of age 65 or the normal retirement age specified in the Plan, (b) occurs the 5th anniversary of the year in which the Participant commenced participation in the Plan, or (c) the Participant terminates service with the employer. Notwithstanding the foregoing, the failure of a Participant and spouse to consent to a distribution while a benefit is immediately distributable shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Article and applicable provisions of the Internal Revenue Code.

Pursuant to requirements of the Internal Revenue Code, if a Participant dies after distribution of his interest has begun, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.

4. Time for Certain Distributions. If a Participant dies before distribution of his interest begins, distribution of the Participant's Individual Account shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death, except that if any portion of the Participant's interest is payable to a designated beneficiary, distributions may be made over the life (or life expectancy) of the designated beneficiary commencing on or before December 31 of the calendar year immediately following the calendar year in which the Participant died.

If the Participant's spouse is the beneficiary, he or she does not have to begin receiving benefits until April 1 following the date the Participant would have attained age 70-1/2.

Any owner-employee in the Plan must commence receiving his benefits at age 70-1/2 regardless of whether he is still working.

5. Benefit Suspension if Industry Employment. If a retired Employee returns to non-covered employment in the Industry in any capacity, anywhere within the State of California, payment of installments, if that method of distribution has been selected, shall be suspended as provided in the U. A. Local Union No. 467 Defined Benefit Plan.

b DISTRIBUTION IN EVENT OF EMPLOYEE'S DEATH

1. In the event of an Employee's death where the Employee's beneficiary is not a surviving spouse, distribution of the Employee's interest shall be made to his beneficiary in the form of a single lump sum payment or rollover. Such payment or rollover may be made within one year of the Employee's death. Where the Employee's beneficiary is a surviving spouse, the surviving spouse may choose to defer distribution of the Employee's interest, but in no event beyond April 1 of the calendar year following the year in which the Employee would have attained age seventy and on-half (70 ½).

2. An Employee may designate any person, or any number of persons, to be the beneficiary of any benefits payable after his death, except as follows:

(a) If an Employee is married at the time of his death, his surviving spouse is the beneficiary, unless the spouse has waived his rights and consented to the designation of another beneficiary(ies). Such waiver and consent must be in writing, and must be notarized or witnessed by a Plan representative.

(b) If there is no surviving spouse or the surviving spouse has waived all death benefits on the required written form:

(1) If the Employee has any minor natural or adopted children, each child shall receive a pro rata share based on the total number of the Employee's natural and adopted children, whether minor or adult.

(2) If there are any benefits under this Section for which a child is not automatically the beneficiary, the Employee may designate any person(s) to be the beneficiary(ies) for such benefits, in writing on the form provided by the Trust Fund Office.

(3) Any benefits under this Section for which a child is not automatically the beneficiary, and for which the Employee has not designated a beneficiary, shall be payable to the Employee's estate.

(c) Any designation of a beneficiary made by an Employee shall automatically be revoked if the Employee later becomes married, and shall not be revived if that marriage is terminated. Any designation by an Employee of his spouse shall automatically be revoked if the marriage of the Employee and that spouse is terminated, unless preserved in a qualified domestic relations order, or revived by the Employee in writing thereafter.

3. Survivor Benefits Under Qualified Military Service. If a Participant dies while performing qualified military service as defined in the Internal Revenue Code, the Plan will make available to the Participant's beneficiary any additional benefits that would have been provided under

the Plan had the Participant resumed employment and then terminated employment on the account of death.

Pursuant to IRS guidelines, this provision applies only to Participants who would have been entitled to reemployment rights under USERRA if he or she had applied for such rights immediately before his or her death. To the extent applicable for this Plan, any benefits under the Plan that would otherwise be provided to such Participant if he or she had died while employed would apply. This provision does not require that contributions be or otherwise be made for the period of qualified military services for purposes of determining benefits payable under the Plan.

c. ADMINISTRATION OF SELF-DIRECTED MUTUAL FUND ACCOUNTS AT TIME OF DISTRIBUTION OR DEATH

The following rules apply in the event a distribution or Plan Loan is being made, or an Employee has died.

1. If the Employee or beneficiary will be receiving a total distribution in a single lump sum, the Trust Fund Office shall liquidate all assets held in the Employee's self-directed account for purposes of making the distribution.

2. For installment payments, assets shall be taken as needed, proportionate to the balances of the Participant's investment accounts.

3. ELIGIBLE ROLLOVER DISTRIBUTIONS

1. A person who has met all the Plan's requirements for a distribution under the Plan may elect, at the time and in the manner prescribed by the Plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement Plan specified by the distributee (also known as a recipient) in a direct rollover.

2. Definitions.

(a) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of a recipient, except that an eligible rollover distribution does not include:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life or life expectancy of the distributees or the joint lives or joint life expectancies of the distributees and the recipient's designated beneficiary; or for a specified period of ten years or more;

(2) any distribution to the extent that such distribution is required under section 401(a)(9) of the Internal Revenue Code or is a hardship distribution; and

(3) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(b) Eligible Retirement Plan: An eligible retirement Plan is an individual retirement account described in section 408(a) of the Internal Revenue Code, an individual retirement annuity described in section 408(b) of the Code, an annuity Plan described in section 403(a) of the Code, a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution or any other type of Plan for which the Internal Revenue Code and/or lawful regulations permit a rollover. However, for an eligible rollover distribution to the surviving spouse, an eligible retirement Plan is an individual retirement account or individual retirement annuity. Pursuant to EGTRRA, an eligible retirement also includes a governmental plan under Code Section 457. An eligible retirement plan should be interested in the broadest manner if such a rollover is permitted by the Internal Revenue Code and lawful regulations.

(c) Recipient: A recipient includes an Employee or former Employee. In addition, a Participant's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are recipients with regard to the interest of the spouse or former spouse. For a distribution made after December 31, 2007, a non-spouse beneficiary may rollover his or her benefit to an inherited IRA.

(d) Direct Rollover: A direct rollover is a payment by the Plan to the eligible retirement Plan specified by the recipient.

e. Overpayments Recoverable by the Plan. A Participant or beneficiary is entitled only to the amount and form of benefits described in the Plan document, as amended from time to time. If a Participant or beneficiary is receiving an improper amount or benefit from the Plan and he or she becomes aware of that fact, the Plan requires that such person immediately notify the Trust Fund Office of the overpayment.

If a Participant and/or any beneficiary receives an overpayment of benefits, the Plan will reduce or offset any future benefits to recover the overpayment, unless other arrangements can be made to the satisfaction of the Board of Trustees for the recovery of the overpayment. The Plan will withhold at least 25% of your pension payments until the Plan recovers the overpayment. To the extent permitted by law, the Plan may withhold up to 100% of your monthly payments until an overpayment is recouped. The Plan is also authorized to offset lost earnings on the overpayments and reimbursement to the Plan for any attorney fees and costs incurred by the Plan as a result of the overpayment. The Plan may also file a claim against the Participant's or beneficiary's estate or any other person or entity if amounts are still owed at your death and there are insufficient funds, including any death benefits payable to your beneficiary, to recover the overpayment. Any funds owed by a Participant to the Plan will be deducted from any death benefits that may be payable as a result of the Participant's death.

f. Payments to or on Behalf of a Minor/Adult Providing Principal Support. Any death benefit payable to a minor under age 18 may be paid to the legally appointed guardian of the minor or, if there is no guardian, to such adult(s) that has, in the discretion of Plan representatives, assumed principal support of said minor. The Plan may also decide to distribute benefits to a minor, depending upon the circumstances. The Board, and its delegates, have absolute discretion in making such determinations and may delay making a distribution until the beneficiary attains age 18.

g. Governing Law. This Plan and the Trust shall be construed, administered and governed under ERISA and applicable federal law. The laws of the State of California shall be applied only when applicable. If any provision is susceptible to more than one interpretation, such interpretation shall be

given thereto as is consistent with this Plan being a qualified employee's pension plan under the Internal Revenue Code.

h. Limitations on Trustee Liability. Nothing in this Plan shall be construed to prevent any Trustee from receiving any benefit to which he or she may be entitled as a Participant or beneficiary in this Plan, so long as the benefit is computed and paid on a basis which is consistent with the terms of this Plan as applied to all other Participants and beneficiaries. Nor shall this Plan be interpreted to prevent any Trustee from receiving reimbursements of expenses properly and actually incurred in the performance of his or her duties with respect to the Plan.

i. Continuing Effect of Prior Provisions. Prior versions of this Plan (and any predecessor Plan) and any Plan amendments shall continue to be effective, binding and controlling with respect to all rights and obligations vested in and accrued to individuals prior to the effective dates of this restated Plan, despite failure to retain clauses in such original Plan in this restated Plan..

## **ARTICLE VIII      IRS    MINIMUM DISTRIBUTION REQUIREMENTS**

### a.      General Rules

(1)      Effective Date. To the extent applicable to a Profit Sharing Plan such as this Plan, the provisions of this Article will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year to the extent required by the Internal Revenue Code.

(2)      Precedence.

(a)      The requirements of this Article will take precedence over any inconsistent provisions of the Plan.

(b)      Except to the extent inconsistent with this Article, all distribution options provided under the Plan are preserved.

(c)      This Article does not authorize any distribution options not otherwise provided under the Plan.

(3)      Requirements of Treasury Regulations Incorporated. All distributions required under this Article will be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Internal Revenue Code.

### b.      Time and Manner of Distributions.

(1)      Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date as defined in the Plan and Internal Revenue Code.

(2)      Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) If the Participant dies before distributions begin and there is a designated beneficiary, the Participant's entire interest must be distributed to the designated beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(b) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then the Participant's spouse may elect to have distributions to the surviving spouse begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70-1/2, if later. The election must be made no later than September 30 of the calendar year in which distribution would be required to begin pursuant to the Internal Revenue Code and/or this Plan.

(c) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then the designated beneficiary may elect to have distributions begin by December 31 of the calendar year immediately following the calendar year in which the Participant died. The election must be made no later than September 30 of the calendar year in which distribution would be required to begin under the Plan and/or the Internal Revenue Code.

(d) If there is no designated beneficiary, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(e) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section will apply as if the surviving spouse were the Participant.

For purposes of this Section, distributions are considered to begin on the Participant's Required Beginning Date. For other sections, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under this Section, if an election is made. If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under an election, the date distributions are considered to begin is the date distributions actually commence.

(3) Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company (not applicable for this Plan) or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with applicable law. If the Participant's or designated beneficiary's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations.

c. Required Minimum Distributions During Participant's Lifetime.

1. Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(a) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury

regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(b) if the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

2. Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

d. Required Minimum Distributions After Participant's Death

1. Death On or After Date Distributions Begin.

(a) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:

(1) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) If the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(b) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

2. Death Before Date Distributions Begin.

(a) Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated beneficiary, if the designated beneficiary has made an election as provided herein, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated beneficiary.

(b) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(c) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse after having made an election as provided in the Plan will apply as if the surviving spouse were the Participant.

e. Definitions.

1. Designated beneficiary. The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401(a)(9)-4, Q&A-1, of the Treasury regulations.

2. Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under applicable law or this Plan. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's Required Beginning Date occurs, will be made on or before December 31.

3. Life Expectancy. Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury regulations.

4. Participant's account balance. The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

## ARTICLE IX AMENDMENTS TO COMPLY WITH EGTRRA/TOP HEAVY RULES

a. Purpose and Scope. The Plan amendments set forth in this Article are adopted to reflect certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). These amendments are intended to constitute good faith compliance with the requirements of EGTRRA and are to be construed in accordance with EGTRRA and the guidance issued thereunder. Except as otherwise provided herein, the amendments contained in this Article shall be effective as of the first day of the first Plan Year beginning after December 31, 2001.

b. Increase in Compensation Limit Taken into Account. The annual compensation of each Participant taken into account in determining allocations for any Plan Year beginning after December 31, 2001, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with IRC Section 401(a)(17)(B). Annual compensation for this purpose means compensation during the Plan Year or such other consecutive 12-month period over which compensation otherwise is determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

c. Direct Rollovers of Plan Distributions.

1. Effective Date. This Section shall apply to distributions made after December 31, 2001. To the extent that the provisions of this Section conflict with other Plan provisions, the provisions of this Section shall govern.

2. Modification of Definition of Eligible Retirement Plan. An “eligible retirement Plan” also shall include an annuity contract described in IRC Section 403(b) and an eligible Plan under IRC Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such Plan from this Plan. The definition of “eligible retirement Plan” also shall apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in IRC Section 414(p).

d. Elective Deferrals--Contribution Limitation. No Participant shall be permitted to have elective deferrals made under this Plan, or any other qualified Plan maintained by the Employer during any taxable year, in excess of the dollar limitation contained in IRC §402(g) in effect for such taxable year, except to the extent permitted elsewhere in the Plan and IRC §414(v), if applicable.

e. Distribution upon Severance from Employment. This section shall apply for distributions and severances from employment occurring after November 1, 2002. A Participant’s elective deferrals, qualified non elective contributions, qualified matching contributions, and earnings attributable to these contributions shall be distributed on account of the Participant’s severance from employment. However, such a distribution shall be subject to the other provisions of the Plan regarding distributions, other than provisions that require a separation from service before such amounts may be distributed.

f. Top-Heavy, Participation and Coverage Requirements.

Effective as of January 1, 2001, to the extent required by law, the Plan shall comply with top heavy requirements of Internal Revenue Code Section 416 and applicable regulations issued thereunder, including any requirements added as a result of EGTRRA (Section 613). Such provisions are

incorporated herein by reference. This Plan is a multiemployer collectively bargained Plan and as such it is not intended that there be any Key Employees as defined in the Internal Revenue Code and lawful regulations.

## **ARTICLE X MISCELLANEOUS RULES**

- a. Upon termination of the Plan, the interests of all participating Employees shall remain vested.
- b. The interests of participating Employees shall not be subject in any manner to alienation, sale, transfer, assignment, pledge, encumbrance, or charge by any person or entity, except for a Qualified Domestic Relations Order.
- c. No part of the assets of this Defined Contribution Fund shall revert, or be payable, to any person or entity other than to the Employee by way of benefits under this Plan, nor shall any payment made to this Fund be liable or in any manner subject to the debts or liabilities of any participating Association, Individual Employer, or the Union.
- d. The rights of Employees and beneficiaries in the Plan shall be construed on the basis of the Plan without regard to the provisions of the Defined Benefit Plan.
- e. It is intended that the Plan shall continue indefinitely. However, the Board of Trustees reserves the right to amend the Plan at any time, provided no such amendment shall be allowed which would reduce the interest of any Employee which is then vested, or divert any portion of the Fund to any purpose other than the payment of retirement benefits to retired Employees or their beneficiaries, and to pay Plan expenses.
- f. No merger of the Plan, or transfer of its assets, shall be permitted which would result in any Employee receiving a benefit immediately after the merger or transfer which would be less than the benefit to which he or she would have been entitled if the Plan had been terminated immediately prior thereto.
- g. With respect to contributions received under superseded rules of this Plan, all provisions of this Plan applicable to such contributions, which are required by law to remain in effect after the Plan ceases to accept contributions, shall be deemed to remain in effect with respect to such contributions to the extent, and for such time, as required by law.
- h. If it is determined to the satisfaction of the Trust Fund Office that a Participant or beneficiary is unable to care for his affairs because of mental or physical incapacity, any payment due may be applied, in the discretion of the Trust Fund Office, to the maintenance and support of such Participant or beneficiary or to such person as the Trust Fund Office determines is the appropriate person to be responsible for handling such Participant's or beneficiary's affairs, unless, prior to such payment, claim shall have been made for such payment by a legally appointed guardian, committee, or other legal representative appropriate to receive such payments on behalf of the Participant or beneficiary. Any such payment shall completely discharge the Trustees' liability with respect to such payment.
- i. Effective as of January 1, 2013, a spouse is defined as a same-sex or opposite sex spouse, who shall be treated in the same manner.

## ARTICLE XI

## APPEALS PROCEDURE

a. Discretionary Authority. No Employee, beneficiary, alternate payee named in a domestic relations order, or any other person shall have any right or claim to benefits under this Trust except as specified in the rules of the Trust or Plan. The procedures specified in this Article shall be the sole and exclusive procedures available to any such individual who is dissatisfied with an eligibility determination or benefit award, or who is adversely affected by any action of the Trustees, the Plan Administrator or any other Plan fiduciary. The Board of Trustees shall have full discretionary authority to interpret Plan language and to decide all claims or disputes regarding right, type, amount, duration of benefits, or claim to any payment from this Plan.

b. Notification of Denial. Any person whose claim for benefits is wholly or partially denied shall be notified in writing by the Trust Fund Office. The notice shall inform the claimant of the reason for the denial and the Section of the Trust or Plan on which the denial is based. If applicable, the notice shall request any additional information needed together with an explanation as to why the additional information is necessary. The notice will also explain the right to appeal the denial of the claim.

c. 60 Days to File Appeal. The claimant may then file an appeal in writing. This appeal shall be filed with the Trust Fund Office not more than 60 days after the claimant has received written notice of the denial of his claim. Failure to file an appeal within 60 days will be a complete waiver of the claimant's right to appeal, and the initial decision of the Trust Fund Office will be final and binding.

Appeals involving disability claims and/or determinations are required to be reviewed within 45 days of the Plan's receipt of the appeal unless special circumstances exist. An extension of time not exceeding 30 days may be necessary due to matters beyond the control of the Plan.

The notice of extension will include, in addition to the reasons for the denial, the standards on which entitlement to the benefit is based; the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. The Claimant would have at least forty-five (45) days to provide the specified information, if any. The deadline for the Board of Trustees to render its decision is tolled from the date on which the notification of the extension is sent to the Claimant until the date a response from the Claimant is received.

A notice of an adverse benefit determination includes, in addition to the reasons for the denial, (1) the specific rule, guideline, protocol, or other similar criterion, if any, relied upon in making the determination; and (2) an explanation of the scientific or clinical judgment for the determination if the adverse benefit determination was based on medical necessity or other similar exclusion or limitation.

The written appeal shall state in clear words each reason why the claimant feels that the denial was in error. Documents supporting the appeal should be sent at the same time if possible. The claimant may examine any documents in possession of the Trust or Trustees which are pertinent and relevant to the appeal.

d. Review by Board. After receipt of a timely filed appeal, the Trust Fund Office will place the matter on the agenda of the next meeting of the Board of Trustees, or if sufficient time is not allowed thereby, the next meeting thereafter. The grievant may then submit any written material in support of his appeal.

After receipt of the appeal, the Board of Trustees or its committee will review the matter at the next regularly scheduled meeting of the Board of Trustees unless the appeal was received within 30 days of that meeting or special circumstances require additional time. If that occurs, the decision may be made at the following regularly scheduled meeting.

e. Final and Binding. The decision of the Board of Trustees or its committee shall be in writing, and shall state the specific reasons for the decision with specific references to the Trust or Plan on which the decision is based. The Board's decision shall be final and binding on all parties.

f. One Year Period to File Lawsuit. Upon exhausting the above claims and appeal procedures, if a Participant or beneficiary is still not satisfied, the next step is to file a lawsuit if he so desires and such lawsuit is permitted under ERISA or other applicable law. No legal action may be commenced or maintained against the Plan, a Trustee, the Board of Trustees, or other persons or entities involved with the denial or decision on appeal more than one year after the Trustees' determination of the appeal. Moreover, no lawsuit may be filed more than one year after the Trust's action, omission or decision on any other matter involving the Plan.

## **ARTICLE XII      LOAN PROGRAM**

a. A Participant may receive a loan from the Plan in accordance with rules adopted by the Board of Trustees or the Trust Fund Office, which has been delegated with the responsibility of handling the loans. Each loan shall be secured by the borrower-Participant's account balance. If a Participant fails to repay any part of a loan and defaults thereon, the Plan shall take reasonable measures to collect any unpaid obligations. If a Participant defaults on any part of a loan, the rights of the Participant, or any beneficiary of the Participant to a pension or related benefit shall be reduced by the amount of the loan which was not repaid when the default occurred.

b. The amount of money which a Participant may borrow from the Plan, in accordance with Internal Revenue Service limitations, shall not exceed the following:

1. For a Participant with an account balance of less than \$10,000, the full account balance;
2. For a Participant with an account balance from \$10,000 to \$20,000, \$10,000;
3. For a Participant with an account balance of \$20,000 or more but less than \$100,000, half of the account balance; or
4. For a Participant with an account balance of \$100,000 or more, \$50,000, reduced by the principal amount of the Participant's loan(s) that has been repaid during the immediately preceding twelve months.

To the extent required by the Internal Revenue Code and applicable regulations issued thereunder, for purposes of the Internal Revenue Code maximum loan amount (including the maximum of one-half of the Participant's Individual Account balance), any previous loan that is deemed distributed under Internal Revenue Code Section 72(p), including interest accruing thereafter, and that has not been repaid, is considered outstanding for purposes of applying Code Section 72(p)(2)(A).

Pursuant to the Internal Revenue Code and lawful regulations issued thereunder, in determining whether the Plan has complied with the maximum dollar amount permitted for a loan under the Code,

the Plan will consider any principal loan amounts that were outstanding on the date of the loan or at any time during the immediately preceding 12-month period.

c. A Participant may borrow from the Plan for any purpose. All Plan loans must be repaid in equal monthly installments. Unless the purpose of a loan is to purchase or construct a primary residence, the loan must be repaid over a period of no more than five years. If the purpose of the loan is to purchase or construct the primary residence of the Participant, the loan must be repaid in equal monthly installments over a period of no more than thirty years.

d. The Trustees, or their designate, may determine the proper security for each loan. The borrower-Participant may be required to sign a promissory note for the amount of the loan, including interest, payable to the Plan. Pursuant to Internal Revenue Code regulations, the Plan can require additional collateral other than just the Participant's Individual Account balance if the Participant previously defaulted on a Participant loan from the Plan.

e. The account of a married Participant may not be used as security for a loan unless the spouse has given consent in writing, properly witnessed by a Plan representative or notarized, no more than 90 days before the loan is made.

f. The Plan's interest rate is the prime rate at the time of the Participant's loan application.

g. Pursuant to applicable Internal Revenue Service regulations, a cure period for a delinquent loan cannot extend beyond the last day of the calendar quarter in which the missed payment was due. Accordingly, under the Plan, a loan will be in default if the Participant is 90 days late on a payment. Upon a default, the Plan will charge the Participant's Individual Account with the loan balance, including any costs incurred relating to the loan default.

Once a loan is declared a distribution, the unpaid balance is lost as a pension benefit. A Participant may not repay a defaulted loan later to restore the Plan account. This also will result in the loss of the future income on the Individual account that would have been earned under the Plan for the defaulted amount of the loan.

h. Loan payments may be excused (payments postponed) and the interest rate adjusted during certain military service as required by federal law.

i. There is a loan processing fee and a monthly service charge for each loan.

### **ARTICLE XIII QUALIFIED DOMESTIC RELATIONS ORDERS**

a. The benefits provided by this Plan are subject to a Qualified Domestic Relations Order which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to an Employee under the Plan. A Qualified Domestic Relations Order means any judgment, decree or order, including approval of a property settlement agreement, which relates to the provision of child support, alimony payments, or marital property rights to a spouse, child or other dependent of an Employee which is made pursuant to a State Domestic Relations Law, including a community property law.

b. An alternate payee means any spouse, former spouse, child or other dependent of a Participant. An alternate payee is considered a beneficiary, not a Participant of this Plan.

c. If the Plan is served with a domestic relations order, the Plan will notify the Employee and each alternate payee of the order and of the Plan's procedures for determining the qualified or unqualified status of the order.

d. The Plan may make a lump sum distribution to an alternate payee who is a former spouse, prior to the Employee's earliest distribution date, of the benefits awarded to the former spouse in a qualified domestic relations order, provided the order has been served on the Plan.

e. If an alternate payee dies before receiving all of his account, the Employee shall be the sole beneficiary of any benefits which would have been payable to the alternate payee had he lived to receive them, unless the QDRO designates a successor alternate payee who meets the definition of alternate payee under 29 U.S.C. § 1056(d)(3)(K).

f. The initial service of a proposed domestic relations order, the service of joinder in a marital dissolution action, or the receipt of other notice of adverse interest relating to an Employee's Plan account shall not affect the power of an Employee to exercise any power to direct the investment of his account.

g. If an alternate payee's rights have been defined in a domestic relations order which has been filed, served on the Plan, and approved as a QDRO, then until the alternate payee's rights in the Plan are distributed, the alternate payee's rights shall be treated as a segregated separate sub-account of the Employee's account. An alternate payee whose account is so segregated shall be held in a self-directed account in accordance with the then-current default formula.

h. There is a QDRO administration fee to be split equally between the Participant and alternate payee, unless otherwise specified by a court order. Such fee shall be reduced from each such person's respective balance in his or her Individual Account.

i. If the Trust Fund Office or the Plan's legal counsel is aware of a pending divorce action, the Plan has the discretion to delay distributing a Participant's Plan benefit for a reasonable period. The Trust Fund Office is authorized to make a partial distribution to a Participant even if it is aware of a pending divorce if it or the Plan's legal counsel is aware that a proposed QDRO seeks only a portion of the Participant's benefit.

#### **ARTICLE XIV AMENDMENT/MERGER/TERMINATION OF PLAN**

##### **a. Amendment of Plan**

The Board of Trustees may amend the Plan at any time.

Any amendment may apply to all groups and/or Participants covered by the Plan or only to certain groups of Participants. Retroactive amendments may be made to the extent permissible under ERISA and other applicable law. Except as is permitted or required by applicable law, no amendment may divest accrued benefits which have previously been vested or been approved.

b. Merger or Consolidation

In the event of a merger or consolidation of the Plan with, or transfer in whole or in part, of the assets or liabilities of the Plan to any other pension plan, each Participant is entitled to a benefit immediately after the merger, consolidation or transfer which is at least equal to the benefit such Participant would be entitled to before such merger, consolidation or transfer.

c. Termination of Plan

The parties to the collective bargaining agreements between U.A. Local 467 and the various Employer associations may terminate the Plan in whole or in part. Although there is no intent to terminate the Plan, there is no guarantee that the Plan will last forever.

In the event of the termination or partial termination of the Plan, the assets then remaining, after providing for the expenses of the Plan and for the payment of any previously approved distributions would be distributed among Participants. Each Participant would be 100% vested in his accrued benefits and shall receive that part of the total remaining assets in the same ratio as his or her Individual Account bears to the aggregate amount of the Individual Accounts of all Participants. Once the Plan is terminated and all assets have been distributed, the Board of Trustees will be discharged from all liability under the Plan and Participants will have no further rights or claims.





