# Sheet Metal Workers Local Union No. 218(S) Pension Fund

***Summary Plan Description – 2021 Edition***

## Sheet Metal Workers Local Union No. 218(S) Pension Fund

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*This is a descriptive summary of the Pension Plan of the Sheet Metal Workers Local Union No. 218(S) Pension Fund ("Pension Plan" or "Plan"). The Pension Plan is maintained by the Trustees of the Sheet Metal Workers Local Union No. 218 Pension Fund ("Pension Fund" or "Fund"). The official Plan Document and Fund Trust Agreement describe the provisions of the Plan in more detail and are the final written authority with respect to your eligibility to participate and the benefits you will receive under the Plan.*

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# INTRODUCTION

## Summary of Benefits

Your pension benefit can be a significant part of your retirement income. The amount of your pension benefit is generally based on the number of years you work for a Participating Employer that makes contributions to the Plan on your behalf. Generally, the longer you work for a Participating Employer, the greater your pension. The Plan offers:

- Pensions at various retirement ages;
- Different ways in which your pension can be paid;
- Disability benefits; and
- Death benefits.

This booklet replaces and supersedes any prior explanation booklets, but it does not replace or supersede the official legal Plan Document. This Summary Plan Description has been prepared to give you an overview of the Pension Plan and to help you make decisions about retirement. Please keep this booklet in a safe place. If you are married, share this booklet with your spouse. Contact the Fund Office if you have any questions about your Pension Plan.

This booklet applies only to pensions or other benefits that begin on and after January 1, 2021. Except as otherwise provided, pensions or benefits that began before January 1, 2021, as well as deferred vested benefits of former employees who incurred a separation from Covered Employment before January 1, 2021, are determined in accordance with the provisions of the Plan in effect at the time of the most recent separation from Covered Employment.

You pay nothing toward your pension benefit. Your Employer pays the full cost of your pension benefit.

## Pension Plan Highlights

| | |
|---|---|
| ***Becoming A Participant*** | You become a Participant on the date you complete an Hour of Service in Covered Employment. |
| ***Vesting Service*** | ■ Determines your right to a pension.<br>■ Generally, you earn one year of Vesting Service for each Plan year (August 1 – July 31) in which you complete at least 300 Hours of Service in Covered Employment.<br>■ You become vested once you complete 5 years of Vesting Service or participation. |
| ***Receiving A Pension When You Retire*** | ■ A **Normal Retirement Benefit** is available as early as age 62 and your 10th anniversary of Plan Participation or age 65 and your 5th anniversary of Plan participation.<br>■ An **Early Retirement Benefit** is generally available as early as age 55 if you have 5 years of Vesting Service.<br>■ A **Postponed Retirement Benefit** is available after the Normal Retirement Date.<br>■ A **Vested Retirement Benefit** is generally available if you leave Covered Employment, and you have five or more years of Vesting Service. A vested pension may be taken as early as age 55, see page 17 for more information.<br>■ If you become totally and permanently disabled, you may qualify for a **Disability Retirement Benefit** if you have at least 5 years of Vesting Service.<br>■ The amount of your **Retirement Benefit** is based on Benefit Contributions made on your behalf. |
| ***Choosing How Your Pension Is Paid*** | ■ If you are not married, your pension is generally paid as a single life annuity with 120 payments guaranteed.<br>■ If you are married, your pension is generally paid as a reduced pension with 50% of the reduced amount paid to your spouse upon your death.<br>■ There are also a number of optional forms of pension that you may elect including a Single Life Pension, 60 Month Pension, and a 50%, 66-2/3%, 75% or 100% Contingent Annuitant Pension. You may also elect a lump-sum distribution if the value of your benefit is less than $10,000 and you are retiring on your early retirement date or normal retirement date.<br>■ If you are married, you will need your spouse's written consent unless you elect the reduced 50% Contingent Annuitant Pension with your spouse as the contingent annuitant.<br>■ If the total value of your benefit is $1,000 or less, your benefit will be paid to you in one lump-sum payment. If the total value of your benefit is between $1,000 and $5,000, you may elect to receive it in one lump-sum payment. |

| | |
|---|---|
| ***In The Event of Your Death*** | ■ If you die after your pension begins, the form of payment you elected will determine whether any death benefits are payable.<br>■ If you die prior to the date your pension begins, death benefits may be payable to your surviving spouse or beneficiary.<br>■ You may also be covered for a supplemental death benefit in the form of life insurance of $50,000.<br>■ If you are retired, receiving a pension from the Plan and were eligible for life insurance coverage immediately prior to retirement, then you may be covered for a $15,000 life insurance benefit. |

# BEGINNING WORK

## Becoming a Participant

Covered Employment means the period of employment for which one or more Participating Employers make (or is required to make) contributions on your behalf under the terms of a collective bargaining or other written agreement.

You become a Participant on the date you complete an Hour of Service in Covered Employment. No enrollment is necessary to become a Participant in the Plan.

### *Hour of Service*

You will be credited with Hours of Service, which will count toward earning Vesting Service, for each hour you are:

- Directly or indirectly paid or entitled to payment by your Employer for the performance of duties. These hours will be credited for the computation period(s) in which the duties are performed;
- Paid, or entitled to payment, by your Employer, directly or indirectly, during which no duties are performed, including payments for disability from the welfare fund. However, any time compensated under a workers' compensation or unemployment compensation law or a plan related to a mandatory disability benefits law and any hours of non-work time in excess of 501 hours in any one continuous period are excluded; or
- Entitled to back pay that has been either awarded or agreed to by your Employer. These hours will be credited for the computation period or periods that apply to the award or agreement. However, no credit will be given for hours for which you have already received credit.

These periods are also considered Hours of Service:

- Hours of Service with a contributing Employer in non-Covered Employment if the employment is continuous with Covered Employment with the same Employer. Contact the Fund Office for more information.
- Military service in the armed forces of the United States during war, national emergency, armed conflict or under a national conscription law. You must be available for Covered Employment within 90 days after release from active duty, discharge or separation.
- Up to twelve (12) weeks of leave under the Family and Medical Leave Act (FMLA).

## Earning Vesting Service

You earn a right to a pension benefit once you are "vested" in the Plan. You become vested once you complete **5 years of Vesting Service**. Generally, you earn one year of Vesting Service for each Plan year in which you complete at least **300** Hours of Service in Covered Employment.

Generally, you earn a year of Vesting Service for each Plan year in which you complete at least **300** Hours of Service in Covered Employment.

If you work for a Participating Employer in a job not covered by the Plan, your Hours of Service may also be counted toward earning Vesting Service.

# LEAVING WORK

If your employment is interrupted before you are vested, you may lose your accumulated Vesting Service and Accrued Benefit. However, once you are vested, you will not lose your accumulated Vesting Service. Certain interruptions may not result in a Break in Service.

Usually, you incur a Break in Service when you work less than **150** Hours of Service in Covered Employment during a Plan year. There are exceptions to this rule, which are listed on page 9.

There are two types of Breaks in Service:

- One-year Break in Service; and
- Permanent Break in Service.

A one-year Break in Service occurs in a Plan year in which you have less than 150 Hours of Service in Covered Employment. In general, you incur a permanent Break in Service if your one-year Breaks in Service equal or exceed five.

Please contact the Fund Office for more information on Breaks in Service.

### One-Year Break in Service

A one-year Break in Service is temporary and can be repaired. A one-year Break in Service occurs in a Plan year in which you have less than 150 Hours of Service in Covered Employment. To repair a one-year Break in Service, you must work at least 150 Hours of Service in Covered Employment before incurring a permanent Break in Service. If you work at least 150 Hours of Service in Covered Employment after a one-year Break in Service, any previous years of Vesting Service and Employer contributions will be restored.

### Permanent Break in Service

If you incur a permanent Break in Service before you are vested, you will lose your years of Vesting Service and Accrued Benefit. Once you incur a permanent Break in Service, you must complete one Hour of Service in Covered Employment to once again become a Participant in the Plan.

In general, you incur a permanent Break in Service if your one-year Breaks in Service equal or exceed five years.

***Example***

*Jim worked for two years in Covered Employment and earned two years of Vesting Service. He left his Employer to work in another field for six years. Jim then returned to Covered Employment. Because Jim had five consecutive one-year Breaks in Service he has a permanent Break in Service and will lose his two years of Vesting Service and his Accrued Benefit.*

### Exceptions to Break in Service Rules

Certain non-work periods are grace periods under the Plan and may be considered as Covered Employment to avoid a Break in Service. However, these grace periods will not count toward Vesting Service or the calculation of your benefit.

You will not incur a Break in Service if you were absent from work due to:

- Your engagement in qualified military service.
- Your pregnancy.
- Childbirth, adoption or temporary placement before an adoption.
- Child care immediately following childbirth or placement.

You will be credited with the Hours of Service that you would otherwise earn if you were not absent from employment. If the Trustees are unable to determine the Hours of Service you would normally earn, you will be credited with eight Hours of Service per day of absence up to a maximum of 501 Hours of Service. The Hours of Service will be credited only in the Plan year when the absence begins or in the immediately following Plan year to prevent a Break in Service.

Any leave granted under the FMLA, for up to 12 weeks, will not be counted toward a Break in Service for the purposes of determining eligibility and vesting.

### Repayment of Lump-Sum

If you receive a lump-sum distribution when you terminate Covered Employment and are later reemployed by a Participating Employer, you must repay the lump-sum with interest or your Vesting Service and Accrued Benefit will not be restored. The repayment must be made within 5 years of the date you are reemployed. Contact the Fund Office for further details.

### Vested Pension

If you are vested when you leave Covered Employment prior to age 55, you may be eligible for a vested pension payable at a later date. For information about this benefit, refer to page 17.

# GETTING MARRIED OR DIVORCED

Your pension benefits may be affected when you marry or divorce. It is important to remember that these events may also affect benefits other than your pension benefits as well. Therefore, you should contact the Fund Office to learn how marriage and divorce affect your total benefits package and to update your Fund records.

## Marriage

### *Before Retirement*

If you are married while you are working, your qualified spouse becomes your beneficiary for any Plan benefits you have earned. If you do not wish to have your spouse as your beneficiary, you must complete a form to change your beneficiary and your spouse must consent in writing.

In general, for your spouse to be eligible for benefits, you must have been married for at least one year on the date you retire or, if earlier, on the date of your death. If you die before your pension benefit begins, your spouse may be eligible to receive a pre-retirement surviving spouse pension or a death benefit. See page 24 for more information about these benefits.

**Pre-Retirement Surviving Spouse Pension**
A benefit your spouse may be eligible to receive if you die after you are eligible for, but before beginning, your pension.

### *After Retirement*

Your pension benefit is not affected when you marry *after* you have begun to receive a pension benefit. It is not affected because once you begin to receive a pension benefit, you cannot change the form of payment you are receiving.

## Divorce

If you divorce (whether before or after retirement), your spouse may be entitled to receive a portion of your pension benefit in accordance with the terms of a Qualified Domestic Relations Order (QDRO). Under the terms of a QDRO, certain payments can be made from your benefits to pay alimony, child support or marital property rights of your former spouse, child or other dependent. If you divorce, you must submit a copy of all Judgments of Divorce to the Fund Office to ensure your benefits are paid properly.

**Qualified Domestic Relations Order (QDRO)**
A court order entered in a domestic relations proceeding, such as a divorce, that requires payments from your benefits to your former spouse or dependent(s).

A QDRO may affect the amount of pension benefit you will receive or are receiving. If you have questions about QDROs, please contact the Fund Office.

## PREPARING FOR RETIREMENT

### Applying For Your Pension Benefit

There are three things that need to happen before you are eligible to start your pension benefit:

- You must apply for your benefits;
- The Trustees must approve your application; and
- You need to stop working in Covered Employment.

You should file a **completed** application form and supporting documentation with the Fund Office **at least 30 days, but not more than 90 days before** you want your pension payments to begin. Your spouse or other beneficiary must apply in the event of your death. You must begin receiving pension benefits by your "required beginning date," which is generally April 1st of the calendar year following the calendar year in which you reach age 70½ if you reached age 70-1/2 prior to January 1, 2020.

If you reach age 70-1/2 after December 31, 2019, your required beginning date is the April 1st of the calendar year following the calendar year in which you reach age 72.

Your application for a pension must be in writing on a form provided by the Fund Office. All required documents must be received by the Fund Office before your application can be approved.

To receive benefits, you should apply for your pension benefit **at least 30 days, but not more than 90 days before** you want pension payments to begin. To receive an application form, contact the Fund Office.

The Fund Office must have your current address on file at all times. This helps ensure that you receive important correspondence and your pension checks on time.

You may need to submit the following information with your pension application:

- Proof of your age and your spouse's age, if applicable;
- Your and your spouse's Social Security numbers;
- Your current address;
- Marriage certificate, if applicable;
- Death certificate, if applicable; and
- Divorce decree, if applicable.

The Trustees may rely on the information you provide.

### If Your Application Is Denied

If you disagree with a denial or benefit amount, you may appeal the decision in writing (along with any supporting documentation) within 90 days (or within 180 days in the case of a disability benefit) after the date the decision is issued. The appeal should be sent to the Board of Trustees at the Fund Office.

If your claim is denied, you will receive a written statement of the specific reason or reasons for denial including:

If your application is totally or partially denied, you will receive a written notice that will include:

- The reason(s) for the denial;
- Reference to all related provisions of the Plan or other documents used to make the decision;
- A description of additional information needed to reconsider your application and why the information is needed;
- A statement of your right to bring a civil action under ERISA Section 502(a); and
- A detailed explanation of the steps you can take to appeal the decision.

If your application is denied, you (or your authorized representative), have the right to:

- Submit additional proof of entitlement to benefits; and examine or receive any documents that are relevant to your application.

With respect to any denial of a claim for disability benefits filed on or after April 1, 2018, you will also be provided with the following:

- An explanation for disagreeing with or not following:
  - (a) The views you present to the Plan of the health care professionals treating you and vocational professionals who evaluated you;
  - (b) The views of medical or vocational experts whose advice was obtained on behalf of the Plan in conjunction with your benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and
  - (c) A disability determination presented by you to the Plan made by the Social Security Administration.

- If the denial of a claim for disability benefits is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided free of charge upon request.

- A copy of any internal rule, guideline, protocol or similar criteria that was relied on, or a statement that a copy is available to you at no cost upon request, for a disability pension application.

## Appeal Procedure

If you disagree with a denial or benefit amount, you may appeal the decision in writing within 90 days (or within 180 days in the case of a disability benefit) after the date the decision is issued. The appeal should be sent to the Board of Trustees at the Fund Office. In your written appeal, you may include written arguments and comments, and/or you may ask for an opportunity for you and your representative to appear before the Board of Trustees to present your case. You or your representative may inspect all documents relevant to your application.

The Trustees may require you to submit additional written information, or to appear before the Trustees for an oral examination, or both. If you are required to appear before the Trustees, the hearing will be held at the next regular Trustees' meeting or at a time determined by the Trustees with reasonable notice of the date and place given to you.

> In many cases, disagreements about benefit eligibility or amounts can be handled informally by calling the Fund Office. If a disagreement is not resolved, there is a formal procedure you can follow to have your application reconsidered.

> In general, you may appeal the denial of your pension application or benefit amount within 90 days (or within 180 days in the case of a disability benefit) after the date the decision was made. You should send your written appeal to the Plan Administrator at the Fund Office.

After a full and fair review, the Trustees will send you a written notice of their decision within 60 days after your appeal is received (or within 45 days after your disability appeal is received), or 120 days under special circumstances, but no later than 120 days after your appeal is received (and not later than 105 days after your disability appeal is received). No legal action may begin until all Plan appeal procedures have been exhausted. The Trustees' decision is final and binding on all parties to the decision.

The decision on appeal will:

- Contain the reason(s) for the decision;
- Refer to specific Plan provisions on which the decision is based;
- Notify you of your right to access and copy (free of charge) all documents, records and other information relevant to your application;
- Notify you of your right to bring a civil action under ERISA Section 502(a); and
- Notify you of additional voluntary appeal procedures offered by the Plan, if any.

The decision will be written in a clear and understandable manner and will include the specific reasons for the decision. You must exhaust the Plan's procedures for review of a denial of benefits before you may bring a lawsuit or other administrative action for benefits.

With respect to a denial of an appeal for a claim for disability benefits, you will also be provided with the following:

- An explanation for disagreeing with or not following:
  - (a) The views you present to the Plan of the health care professionals treating you and vocational professionals who evaluated you;
  - (b) The views of medical or vocational experts whose advice was obtained on behalf of the Plan in conjunction with your benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and
  - (c) A disability determination presented by you to the Plan made by the Social Security Administration.
- If the denial of an appeal for a claim for disability benefits is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided free of charge upon request.
- A copy of any internal rule, guideline, protocol or similar criteria that was relied on, or a statement that a copy is available to you at no cost upon request, for a disability pension application.
- The calendar date by which you must bring a civil action.

In addition, prior to the date the Plan denies an appeal for disability benefit, the Plan must provide you, free of charge, with any new evidence or rationale considered or relied upon by the Plan and you will be given a reasonable opportunity to respond. You will also be advised, upon request, of the identity of any medical expert consulted when a denial is based in whole or in part on a medical opinion.

In the event any claim for benefits has been denied, no lawsuit or other action against the Fund or its Trustees may be filed until the matter has been submitted for review under the Plan's ERISA-mandated review procedure. The decision on review shall be binding upon all persons dealing with the Plan or claiming any benefits hereunder, except to the extent that such decision may be determined to be arbitrary or capricious by a court or arbitrator having jurisdiction over the matter. Any lawsuit filed after the matter has been submitted for review under the ERISA-mandated review procedure must be filed within one year from the date after the review procedure has been exhausted. Any lawsuit against the Plan must be filed in a court of competent jurisdiction that is located in Sangamon County, Illinois.

### Benefit Payment to an Incompetent Person

If benefit payments under the Plan are due to an incompetent or physically or mentally disabled person, in the opinion of the Trustees, the Trustees may make payments directly for the person's support and maintenance or to a person the Trustees, in their sole discretion, find to be appropriate. However, if before payment, an application has been made by a legally appointed guardian, committee or other legal representative to receive payment on the person's behalf, payments will be directed accordingly.

# RECEIVING A PENSION

There are five types of pensions available:

- Normal Retirement Benefit;
- Early Retirement Benefit;
- Postponed Retirement Benefit
- Vested Retirement Benefit; and
- Disability Retirement Benefit.

If you are eligible for more than one type of pension from the Plan, you will receive the pension that provides you the greatest benefit. You may receive only one type of pension from the Plan.

### Normal Retirement Benefit

Your Normal Retirement Date is the earlier of (a) or (b) below:

(a) The later of your sixty-second (62$^{nd}$) birthday and the tenth (10$^{th}$) anniversary of Plan participation; or

(b) The later of your sixty-fifth (65$^{th}$) birthday and the fifth (5$^{th}$) anniversary of Plan participation.

Your Employer will make Benefit Contributions to the Plan for each hour you work in Covered Employment. The amount of Benefit Contributions per hour is shown in Appendix A.

The amount of your Normal Retirement Benefit is determined as follows:

(a) Your Accrued Benefit as of July 31, 1999; plus

(b) Two and twelve hundredths percent (2.12%) of Benefit Contributions made on your behalf from August 1, 1999 through July 31, 2000; plus

(c) One and eight tenths percent (1.8%) of the Benefit Contributions made on your behalf from August 1, 2000 through July 31, 2003; plus

(d) One and two tenths percent (1.2%) of the Benefit Contributions made on your behalf from August 1, 2003 through July 31, 2010; plus

(e) Seven-tenths percent (0.7%) of the Benefit Contributions made on your behalf on or after August 1, 2010 through July 31, 2017; plus

(f) One percent (1%) of the Benefit Contributions made on your behalf on or after August 1, 2017.

***Example***

*John started working in Covered Employment in 1995 and continues in Covered Employment until he retires in 2021 at age 62. Assuming his Accrued Benefit as of July 31, 1999 is $500 and his Benefit Contributions are as shown below, his Normal Retirement Benefit would be determined as follows:*

| *Year Ended July 31* | *Benefit Contribution* | *Multiplier* | *Accrual* |
|---|---|---|---|
| *2000* | *$5,400* | *2.12%* | *$114.48* |
| *2001 – 2003* | *16,000* | *1.80%* | *288.00* |
| *2004 – 2010* | *56,000* | *1.20%* | *672.00* |
| *2011 – 2017* | *110,000* | *0.70%* | *770.00* |
| *2017 – 2021* | *55,000* | *1.00%* | *$550.00* |
| | | | *$2,394.48* |
| *Accrued Benefit on July 31, 1999* | | | *500.00* |
| | | | *$2,894.48* |

*John's monthly pension in the normal form (a single-life pension with 120 guaranteed payments) will be $2,894.48. If he elects a different form, then that amount would be adjusted.*

## Early Retirement Benefit

If you are age 55, you may qualify for an Early Retirement Benefit if you have at least 5 years of Vesting Service. The Early Retirement Benefit is calculated like a regular pension, then reduced 5/12$^{th}$ of 1% for each complete month that payments begin before your Normal Retirement Date.

Below is a schedule of early retirement factors based on the Participant's years of participation.

| | **Early Retirement Factor** | |
|---|---|---|
| **Age at Date of Commencement of Benefits** | **10 or More Years of Participation** | **Less than Ten Years of Participation** |
| 55 | 0.65 | 0.50 |
| 56 | 0.70 | 0.55 |
| 57 | 0.75 | 0.60 |
| 58 | 0.80 | 0.65 |
| 59 | 0.85 | 0.70 |
| 60 | 0.90 | 0.75 |
| 61 | 0.95 | 0.80 |
| 62 | 1.00 | 0.85 |
| 63 | 1.00 | 0.90 |
| 64 | 1.00 | 0.95 |
| 65 | 1.00 | 1.00 |

If you are at least age 60 with 10 or more years of Vesting Service or at least age 55 with 25 or more years of Vesting Service, you may retire with an unreduced Early Retirement Benefit.

If you are under age fifty-five (55) with thirty (30) years or more of Vesting Service, you may elect to retire prior to the Normal Retirement Date and receive a Retirement Benefit equal to the sum of:

(a) The portion of your Accrued Benefit at your Early Retirement Date due to service prior to August 1, 2010 unreduced for commencement prior to the Normal Retirement Date; plus

(b) The portion of your Accrued Benefit at your Early Retirement Date due to service on or after August 1, 2010 multiplied by the factor from Appendix B based on your age in years and months at your Early Retirement Date.

***Example***

*Charlie has 15 years of Vesting Service and is retiring early at age 59. His Normal Retirement Date is his 62nd birthday. Charlie has a monthly benefit of $2,000. His Early Retirement Benefit is determined as follows:*

| | |
|---|---|
| *Accrued Benefit* | *$2,000* |
| *Multiplied by applicable early retirement factor -* | *0.85* |
| *Early Retirement Benefit* | *$1,700* |

*The monthly pension of $1,700 may be subject to further reduction for the form of payment.*

***Example***

*Aaron has 30 years of Vesting Service and is eligible to retire at age 52. He has a monthly benefit of $2,000. His Early Retirement Benefit is determined as follows:*

| | |
|---|---|
| *Accrued Benefit due to service prior to August 1, 2010* | *$1,500.00* |
| *Accrued Benefit due to service on or after August 1, 2010* | *$500.00* |
| *Early Retirement Factor from Appendix B* | *0.4001* |
| *Early Retirement Benefit due to service on or after August 1, 2010* | *$200.05* |
| *Total Early Retirement Benefit* | *$1,700.05* |

### Postponed Retirement Benefit

If you are vested but choose to retire after your Normal Retirement Date, you would be eligible for a Postponed Retirement Benefit. The Postponed Retirement Benefit will be increased for those accruals earned after the Normal Retirement Date as well as adjusted for any months after the Normal Retirement Date in which you were not employed in disqualifying employment (see page 22 for additional information regarding disqualifying employment).

### Vested Retirement Benefit

If you are vested but leave Covered Employment before your Normal Retirement Date, you may be eligible for a vested pension. The Plan offers this type of benefit so that you can leave Covered Employment and begin receiving pension payments later when you retire. Payments begin when you reach your Normal Retirement Date. However, you may elect to begin your pension at age 55 in which case your pension will be reduced in the same manner as an Early Retirement Benefit.

In general, the amount of your vested pension is calculated in the same way as your Normal Retirement Benefit (see page 16).

## Disability Retirement Benefit

### *Eligibility*

If you become totally disabled, you may qualify for a Disability Retirement Benefit as long as you have at least 5 years of Vesting Service.

### *Total Disability*

Totally Disability means you are unable, due to accident, injury, or disease, to engage in any work for which you are reasonably suited by reason of training, education and experience and are eligible to receive disability benefits under the United States Social Security Act. Disability resulting from the following causes will not be considered Total Disability under the Plan:

(a) Use of drugs or narcotics contrary to law;

(b) War or act of a public enemy;

(c) Willful participation in any criminal act;

(d) Injury or disease sustained while working for anyone other than an Employer;

(e) Intentionally self-inflicted or self-incurred injury.

Your monthly disability benefit will be equal to your Accrued Benefit as of your Disability Benefit Date. Your disability benefits will not affect any other benefit you are entitled to under the Plan.

There are no optional forms for the Disability Retirement Benefit.

If you have not reached the Normal Retirement Date, the Trustees may require you to be reexamined from time to time to determine whether you have recovered from disability.

Your Disability Retirement Benefit shall cease on the first day of the month in which you recover from your disability, reach your Normal Retirement Date, commence your Retirement Benefits, or die, whichever occurs first.

A Participant receiving the Disability Retirement Benefit who recovers from disability prior to the Normal Retirement Date and does not return to employment with a Participating Employer shall be treated as a vested terminated Participant.

# Choosing A Payment Option

Your payment options are based on your marital status when you retire.

### If You're Not Married When You Retire

If you're not married when you retire, you usually receive your pension as a single life annuity. However, if the total value of your benefit is less than $1,000, you will receive your benefit as a lump-sum payment. If your benefit is between $1,000 and $5,000, you may elect to have the benefit paid to you as a lump sum (see page 20).

> Generally, if you are not married when you retire, you will receive a single life annuity with 120 months guaranteed. The normal form pays a monthly pension to you for your lifetime. If you die before you receive 120 monthly payments, your beneficiary will receive the same benefit payment for the balance of the 120 monthly payments. After a total of 120 payments are made, your beneficiary will not receive any more payments. If you die after you receive 120 monthly payments, no benefits are paid to a beneficiary.

#### *Normal Form of Payment*

The normal form provides you with monthly pension payments for your lifetime. If you die before you receive 120 monthly payments, your beneficiary will receive the same benefit payment for the balance of the 120 monthly payments. After a total of 120 payments is made, your beneficiary will not receive any more payments. If you die after you receive 120 monthly payments, no benefits are paid to a beneficiary.

### If You're Married When You Retire

If you're married when you retire, your pension will automatically be paid as a 50% Contingent Annuitant Pension unless you and your qualified spouse elect otherwise.

To be eligible for a Contingent Annuitant Pension form of payment, your spouse must be a qualified spouse. A qualified spouse is someone who is legally married to you. However, in accordance with the terms of a Qualified Domestic Relations Order, your former spouse may also be considered a qualified spouse under the Plan. For purposes of the Plan, the term "spouse" includes a same-sex spouse to whom you are legally married but does not include domestic partners or individuals in civil unions.

### Optional Forms of Payment

You have the right to elect one of several optional forms of payment. However, if you are married, then your Spouse will have to consent in writing to any form of payment other than the 50% contingent annuitant pension with your Spouse as the contingent annuitant.

The following optional forms of payment are available:

#### *Single-Life Pension*

The Single Life Pension provides an actuarially adjusted Retirement Benefit payable for your lifetime with no continuing benefit to a beneficiary.

#### *60 Month Certain Pension*

The 60 Month Certain Pension provides an actuarially adjusted Retirement Benefit payable for your life with 60 monthly payments guaranteed. If you die before you receive 60 monthly payments, your beneficiary will receive the same benefit payment for the balance of the 60 monthly payments. After a total of 60 payments are made, your beneficiary will not receive any more payments. If you die after you receive 60 monthly payments, no benefits are paid to a beneficiary.

***50%, 66-2/3%, 75% or 100% Contingent Annuitant Pension***

The Contingent Annuitant Pension provides an actuarially adjusted Retirement Benefit payable for your lifetime. After you die, your surviving beneficiary receives 50%, 66-2/3%, 75% or 100% of the monthly pension amount you were receiving for the rest of his or her life.

***Lump-Sum Option***

If the Actuarial Equivalent Value of your Retirement Benefit is less than ten thousand dollars ($10,000), you may elect a lump sum distribution provided that you are retiring on your Early Retirement Date or your Normal Retirement Date.

## Lump-Sum Cash Out

If the actuarial present value of your Retirement Benefit is $1,000 or less at the time you are eligible to receive payment, your benefit will be paid to you in a lump sum. If the actuarial present value of your pension benefit is between $1,000 and $5,000, you may elect to have your benefit paid to you as a lump-sum.

This means that your entire pension benefit is paid to you in one payment. Once a lump-sum payment is made, no additional benefits will be payable from the Plan.

***Example***

*Paul has reached Normal Retirement Date at age 62 and would like to begin receiving his benefit. He has an Accrued Benefit of $1,000 and is married at the time he wishes to retire. His spouse (beneficiary) is age 60. He could choose from the following pension options.*

| | *Participant's Lifetime Monthly Benefit* | *Beneficiary's Lifetime Monthly Benefit* |
|---|---|---|
| *Single-Life Pension* | *$1,079.30* | *$0.00* |
| *60 Month Certain Pension* | *$1,055.60* | *$0.00** |
| *50% Contingent Annuitant Pension* | *$979.00* | *$489.50* |
| *66-2/3% Contingent Annuitant Pension* | *$949.60* | *$633.07* |
| *75% Contingent Annuitant Pension* | *$935.60* | *$701.70* |
| *100% Contingent Annuitant Pension* | *$895.80* | *$895.80* |

** However, if Paul dies before receiving 60 months of benefit payments, his spouse will receive $1,055.60 per month until a total of 60 monthly benefit payments have been paid to Paul and his spouse.*

***Direct Rollover***

If you become eligible for a lump-sum distribution from the Plan, you may defer payment by rolling over the taxable portion of your distribution to an eligible retirement plan (if that plan accepts rollovers).

To be considered an eligible retirement plan, a plan must be:

- A traditional IRA (not a SIMPLE IRA or Coverdell Education Savings Account, formerly known as an education IRA); or

- Effective January 1, 2008, a Roth IRA; or
- An eligible employer plan, which includes a plan qualified under section 408(a) of the Internal Revenue Code, an individual retirement annuity described in sections 408(b) or 401(a) of the Internal Revenue Code (including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, money purchase plan, section 403(a) annuity plan, section 403(b) tax-sheltered annuity, and eligible section 457(b) plan maintained by a governmental employer).

The above also applies to a surviving spouse, spouse or former spouse who is an alternate payee under a Qualified Domestic Relations Order (QDRO).

You *cannot* rollover a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- Your lifetime (or your life expectancy);
- Your lifetime and your beneficiary's lifetime (or life expectancies); or
- A period of ten or more years.

Beginning on April 1 following the year you reach your required beginning date (which is generally April 1st of the calendar year following the calendar year in which you reach age (a) 70½, if you reached age 70-1/2 prior to January 1, 2020 or (b) 72, if you reach age 70-1/2 after December 31, 2019), a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

# RETURNING TO WORK

## Before Your Pension Payments Begin

How your pension benefit is affected when you leave Covered Employment and subsequently return depends on whether you were vested when you left Covered Employment and how long you were not working in Covered Employment. If you were not vested before a Break in Service, refer to the "Leaving Work" section on page 8, which explains the Break in Service rules.

If you work in disqualifying employment after you retire, your pension benefits may be suspended. Disqualifying employment is based on whether the employment is before or after the Normal Retirement Date.

If you were vested and left Covered Employment and subsequently return, your pension amount for each period of benefit service before or after a break year may be calculated separately, based on the Plan provisions and the accrual rate in effect at that time. The pension payable after you retire will be the sum of these pension amounts.

## After Your Pension Payments Begin

After your pension payments begin, you must notify the Trustees within 15 days of your return to employment regardless of your age or the number of hours you work. While receiving a disability pension, you must notify the Plan Administrator before you return to work in any occupation or employment for wage or profit.

### *Employment Before Your Normal Retirement Date*

For periods prior to your Normal Retirement Date, your Retirement Pension shall be suspended for disqualifying employment as follows:

(a) Employed with any Participating Employer.

(b) Employed or self-employed in the same or related business as any Participating Employer.

(c) Working in Industry Employment for at least one (1) Hour of Service that is not covered by the Collective Bargaining Agreement.

(d) Employed or self-employed in any business which is under the trade jurisdiction of the Sheet Metal Workers' International Association.

The Retirement Benefits shall be suspended for each month that you are working plus three (3) additional months. If the disqualifying employment is described in (c) above, the Retirement Benefit shall be suspended for six (6) months for every calendar quarter in which you work one (1) hour or more in addition to the other suspensions.

### *Employment After Your Normal Retirement Date*

After your Normal Retirement Date, your pension payments will be suspended for any month in which you work in "disqualifying employment." Disqualifying employment after your Normal Retirement Date means employment or self-employment of 40 or more hours per month that is:

- In an industry covered by the Plan when your pension payments began;
- In the geographic area covered by the Plan when your pension payments began; and
- In any occupation in which you worked under the Plan at any time or any occupation covered by the Plan at the time your pension payments began.

**Industry Covered by the Plan** means any industry in which Employees covered by the Plan were employed when your pension began or, except for a suspension, would have begun.

### Suspension of Benefits

If your pension payments are suspended, you will be notified of the reasons during the first calendar month your benefits are suspended. The notification will also include the procedures to have your suspension reviewed. You must pay back all payments made to you while your pension should have been suspended due to reemployment. When your payments begin again, after Normal Retirement Date, no more than 25% may be deducted from each pension check for the overpayment, except for the first check, in which case, 100% may be deducted. If you die before the overpayments are recovered, deductions may be made from any death benefits. If you have not reached your Normal Retirement Date, the Plan withholds 100% until the benefit is repaid.

If you are not sure whether a particular type of employment would cause your pension to be suspended, you should submit a written request to the Board of Trustees for a determination *before* you start work in such employment.

### Resuming Pension Benefits

Payments will not begin again until you stop working, reapply for your pension and, for a Disability Retirement Benefit, submit satisfactory proof of disability. If your benefits have been suspended for at least three months, your pension will be recalculated when you leave employment once again.

If you return to Covered Employment and earn additional Benefit Contributions, your pension will be recalculated as of the following July 31.

# IN THE EVENT OF DEATH

### If Your Spouse Dies

If your spouse dies before or after your pension begins, you should contact the Fund Office to update your beneficiary records.

### If You Die Before Age 55

The Plan provides different death benefits depending on whether you are married or single at the time of your death.

***Pre-Retirement Surviving Spouse Pension***

Your qualified surviving spouse may be eligible to receive a pre-retirement surviving spouse pension.

To be considered a qualified spouse, you and your spouse must have been married throughout the 12 months immediately preceding your death or as defined by the terms of a Qualified Domestic Relations Order (QDRO).

If eligible, your Surviving Spouse shall receive the greatest of (a), (b) and (c):

(a) The Actuarial Equivalent Value of Benefit Contributions made on your behalf through July 31, 2018 payable for the lifetime of your Surviving Spouse;

(b) The Actuarial Equivalent Value of your Accrued Benefit as of July 31, 2018 for the lifetime of your Surviving Spouse; or

(c) The benefit that would be payable if you had terminated employment on the day immediately preceding your death and had made a timely election to receive benefits commencing on a date after your 55$^{th}$ birthday and no later than your 65$^{th}$ birthday, in accordance with the fifty percent (50%) Contingent Annuitant Option designating your Surviving Spouse as the Contingent Annuitant.

If you die prior to age fifty-five (55) and your Beneficiary is not eligible for benefits as described in this section, then your Beneficiary shall receive a single sum payment equal to the Benefit Contributions made on your behalf through July 31, 2018.

### If You Die After Age 55

If you die after age 55, your eligible spouse, or in some cases your beneficiary, may receive a monthly pension, depending on the form of payment you were receiving.

If you are an active, disabled, or a vested terminated Participant, and you die after age 55, the benefits are as follows:

(a) If you are an active or disabled Participant and die after attaining age fifty-five (55), leaving a Surviving Spouse, then your Surviving Spouse shall receive a monthly benefit commencing on the first of the month coincident with or next following your death. The amount of the benefit shall be calculated as if you had retired on the day immediately preceding your death, and had made a timely election to receive benefits in accordance with the fifty percent death (50%) Contingent Annuitant Pension with your Surviving Spouse as Contingent Annuitant.

(b) If you are a vested terminated Participant and die after attaining age fifty-five (55), leaving a Surviving Spouse, your Surviving Spouse shall receive the greatest of (i), (ii) and (iii):

(i) The Actuarial Equivalent Value of Benefit Contributions made on your behalf through July 31, 2018 payable for the lifetime of your Surviving Spouse;

(ii) The Actuarial Equivalent Value of your Accrued Benefit as of July 31, 2018 payable for the lifetime of your Surviving Spouse; or

(iii) The benefit that would be payable if you had retired on the day immediately preceding your death and had made a timely election to receive benefits in accordance with the fifty percent (50%) Contingent Annuitant Option designating your Surviving Spouse as the Contingent Annuitant.

(c) If an active, disabled or vested terminated Participant dies after age fifty-five (55) and the Participant's Beneficiary is not eligible for benefits as described in this section, then such Beneficiary shall receive a single sum payment equal to the greater of (i) and (ii):

(i) The Benefit Contributions made on your behalf through July 31, 2018; or

(ii) The Actuarial Equivalent Value of your Accrued Benefit as of July 31, 2018.

### Supplemental Death Benefit

If you are in one of the following categories, you are eligible for a Supplemental Death Benefit in the form of life insurance in the amount of fifty thousand dollars ($50,000):

(a) If you are working in the trade for a Participating Employer and you have completed four hundred (400) continuous Hours of Service, you are eligible during your initial period of employment.

(b) If you have incurred a Break in Service and have returned to active employment for a Participating Employer, you are eligible only if your number of years of Vesting Service is greater than your number of Break in Service years. If you are determined to be ineligible at the time of reemployment, you shall be eligible for life insurance coverage once your number of years of Vesting Service exceeds your number of Break in Service years.

(c) You are eligible if you are receiving the Disability Retirement Benefits from the Plan.

If you are receiving either the Normal Retirement Benefit, Early Retirement Benefit or the Postponed Retirement Benefit from the Plan, and you were eligible for life insurance coverage from the Plan immediately prior to retirement, you are eligible for life insurance in the amount of $15,000.

# ADMINISTRATIVE INFORMATION

***Plan Name***

Sheet Metal Workers Local Union No. 218(S) Pension Plan

***Plan Number***

001

***Plan Administrator's Employer Identification Number***

37-0843480

***Plan Year***

August 1 – July 31

***Type of Plan***

The Sheet Metal Workers Local Union No. 218(S) Pension Plan is a retirement plan designed to provide income for you after you retire or become disabled, or for your survivors after you die. The Plan is a defined benefit plan, which means the Plan provides an amount of income determined from a benefit formula.

***Legal Plan Document***

This booklet highlights the provisions of the official legal Plan Document governing the Sheet Metal Workers Local Union No. 218(S) Pension Plan. *All of your rights and benefits are governed by the official legal Plan Document, as are all final decisions.* If there is a discrepancy between the information provided in this booklet and the official legal Plan Document, the official legal document will govern. If you wish, you may examine the legal document at the Fund Office, or obtain a copy for yourself for a reasonable copying charge available from the Plan Administrator.

***Plan Sponsor***

The Plan is sponsored by a Board of Trustees consisting of Employer and Union representatives. If you wish to contact the Board of Trustees, you may use the address and phone number below:

Sheet Metal Workers Local Union
No. 218(S) Pension Plan
2855 Via Verde Street
Springfield, Illinois 62703
(217) 529-0161

The Trustees of this Plan are:



### *Plan Administrator*

The Board of Trustees is also the Plan Administrator. It is their responsibility to see that your questions are answered, that service and contribution records are maintained, that benefits are properly figured and paid promptly and that the Plan is operated in accordance with the legal documents governing it. You may write the Board of Trustees at the Fund Office address shown at the front of this booklet. Please note that the Board of Trustees has also engaged an Administrative Manager to help administer the Plan and handle the day-to-day functions of the Plan. The Administrative Manager is listed on the inside front cover of this booklet.

### *Agent for Service of Legal Process*

The Board of Trustees is the agent for service of legal process concerning the Plan. Legal process may be served on the Administrative Manager at the Fund Office or any member of the Board of Trustees at the address of the Pension Plan that is listed on the inside front cover of this booklet.

### *Funding of Plan*

Participating Employers pay for the entire cost of the Plan by making contributions to the Sheet Metal Workers Local Union No. 218(S) Pension Plan. Contributions are based on Covered Employment as described in the collective bargaining agreement between your Employer and your Union. The contributions are invested by the Board of Trustees and investment managers chosen by the Trustees. Pension Plan assets, including any investment earnings, are used to pay benefits and administrative expenses.

### *Collective Bargaining Agreements*

This Plan is maintained pursuant to collective bargaining agreements. On written request to the Plan Administrator at the Fund Office, you may obtain a copy of the collective bargaining agreement under which you are covered, and you can receive information as to whether a particular Employer participates in the Plan. Upon request, the Fund Office will also provide you with information as to whether a particular Employer is contributing to the Plan on behalf of employees working under the collective bargaining agreement. Your collective bargaining agreement, as well as other documents under which the Plan is maintained, are available for inspection at the Fund Office.

### *Pension Trust's Assets and Reserves*

All assets are held in a trust by the Board of Trustees to provide benefits to eligible Participants and defray reasonable administrative costs. The Employer contributions are held in trust and invested by the Board of Trustees and professional investment managers chosen by the Trustees.

### *Assignment of Benefits*

This Plan is intended to pay benefits only to you or your eligible survivors. Your benefits cannot be used as collateral for loans or assigned in any other way, except in connection with a qualified domestic relations order (QDRO) issued by a court of law. See page 10 for more information about QDROs.

### *Maximum Pensions*

The Internal Revenue Service has established a maximum monthly pension that anyone can receive from a plan. While the maximum is quite high and will rarely apply, it is stated in the Plan's legal document. You will be contacted if the maximum affects you.

### *Eligibility and Benefits*

The types of benefits provided and the Plan's requirements with respect to eligibility, as well as the circumstances that may result in disqualification, ineligibility or denial or loss of any benefits, are described in this booklet. Your coverage by the Plan does not constitute a guarantee of your continued employment.

### *Plan Amendment and Termination*

The Board of Trustees intends to continue the Pension Plan indefinitely, although it reserves the right to change or stop the Plan at any time. The Plan would end automatically if every Employer withdraws from the Plan as defined by law.

If the Plan ends, you would stop earning benefits. However, you would become fully vested in all benefits you had earned up to the time the Plan ended, regardless of your service.

If the Plan ends, money in the Pension Fund, to the extent possible, would be used to provide the benefits due according to the priority required by law and stated in the Plan Document. No funds will be returned to any Employer.

Benefits may be paid as soon as the Plan termination has been approved by government agencies, or payment could be deferred to a later time. The Board of Trustees, with government approval, if applicable, will determine when benefits are to be paid.

### *Sole Determination by Trustees*

Only the Board of Trustees has the authority and discretion to determine your eligibility for benefits and your right to participate in the Pension Fund. The Board's decisions will not be changed by a judge unless the Trustees are found to have abused their discretion. The Trustees have the authority, in their sole discretion, to exercise all the other powers specified in the Plan. The Trustees may, in their sole discretion, change or stop the Plan in any manner or at any time permitted by the provisions of the Trust Agreement. If the Trustees change or stop the Plan, they will notify you in writing.

### *Rights and Responsibilities*

As someone who is or may be eligible for benefits from the Plan, you should be aware of the fact that the benefits are paid in accordance with Plan provisions from a trust fund that is used solely for that purpose. If you have any questions or problems as to benefit payments, you have the right to contact the Trustees who administer the Plan.

### *Interpreting the Plan*

Only the Board of Trustees is authorized to interpret the Plan described in this booklet. No Employer, Union or other representative is authorized to interpret this Plan or speak for or commit the Board of Trustees on any matter relating to the Pension Fund or Plan.

Any information you request about the Plan will be provided in writing and signed by the Trustees or the Administrative Manager. Under the Trust Agreement, the Trustees (or persons acting for them, such as an appeal committee) have sole authority and discretion to make final decisions regarding any pension applications, any interpretation of Plan benefits, the Trust Agreement and any other regulations, procedures or administrative rules adopted by the Trustees.

Decisions of the Trustees (or of those acting for the Trustees) are final and binding on all persons dealing with the Plan or claiming a benefit from the Plan. If a decision of the Trustees or those acting for the Trustees is challenged in court, it is the intention of the parties to the Trust that such decision is to be upheld unless it is determined to be arbitrary or capricious.

All benefits under the Plan are conditional and subject to the Trustees' authority under the Trust Agreement to change them. The Trustees have the authority to increase or decrease benefits, or change eligibility rules or other provisions of the Plan as they determine to be in the best interests of the Plan Participants in accordance with any applicable law.

## Your ERISA Rights

As a Participant in the Sheet Metal Workers Local Union No. 218(S) Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants are entitled to certain rights, as outlined in the following information.

### *Receive Information about Your Plan and Benefits*

You have the right to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts, collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA);
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts, collective bargaining agreements and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description (the Plan Administrator may make a reasonable charge for the copies);
- Receive a summary of the Plan's annual financial report, which the Plan Administrator is required by law to furnish each Participant; and

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (generally age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to earn a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

### *Prudent Actions by Plan Fiduciaries*

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

### *Enforce Your Rights*

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan Documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such 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 Plan Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

### *Assistance with Your Questions*

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or:

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

For more information about your rights and responsibilities under ERISA:

- Call (866) 444-3272; or
- Visit www.dol.gov/ebsa.

### Protecting Your Pension

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a Participant's years of service multiplied by (1) 100% of the first $11 of the monthly benefit accrual rate and (2) 75% of the next $33. The PBGC's maximum guarantee limit is $35.75 per month times a Participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be $12,870.

The PBGC guarantee generally covers:

- Regular and early retirement pension benefits;
- Disability benefits if you become disabled before the Plan becomes insolvent; and
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law;
- Benefits based on Plan provisions that have been in place for fewer than 5 years at the earlier of the:
  - Date the Plan terminates; or
  - Time the Plan becomes insolvent;
- Benefits that are not vested because you have not worked long enough;
- Benefits for which you have not met all of the requirements at the time the Plan becomes insolvent; and
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact:

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

You may also call 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 Web site on the Internet at www.pbgc.gov.

# IMPORTANT DEFINITIONS

The following definitions of terms used in this Summary Plan Description may be helpful in understanding the benefits that are provided and your rights under the Plan.

**Benefit Contributions** means the portion of the total contributions made by a Participating Employer, on your behalf, that determines the amount of your Accrued Benefit as outlined in Appendix A.

**Covered Employment** means your work for an Employer that is covered under the terms of your Employer's collective bargaining agreement (CBA). If you are a Non-Bargained Employee, it means your work covered under the terms of your Employer's written agreement that provides for your participation in the Plan.

**Hour of Service** means:

- Each hour for which you are paid or entitled to payment for performing duties for your Employer during the applicable computation period.
- Each hour for which you are paid or entitled to payment (directly or indirectly) by your Employer for periods in which you perform no duties such as vacation, military duty, holidays, illness, incapacity, layoff, jury duty, or a leave of absence. You may be credited with no more than 501 Hours of Service for such a period. However, you will not be credited with hours for which you are paid under Workers' Compensation, unemployment compensation or disability insurance laws. You will not be credited with Hours of Service when payments are made to you solely for medical or medically related expenses you incurred.
- Each hour for which you receive back pay either by award against your Employer or by your Employer's agreement.

For purposes of determining whether a Break in Service has occurred only, hours for maternity/paternity leave (up to 501 hours), certain periods of Uniformed Service, absences under Family Medical Leave Act, non-covered service with your employer that is continuous with your covered employment.

**Plan Year** means the period from August 1 through July 31.

**Spouse** means an individual to whom you are married under applicable law, regardless of gender. To the extent provided in a Qualified Domestic Relations Order, Spouse may mean a former Spouse of the Participant. The term "Spouse" shall not mean domestic partners or individuals in civil unions.

# APPENDIX A

This Appendix A sets forth the Benefit Contributions amount per hour worked as follows:

| Effective Date | Benefit Contributions* |
|---|---|
| August 1,1999 | $3.25 |
| June 1, 2000 | $3.50 |
| June 1, 2001 | $3.75 |
| June 1, 2002 | $4.00 |
| June 1, 2003 | $4.25 |
| June 1, 2004 | $4.60 |
| June 1, 2005 | $5.30 |
| June 1, 2006 | $6.00 |
| June 1, 2007 | $6.70 |
| June 1, 2008 | $7.40 |
| June 1, 2009 | $8.10 |
| June 1, 2010 | $9.16 |
| August 1, 2010 | $7.00 |
| August 1, 2013 | $7.25 |
| August 1, 2014 | $7.50 |
| June 1, 2015 | $8.00 |
| June 1, 2016 | $9.00 |
| June 1, 2017 | $9.50 |
| August 1, 2018 | $10.00 |
| June 1, 2019 | $10.50 |
| June 1, 2020 | $10.65 |

* Effective for hours worked on and after August 1, 2010, this rate represents the maximum contribution rate allowed for your Benefit Accrual. Any contributions received in excess of these rates will be considered Reserve Contributions as defined in Section 1.31 of the Plan Document.

# APPENDIX B

This Appendix B sets forth early commencement reduction factors for the Accrued Benefit earned on or after August 1, 2010, as applicable:

| Age | Months | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Years | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 45 | 0.2227 | 0.2243 | 0.2259 | 0.2275 | 0.2290 | 0.2306 | 0.2322 | 0.2338 | 0.2354 | 0.2370 | 0.2385 | 0.2401 |
| 46 | 0.2417 | 0.2434 | 0.2452 | 0.2469 | 0.2486 | 0.2503 | 0.2521 | 0.2538 | 0.2555 | 0.2572 | 0.2590 | 0.2607 |
| 47 | 0.2624 | 0.2643 | 0.2662 | 0.2681 | 0.2700 | 0.2719 | 0.2738 | 0.2756 | 0.2775 | 0.2794 | 0.2813 | 0.2832 |
| 48 | 0.2851 | 0.2872 | 0.2893 | 0.2913 | 0.2934 | 0.2955 | 0.2976 | 0.2996 | 0.3017 | 0.3038 | 0.3059 | 0.3079 |
| 49 | 0.3100 | 0.3123 | 0.3145 | 0.3168 | 0.3191 | 0.3213 | 0.3236 | 0.3259 | 0.3281 | 0.3304 | 0.3327 | 0.3349 |
| 50 | 0.3372 | 0.3397 | 0.3422 | 0.3447 | 0.3472 | 0.3497 | 0.3522 | 0.3547 | 0.3572 | 0.3597 | 0.3622 | 0.3647 |
| 51 | 0.3672 | 0.3699 | 0.3727 | 0.3754 | 0.3782 | 0.3809 | 0.3837 | 0.3864 | 0.3891 | 0.3919 | 0.3946 | 0.3974 |
| 52 | 0.4001 | 0.4031 | 0.4061 | 0.4092 | 0.4122 | 0.4152 | 0.4182 | 0.4212 | 0.4242 | 0.4273 | 0.4303 | 0.4333 |
| 53 | 0.4363 | 0.4396 | 0.4430 | 0.4463 | 0.4496 | 0.4530 | 0.4563 | 0.4596 | 0.4630 | 0.4663 | 0.4696 | 0.4730 |
| 54 | 0.4763 | 0.4800 | 0.4836 | 0.4873 | 0.4910 | 0.4946 | 0.4983 | 0.5020 | 0.5056 | 0.5093 | 0.5130 | 0.5166 |

Sheet Metal Workers Local Union
No. 218(S) Pension Plan
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