

NORTHERN CALIFORNIA PIPE TRADES PENSION PLAN

SUMMARY PLAN DESCRIPTION

For Members of U.A. Local 342



June 2005

KEEP THIS BOOKLET FOR FUTURE REFERENCE

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June, 2005

Dear Participant:

We are pleased to provide this updated booklet, known as a Summary Plan Description, of the Northern California Pipe Trades Pension Plan ("Plan"). This booklet covers Plan amendments made through May 31, 2005.

The Plan's primary objective is to provide retirement benefits to members of the United Association (U.A.) Local 342 who work at least five years under a Collective Bargaining Agreement between U.A. Local 342 and different Employer associations (or individual Employers) in the Plumbing and Pipefitting Industry.

This booklet summarizes the key provisions of the Plan and describes how you earn benefits, when you may commence receiving your benefits and the choices you have when your benefits are paid to you. The formal text of the Plan controls eligibility, benefit payments, and other aspects of the Plan. In the event of a conflict between this booklet and the Plan, the Plan will govern.

You should read this booklet carefully. If you are married you should discuss the Plan's benefits, options and other rules with your spouse.

KEEP THIS BOOKLET FOR FUTURE REFERENCE.

Over the years you may earn a substantial pension to which you or your named beneficiary may be entitled. Please submit a completed beneficiary form to the Trust Fund Office. You should also provide any address changes to the Trust Fund Office.

If you have a question about the Plan or desire more information, please write the Trust Fund Office at the above address.

Sincerely,

Board of Trustees

WARNING

CAUTION - FUTURE PLAN AMENDMENTS

Future amendments to the Plan 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 Plan. 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 plans.

LIMITATION UPON RELIANCE ON BOOKLET AND STATEMENTS

This booklet provides a brief, general summary of the Plan rules. It is not intended to cover all of the details of the Plan. Nothing in this Summary Plan Description is meant to change the Plan provisions. You should review the Plan to fully determine your rights. The Plan is 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 Plan and cannot be relied upon in any dispute concerning your benefits.

If you wish an interpretation of the Plan, 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.

SEEK ADVICE OF TAX CONSULTANT

The Plan 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 a benefit option.

I. BACKGROUND AND TYPE OF PLAN

This Plan is a multi-Employer, collectively bargained defined benefit pension Plan which provides retirement benefits to vested Covered Employees who meet the Plan's eligibility requirements and who work for Employers that contribute to the Plan.

This Plan was formed on January 1, 1994 by U.A. Local 342 and the following Employer Associations:

- 1) Northern California Mechanical Contractors Association;
- 2) Industrial Contractors, UMIC, Inc.

This Plan is a successor Plan to the Bay Area Pipe Trades Pension Plan for members of U.A. Local 342 and prior local pension plans which may have had different Plan years and rules. Certain assets of the Bay Area Pipe Trades Pension Plan were transferred to this Plan when this Plan was established.

Benefits under the prior U.A. Local 444 Pension Plan (in existence prior to July 1, 1976) are funded through and paid by New York Life Insurance Company, Group Annuity Division, 51 Madison Avenue, New York, New York 10010. All other benefits are paid by the Trust Fund Office.

The Plan is funded from Employer contributions and earnings on the Plan's assets. Employee contributions are not required nor permitted and Participants do not have individual accounts with this Plan. The current Collective Bargaining Agreements between U.A. Local 342 and the participating Employer Associations require Individual Employers to contribute to the Plan at fixed rates per hour for each hour worked by their Covered Employees.

The Plan is governed by a federal law known as the Employee Retirement Income Security Act, as amended ("ERISA"). Certain pension benefits are insured under the Federal Pension Benefit Guaranty Corporation ("PBGC") of ERISA described below in Article XVIIIIC on pages 43-44 of this booklet.

II. ADMINISTRATION OF THE PLAN/INVESTMENTS

The Plan is administered by a Board of Trustees comprised of up to ten Trustees. One-half of the Trustees, called "Employer Trustees"; are selected by the Employer Associations signatory to Collective Bargaining Agreements with U.A. Local 342 and one-half of the Trustees, called "Union Trustees," are selected by U.A. Local 342. The current Trustees are listed on page iii of this booklet. The Trust Agreement permits Alternate Trustees to attend meetings and take action when a regular Trustee is not available.

The Trustees have many powers and functions including investing the Plan's assets, interpreting Plan provisions, amending the Plan, deciding policy questions, and contracting with advisors and consultants, such as an auditor, legal counsel and investment managers.

The Plan is self-administered having its office at:

1855 Gateway Boulevard, Suite 350
Concord, California 94520-8445

Only the Board of Trustees, and its authorized representatives, is authorized to interpret the Plan of benefits described in this booklet. No one else can interpret this Plan or act as an agent for the Board of Trustees -- this includes Employers, Employer Associations, the Union and their representatives. The Board of Trustees (and persons or entities appointed or so designated by the Board) has the full discretionary authority to determine eligibility for benefits and to construe the terms of the Plan (and other documents pertaining to the Plan and Trust) and any rules adopted by the Trustees.

The Board of Trustees has contracted with different investment managers to prudently invest your Pension Plan assets in accordance with the Investment Policy adopted by the Board of Trustees. Investments are diversified among fixed income securities, real estate and common stocks. The Board also has contracted with an investment consultant to review and monitor the Plan's investment managers and investments.

The Board of Trustees has contracted with Lindquist LLP, a certified public accounting firm, to audit the Plan's assets each year (January-December Plan Year).

III. BECOMING A PARTICIPANT

A. Participation

You become a Participant as of the end of the Plan Year during which you worked at least 300 Hours of Covered Employment. Covered Employment is employment by an Employer that is required by a Collective Bargaining Agreement with U.A. Local 342 to make contributions to the Plan on your behalf for such employment (or a Subscription Agreement entered into by your Employer with the Board of Trustees providing for such contributions).

Not all work for a Covered Employer qualifies as Covered Employment. For example, your work does not qualify as Covered Employment if you are working for a contributing employer in a job not covered by the Collective Bargaining Agreement.

B. Non Bargaining Unit Employees

Full-time work as an officer or Employee of the Local Union is also considered Covered Employment except for Employees working under a different Collective Bargaining Agreement with another Union. Fringe benefit funds, the Employer associations and entities associated with Local 342 may be accepted by the Board of Trustees for participation in the Plan for their permanent Employees. Certain employees who previously participated in the Plan in a position covered by a Collective Bargaining Agreement are eligible to participate as "alumni" pursuant to governmental regulations.

IV. ELIGIBILITY, ACCRUAL AND AMOUNT OF BENEFITS

A. How You Earn Benefits

Your right to benefits under the Plan depends upon how many years of Credited Service, also known as "Benefit Credits", you have earned by performing Covered Employment for Contributing Employers. The amount of your accrued monthly benefit is the total of the **Benefit Credits** which you earned under your Recognized Prior Plan, plus the Benefit Credits you have earned since January 1, 1994, under this Plan. Your years of Credited Service may fall into any of the following:

1. Past Service. Past Service Credit is credit for the performance of work in a job category, subsequently covered by the Plan, for a contributing Employer before the Employer was required to make contributions to the Plan for the work performed.

Effective as of January 1, 1994, Past Service Credit was granted to eligible Participants who were employed or available for employment in work of the type which would have been covered by an applicable Collective Bargaining Agreement prior to July 1, 1959, if the Participant was employed in Covered Employment or was available for employment in work of such type on July 1, 1959; however, a Participant who was engaged in Military Service (as determined by the Trustees) on July 1, 1959 will not be required to be employed in Covered Employment or be available for such employment as of July 1, 1959. For Participants of the predecessor U.A. Local 444 Plan, the original effective date was January 1, 1956.

For retirement dates effective on or after April 1, 1995, there are no maximum Past Service Credits and total service credits for the period up to June 30, 1976.

2. Prior Service. Credited Prior Service for employment covered under a Prior Plan is determined by the provisions of any Prior Plan and your Collective Bargaining Agreements. Your benefits under your Recognized Prior Plan, if any, became fixed when that Plan was merged into the Bay Area Pipe Trades Pension Plan, also a Recognized Prior Plan to the Northern California Pipe Trades Pension Plan.
3. Credited Service. Credited Service for Covered Employment after January 1, 1994, the effective date of the Northern California Pipe Trades Pension Plan.

B. Current Service Credit ("Benefit Credits")

Years of Current Service Credit are of two types, depending upon whether it is to be credited toward accrual of benefits or toward vesting.

You earn Current Service Credit for both vesting and benefit accrual purposes when you work under a Collective Bargaining Agreement with U.A. Local 342; however, you receive no Vesting Credits or Benefit Credits if you perform less than 300 hours of Covered Employment in any Plan Year (January-December). (The complete vesting rules are summarized in Article V. on pages 9-10.)

The requirements for a year of Current Service Credit or "Benefit Credit" for purposes of benefit accrual varies according to the period of your Covered Employment. The requirements for one full Year of Benefit Credit and the maximum Benefit Credits allowed in any Plan Year are as follows:

<u>Period</u>	<u>Hours Required for Full Year of Benefit Credit</u>	<u>Maximum Hours Credited in One Year</u>	<u>Maximum Benefit Credits Granted</u>
07/01/76-06/30/79	1500	1800	1.2
07/01/79-12/31/80* (*additional credit for up to 1.8 credits for 2700 hours)	1500	2250	1.5
01/01/81-12/31/86	1500	1800	1.2
01/01/87-12/31/87	1200	1800	1.5
01/01/88-12/31/89	1200	2000	1.67
01/01/90-forward	1200	no limit	no limit

Requirements for years prior to July 1, 1976 may be obtained from the Trust Fund Office.

Partial credits are granted for performance of 300 hours or more of Covered Employment but less than the number of hours required for a full Year of Benefit Credit. Additional Credits are given for hours worked in excess of the hours required for a full Year of Benefit Credit, but only up to the maximum hours allowed.

ALERT-Lower Contribution Rates Can Reduce Your Benefit (Reciprocity Agreement)

If your Employer's contribution rate is lower than the standard recognized contribution rate in the Collective Bargaining Agreement with U.A. Local 342, your Benefit Credit will be reduced accordingly. Thus, you may have less than 1 year of Benefit Credit even if you work 1200 hours in Covered Employment based on a lower contribution rate. This generally applies for reciprocal hours.

Partial Credits and additional Credits are determined by dividing the actual credited hours for the Plan Year, up to the maximum, if applicable, allowance by the number of hours needed to obtain a full year of Benefit Credit for the Plan Year. Partial credit for any Plan Year is granted for 300 hours and up to the yearly maximum, if applicable, by dividing the hours worked in Covered Employment by the full year's credit (currently 1200 hours), as the denominator, rounded to two decimal places. By way of example:

$$\frac{\text{Hours of Covered Employment} = 450}{\text{Hours for full year's credit} = 1200} = .38 \text{ Benefit Credits}$$

For years prior to July 1, 1976, no Benefit Credits were granted for hours worked for which no payment had been received by a Recognized Prior Plan. Effective as of July 1, 1976, Benefit Credits are granted for hours worked on or after that date under a Collective Bargaining Agreement with U.A. Local 342 for which Employer contributions were required to be made to the Plan.

C. Amount of Your Retirement Benefits

The amount of your Normal Retirement Benefit is determined by your earned Benefit Credits and the type of retirement benefit and form of benefit that you elect. Your earned benefit is the total of your benefits under a Recognized Prior Plan and your Benefit Credits under this Plan.

1. Amount of Normal Retirement Benefit. The amount of your retirement benefit is the sum of the benefits you earned for each year of Benefit Credit. The amount of benefits for each Plan Year of the Bay Area Pipe Trades Pension Plan (the immediate prior Plan) and this Plan is set forth in the Table on page 6. The Monthly Benefit in the Table represents the monthly amount of a Single Life Annuity for one Year of Benefit Credit for a Retiree on Normal Retirement.

ALERT-Your Benefit May Be Reduced

Your benefit may be reduced if you elect Early Retirement or you receive a form of benefit other than a Single Life Annuity as summarized on pages 21-25 of this booklet.

Bonus Rate

Effective as of January 1, 1990, a Participant is entitled to the "bonus" benefit rate (i.e., the higher benefit rate for the years in excess of 25) for each of the Plan Years in which the Participant has accrued 25 years of Benefit Credit and earned 25 years of participation in the Plan. A year of "participation" in the Plan requires that the Participant have worked the minimum hours required by the Plan in the applicable Plan Year (e.g., 300 hours contributed to this Plan only). Thus, at least 25 calendar years must elapse for you to be entitled to the Bonus Rate. Once you are into your 26th year, you are entitled to the increase. For years prior to 1969, the Plan may develop reasonable procedures for determining the hours worked in Covered Employment in a Plan Year.

All service with an Employer that has a Collective Bargaining Agreement with U.A. Local 342 that would qualify as Covered Employment were it not for the fact that contributions are not required to be made to the Pension Plan for such employment counts toward entitlement to the "bonus" benefit rates for a Participant with at least 25 years of Benefit Credit. For purposes of determining the number of hours for vesting purposes, the Plan may rely upon the hours required to be reported to the Northern California Pipe Trades Health and Welfare Plan.

No bonus benefit is listed for U.A. Local 444 for 1994 or thereafter because members of Local 444 who became members of Local No. 342 upon the merger of Locals 342 and 444 receive the same bonus benefits as other members of Local 342 with like years of Vesting and Benefit Credits for the period after the merger.

Your monthly retirement benefit is based on your Benefit Credits adjusted if hours are above or below the hours listed in the chart on page 4 (currently 1200 hours) and not less than 300 hours. The benefit rates for the basic hour levels are as follows:

<u>Plan Year</u>	<u>Benefit Rate</u>
July 1976-December 1979	\$ 32.00
January - December 1980	33.00
January - December 1981	40.00
January - December 1982	52.00
January - December 1983	68.00
January - December 1984	126.00
January - December 1985	105.00
January - December 1986	112.00
January - December 1987	110.00
January - December 1988	120.00
January - December 1989	70.00

	<u>U.A. Local 342 Members</u>	<u>Former U.A. Local 444 Members</u>
<u>1990:</u>		
Years 1 - 25	\$ 91.00	\$ 77.00
Years 25.01+	121.00	103.00
<u>1991:</u>		
Years 1 - 25	\$ 88.00	\$ 80.00
Years 25.01+	117.00	107.00
<u>1992:</u>		
Years 1 - 25	\$ 73.50	\$ 84.00
Years 25.01+	98.00	84.00
<u>1993:</u>		
Years 1 - 25	\$ 60.00	\$ 54.00
Years 25.01+	80.00	54.00
<u>1994:</u>		
Years 1-25	\$ 75.00	
Years 25.01+	100.00	
<u>1995:</u>		
Years 1-25	\$ 70.00	
Years 25.01+	93.00	
<u>1996:</u>		
Years 1-25	\$ 40.00	
Years 25.01+	53.00	
<u>1997-2004</u>		
Years 1 - 25	\$ 75.00	
Years 25.01	100.00	

EXAMPLE: BONUS BENEFIT RATE

Your Covered Employment began in 1978 and you received 1.00 Benefit Credit per year from 1978 through 2004. Effective December 31, 2003, you would have accrued 25 Benefit Credits and 25 years of Participation and your Benefit Rate would increase from \$75 per Benefit Credit to \$100 per Benefit Credit effective January 1, 2004.

2. Amount of Early Retirement Benefit. You may retire prior to age 65 but your pension benefit will be reduced unless you meet certain requirements described below for the Service Retirement Benefit or Disability Retirement Benefit. Because a Participant retiring on an Early Retirement is younger when his or her pension begins, it is likely that the pension will be paid a longer time. Thus, the pension is reduced to compensate for this fact. Your reduced Early Retirement Benefit is equal to a Normal Retirement Benefit reduced as follows:
 - a. For each month the effective date of your Early Retirement precedes age 65 to age 60; $\frac{1}{4}$ of 1% (.0025); and
 - b. For each month the effective date of Early Retirement precedes age 60 to age 55; $\frac{1}{2}$ of 1% (.005).

EXAMPLE: EARLY REDUCTION FACTORS

Jim retired as of the first day of the month following the date he reached age 61 with 15 years of Vesting Service. If Jim had waited until age 65, he would have been entitled to the full benefit under the Plan, which, based on his Benefit Credits, totaled \$2,000. Instead, Jim retired early. Jim's retirement date is 4 years or 48 months prior to age 65. As a result, Jim's retirement benefit will be reduced by 12% (48 months x one-quarter of one percent (.0025) = .12 (12%). Multiplying \$2,000 by .12 equals \$240 which is subtracted from \$2,000; which equals \$1,760. That is the reduced monthly benefit that Jim will receive the rest of his life. (If Jim were married, and he selected a Joint and Survivor Annuity, his benefit would be reduced even more. See pages 21-23 of this booklet for an explanation of the Joint and Survivor Annuity benefit options.)

D. 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 Plan 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 **June 30** of each year, please contact the Trust Fund Office.

ALERT-If You Find Errors In Your Statement

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

E. Why Does It Take So Long to Receive My Annual Statement?

(January-December is the Plan Year)

The following time line may give you a better understanding of the events that need to take place to complete your year-end statement.

- December hours are received in late January and processed in February;
- Incoming reciprocal hours for December are not often received until February and are then processed in March. By including an additional month of contribution activity, the annual valuation statements will also reflect late December hours and contributions that are reported in February for late hours through December.
- The Plan's books are closed in March for the preceding Plan Year in most instances.
- The Plan's accountants conduct their annual audit during the latter part of March or April. The accountants complete the draft financial statements during April or May.
- As soon as the financial statements are completed, hours and contributions that have been credited to individual records are then verified for accuracy;
- The annual statements are prepared and distributed between the end of April and May 31, in most instances.

F. Credit for Certain Military Service.

Pursuant to federal military veterans' laws, an authorized leave of absence due to certain military service in the U.S. Armed Forces is considered Covered Employment provided that you comply with the requirements of applicable federal law, the Plan, and any rules established by the Board of Trustees. The Plan provides such credit only for military service for which the Plan is required to provide under applicable federal law. Not all types of military service count under these rules.

To qualify for such benefits, you must have been working as a Covered Employee during the 90 days immediately prior to your commencement in the Armed Service, have returned to work as a Covered Employee within 90 days following your discharge from the Armed Service, have been honorably discharged, and served more than 90 days but less than 5 years in such military service. 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 request that you provide any other pertinent information or documentation.

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 two Plan Years immediately preceding the date you commenced such service, or if greater, by using the Plan Year in which you entered the Armed Services.

V. VESTING

A. Vesting Rules

Your right to benefits may not be taken away from you once you become vested. To be Vested means you have the right to receive a future benefit whether or not you stay in Covered Employment. **Until you are vested, however, you are not entitled to any benefits under the Plan.**

If you worked under a Recognized Prior Plan (such as the Bay Area Pipe Trades Pension Plan) but were not vested in that Plan, your Years of Credited Prior Service under that Plan count for Vesting Credit in this Plan (unless you incurred a Permanent Break in Service as summarized in Article VI on pages 10-12). Recognized Prior Plans include the Bay Area Pipe Trades Pension Plan, the U.A. 444 Pension Plan (terminated June 30, 1976), and the U.A. 342 Pension Plan (merged into the Bay Area Pipe Trades Pension Plan as of July 1, 1976). The terms of those Plans determine how much Vesting Credit you are entitled to receive for Credited Prior Service.

B. How to Become Vested

Your interest in the Plan becomes 100% vested when you meet any of the following requirements:

To be entitled to commence receiving your benefits at any time prior to Normal Retirement Age, you must have a minimum of 10 Vesting Credits (excluding certain Disability Retirement Benefits).

Effective as of January 1, 1999, you may retire at Normal Retirement Age (age 65) if you have accrued 5 years of Vesting Credits which have not previously been cancelled (forfeited) because of a Permanent Break in Service, including years of Vesting Credit that were earned prior to January 1, 1999, **but only if you earn 300 hours of Covered Employment on or after January 1, 1999.** If you accrued 5 years of Vesting Credit and you earned at least 300 hours of Covered Employment during 1998, you only need to work one hour of Covered Employment after January 1, 1999, for the five year vesting rule to apply to you.

Prior Plan vesting rules apply before January 1, 1999. For example, immediately prior to 1999, you had to have earned 10 years of Vesting Credit to be entitled to benefits at Normal Retirement Age.

C. Vesting Credit

One year of Current Service Credit for purposes of vesting (known as "Vesting Credit") is granted for working 1,000 or more hours of Covered Employment in a Plan Year. Partial Vesting Credits are granted on a proportional basis for fewer hours with no Vesting Credit for less than 300 hours in a Plan Year. No more than one year of Vesting Credit is earned in a Plan Year regardless of how many hours you work in excess of 1,000 hours (excluding the Plan Year from July 1, 1979 through December 31, 1980). Credited hours for purposes of vesting include:

1. Covered Employment. Hours worked under a Collective Bargaining Agreement with U.A. Local 342 requiring contributions to this Plan for the particular work performed, including incoming reciprocal hours; and
2. Continuous Employment. If you work for a Contributing Employer in a job classification not covered by this Plan (such as in a supervisory capacity or most 1st and 2nd period apprentices) and such work is continuous with (immediately prior to or immediately after) work in a job category covered by the Plan with the same Employer, your hours of work in the non-covered job which were performed on or after July 1, 1976, will count toward your Vesting Service under the Plan. (Such work will not, however, count towards your Benefit Credits.) There can be no quit, layoff or other discharge or retirement between the Covered Employment and that which was not.

EXAMPLE: CONTINUOUS EMPLOYMENT

Your employment begins as a 1st period apprentice. Under the Master Labor Agreement, pension contributions are not required as part of your fringe benefits, until you become a 3rd period apprentice (usually about one year to advance to this status). If your employment was continuous with the same Employer without a quit or rehire from your 1st period apprentice level through your 3rd period apprentice level, you would be eligible for vesting only during your 1st and 2nd period apprentice employment.

3. Pro Rata Reciprocity. Vesting Service can also be earned under a Pro Rata Reciprocity Agreement with another U.A. Retirement Plan. (See Section VIII of this booklet on pages 13-14 for more information on Reciprocal Agreements.) You may contact the Trust Fund office to ascertain whether your work in another jurisdiction may count towards Vesting Service under this Plan because of a Pro Rata Reciprocity Agreement.

ALERT- Vesting Credit May Be Different From Benefit Credit

A full Year of Vesting Credit is granted for fewer hours than a full Year of Benefit Credit, and Vesting Credit may be granted for employment for which no Benefit Credits are granted. Thus, your number of Vesting Credits may be different from your number of Benefit Credits.

VI. BREAKS IN SERVICE

A. Permanent Break in Service Rules

1. Current Break in Service Rules. If you leave Covered Employment before you are vested, you can lose all of your Plan benefits.

If you are not vested you incur a One Year Break in Service in a Plan Year in which you do not earn at least 300 hours in Covered Employment. You do not, however, lose your previously earned benefits until you incur a Permanent Break in Service, as described below.

Effective as of January 1, 1999, if you are not yet vested, you incur a Permanent Break in Service and lose your previously earned years of Vesting Credit and Benefit Credit if your Break in Service exceeds five years. Thus, upon a Permanent Break in Service, you will not be entitled to any benefits. You will then have to start over and meet the Plan's eligibility requirements to again become a Participant and start earning benefits again.

EXAMPLE: PERMANENT BREAK IN SERVICE

If you have three years of Vesting Credit and then do not work in Covered Employment for five consecutive Plan Years, your prior three years of Vesting Credit are cancelled--you will have incurred a Permanent Break in Service. If, on the other hand, your Break in Service was only four years or less (which means you have returned to Covered Employment and accrued at least 300 hours in a Plan Year), you would not incur a Permanent Break in Service.

2. Prior to July 1, 1976 The Plan and prior Plans have contained different Break in service rules dependent upon the time period involved. Thus, if you left Covered Employment prior to July 1, 1976 the prior Break in Service rules apply to you. Moreover, even if you worked after that date, the Break in Service rules would apply to your prior employment. You may contact the Trust Fund Office for the prior Break in Service rules if applicable to your situation. The rules are:
 - a. July 1, 1976 through June 30, 1986 During the period from July 1, 1976 through June 30, 1986, you incurred a Permanent Break in Service if your consecutive one year Breaks in Service exceeded the total number of years of Vesting Credit you accumulated prior to any such Break in Service.
 - b. Break in Service Rule Effective as of July 1, 1986 The current Break in Service Rule, which became effective as of July 1, 1986, provides that your previously earned Vesting Credit and Benefit Credit since any prior Break in Service is not cancelled unless you incur the greater of either:
 - i. Five consecutive One Year Breaks in Service, or
 - ii. Consecutive One Year Breaks in Service in excess of the number of years of Vesting Credit you accumulated prior to the commencement of such Break in Service.

Under these rules and the new vesting schedule effective July 1, 1998, a non-vested Participant who has earned an hour of service after July 1, 1998 will only experience a Permanent Break in Service if the number of years of Breaks in Service equals or exceeds five years. This is because you will immediately become vested as soon as you accumulate 5 years of Vesting Credit.

The following chart shows how this worked prior to the implementation of the new five year vesting rule as of July 1, 1998.

If your years of Vesting Credit before your Break in Service were:

You will have a permanent Break in Service and lose your benefits if your Break in Service years equaled or exceeded:

1.00 – 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

EXAMPLE: PRIOR BREAK IN SERVICE

If you had seven years of Vesting Credit as of January 1, 1985, you could have left Covered Employment for six years and returned the seventh year without incurring a Permanent Break in Service, provided you worked at least 300 hours during that seventh year. Each of the six years would be a One Year Break in Service. If, during the seventh year, you did not work 300 hours, you would then have had another One Year Break in Service or a total of seven consecutive One Year Breaks in Service. As these one year Breaks in Service were consecutive, you would have incurred a Permanent Break in Service as of December 31, 1992, which cancels your Vesting and Benefit Credits.

B. Grace Periods to Break in Service Rules

There are a few exceptions to the Plan's Break in Service rules. Subject to Section C below, no Break-in-Service will occur if your failure to be credited with 300 hours of Covered Employment in a Plan Year is due to any of the following:

1. Military Service. You are in military service in the Armed Forces of the United States. See Section III.F on page 8 of this booklet for a summary of your rights under the Plan concerning military service.
2. Permanent and Total Disability. You have a disability which prevents you from working in the Plumbing and Pipefitting Industry, proven by medical evidence to the satisfaction of the Board of Trustees.
3. Strike or Lockout. You are prevented from working by a strike or lockout.
4. Employed by Union. You are engaged in Union business for the Union which requires time away from Covered Employment.
5. Pregnancy, Adoption or Childbirth. Because of pregnancy, the birth of a child, placement of a child in connection with the adoption of a child, or caring for a child for a period beginning immediately after the birth or placement (but only to the extent required by applicable law).

C. Requirements for Break-in-Service Waiver

To qualify for the exception to the Plan's Break in Service Rule in the event of the occurrence of 1-5 above, **you must do BOTH of the following:**

1. Advance Notice. Notify the Trust Fund Office in writing **before** the Break in Service would become permanent, and
2. Immediate Return to Covered Employment. Return to Covered Employment or be available for work by signing the U.A. Local 342's out-of-work list within 90 days of the termination of the particular grounds for waiver which applies to you.

VII. EMPLOYER CONTRIBUTIONS

Employer contributions are made to the Plan pursuant to the terms of Collective Bargaining Agreements with U.A. Local 342 Contribution rates for each hour of your Covered Employment are set, from time to time, by the parties to the Collective Bargaining Agreements. Your Employer is required to contribute only for such hours of work that are required by the Collective Bargaining Agreement. The current hourly contribution rate is \$6.29 for most contractors; however, that amount may change at any time if agreed to by the bargaining parties. The bargaining parties also may allocate additional or different contribution amounts to help fund the Pension Plan.

There is no minimum age for participation as your Employer must contribute to this Plan for all of your hours of employment as long as you are employed and covered by the Collective Bargaining Agreement. The Plan does not permit Employee contributions.

Your Employer is required to make monthly contributions for your Covered Employment and mail (postmark) such payments to the Plan by the 20th day of the month following the month in which your work was performed. By way of example, January hours generate employer contributions in February which are posted on the Plan's books in March. Each monthly payment made by your Employer is accompanied by a transmittal form that contains the names, Social Security numbers, and hours of work performed by each Covered Employee together with a payment to the Plan. The Employer Contributions to the Plan are not subject to withholding for FICA, FUTA, or state or federal taxes.

The Trust Fund Office checks the Employer's report for mathematical accuracy and notifies the Employer if there is any error in the Employer's computations which requires correction.

ALERT-If You Believe Your Employer Is Not Contributing Full Amounts

Notify the Union and the Trust Fund Office immediately if you are aware of or suspect that your Employer has not contributed to the Plan on your behalf the full amount required under your Collective Bargaining Agreement.

The amount of Employer Contributions made to the Plan for non-bargaining unit employees (such as employees of the Union, the JATC and others not working under a bargaining agreement) will be governed by individual Subscription Agreements entered into with the Plan and any rules adopted by the Board of Trustees.

VIII. RECIPROCAL AGREEMENTS WITH OTHER PENSION PLANS

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 avoid such problems, the Plan is signatory to the U.A. National Reciprocity Agreement. Moreover, the Plan may maintain written "Reciprocity" Agreements with certain other U.A. affiliated pension Plans. These Reciprocity Agreements are of two types:

A. "Money Follows The Person" Reciprocity

Under a "money follows the person" Reciprocity Agreement, also known as a Money Reciprocity Agreement, if you are working in a U.A. jurisdiction outside of the coverage of this Plan, you may elect to have the Employer contributions made to the Plan in the other jurisdiction be remitted back to this Plan.

For such incoming Reciprocity, when you worked in the jurisdiction of another U.A. Local Union and had the funds transferred to this Plan, you typically received Vesting Credit based on the number of actual hours worked in the other jurisdiction. The Benefit Credits are pro-rated based on the amount of money received by this Plan, divided by the hourly contribution rate in your Collective Bargaining Agreement at the time the contributions were reciprocated to this Plan. Benefit Credits were reduced accordingly. Since January 1, 2004, the Plan transfers the full contributions between Plans.

The above principle applies when U.A. members of a different local union works in the jurisdiction of U.A. Local 342.

B. Pro-Rata Reciprocity

Under a Pro-Rata Reciprocity Agreement (such as with the District Council 36 Pension Plan), no money is transferred between the two Plans. Instead, the Credited Service in each jurisdiction is aggregated by each Plan in order to determine vesting under the terms of each respective Plan. If the Participant becomes vested under these rules, each Plan will pay a pension benefit based on the years of Benefit Credit earned in that Plan's jurisdiction only.

ALERT-Pro-Rata Reciprocity Agreements

The Plan does not have agreements with many U.A. Pension Plans and not all Plans are signatory to the U.A. National Pension Reciprocity Agreement. Thus, you may want to inquire of the Trust Fund Office whether an agreement applies to your situation.

C. Procedures for Reciprocity

Any Participant who believes he or she has a pension claim based on a Reciprocity Agreement and has questions about this matter should contact the Trust Fund Office.

1. Transfers to Home Fund. If you are working in the jurisdiction of another U.A. Local Union, (known as a "Participating Fund") you may authorize the transfer of current contributions from that Union's pension fund to the Northern California Pipe Trades Pension Fund (known as your "Home Fund") if you are a member of U.A. Local 342 and currently have Credited Service in the Plan.

2. Procedures. If you become employed within the jurisdiction of a Participating Pension Plan and you desire to have your contributions returned to this Plan, you should obtain a Reciprocal Authorization Form from the Participating Fund as soon as you are dispatched to work in that other area. Once completed, the Participating Fund will submit the authorization to your Home Fund. The Trust Fund Office will notify the Participating Fund if the transfer request cannot be accepted.
3. Amount and Effective Date of Transfer. The Participating Fund will transfer a designated amount of contributions paid on your behalf for work performed as of the first day of the month in which the Reciprocity Authorization was signed, provided that the Reciprocity Authorization was completed and filed timely. The actual amount transferred may vary depending on the terms of the applicable Reciprocity Agreement. **There are no retroactive reciprocal transfers. Thus, timely completion of the Reciprocal Forms is mandatory.**

IX. APPLICATION AND TYPES OF RETIREMENTS FOR BENEFITS

A. Application and Payment of Benefits

If you are entitled to a pension and you desire to begin receiving your pension, you should file your application with the Trust Fund Office within 120 days of your anticipated retirement or benefit commencement date. Application forms may be obtained from and be submitted to the Trust Fund Office as follows:

Northern California Pipe Trades Pension Plan
1855 Gateway Boulevard, Suite 350
Concord, California 94520-8445
(925) 356-8921

If you are eligible, your retirement date will be effective as of the first of the month following receipt of your pension application.

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

To avoid delays, you should submit with your application:

- proof of your age (your birth certificate) and that of your spouse if you are married;
- proof of marriage, if applicable (marriage certificate);
- if you have been divorced or are in the process of a divorce, a copy of your Court-filed Final Judgment, including any Marital Settlement Agreement, Qualified Domestic Relations Order, or other pertinent divorce papers.

If you work up to your retirement effective date, you should submit copies of all of your last two months of pay stubs as soon as possible.

Benefits are paid as soon as it is administratively feasible after all contributions are received and your application is processed. Your pension is effective the first day of the month following the date, you terminated employment in the Pipe Trades Industry, your Pension application is received, and you are eligible for a pension. You may not work any hours in the month you plan to retire. Moreover, no retroactive benefits are paid prior to age 65. Thus, filing a timely application with all required documents is important.

B. Types of Retirement

You may retire on a Normal, Early, Service, or Disability Retirement depending upon the amount of your years of Vesting Credit and Benefit Credit. The amount of your benefits may be impacted by the type of retirement you take. The requirements for each type of retirement, and the benefit reduction which may apply are stated below:

1. Normal Retirement. You may retire with a Normal Retirement Pension if:
 - a. You have attained age 65 with ten (10) or more Years of Vesting Credit.
 - b. Effective as of January 1, 1999, you attain at least 65 years of age, have at least five (5) years of Vesting Credit (that has not been cancelled due to a Permanent Break in Service), and have earned at least 300 hours of Covered Service in a Plan Year on or after January 1, 1999, if you failed to earn 300 hours of Covered Employment during 1998 and you have ceased working in the Pipe Trades Industry for no more than 39 hours per month. If you earned 300 hours of Covered Employment during 1998, the five year vesting requirement applies if you earned at least one hour of Covered Employment on or after January 1, 1999.

Under this five year vesting rule, your years of Covered Employment that are counted for vesting purposes does not include service as a result of Pro-Rata Reciprocity under any agreement with another Plan; or

- c. You reach the later of age 65 or the tenth anniversary of your initial participation in the Plan without a Permanent Break-in-Service and you have ceased working in the Pipe Trades Industry for no more than 39 hours per month, or
 - d. As of January 1, 1988, you reach the later of age 65 or the fifth anniversary of your initial participation in the Plan without a Permanent Break-in-Service and you have ceased working in the Pipe Trades Industry for no more than 39 hours per month.
2. Service Retirement-Unreduced Pension at Age 55. Effective as of January 1, 2001 you are entitled to an unreduced benefit if you have:
 - a. Twenty five (25) Benefit Credits under this Plan (Incoming Reciprocal Credits count towards the 25 Benefit Credits, however; Pro-Rata Reciprocal Credits are not considered toward the 25 Benefit Credits), none of which have been cancelled due to a Permanent Break in Service; and

- b. Twenty five (25) years of Participation in the Plan. For purposes of this section, 25 years of participation means that 25 calendar years must elapse from the time you first earned Benefit Credits without a Permanent Break in Service; and
- c. Earned 300 or more hours of Covered Employment during a Plan Year on or after January 1, 2001; and
- d. Attained age 55 or thereafter, and
- e. Terminated employment in the Pipe Trades Industry.

EXAMPLE: YEARS OF PARTICIPATION

If you first earn hours of Covered Employment in May 1980, and you accrue at least 300 hours in 1980, and you do not incur a Permanent Break in Service, your 25th year of Participation in the Plan is May 1, 2005.

3. Service Retirements for Those Individuals Who Were Participants in U.A. 342 or U.A. 444 Pension Plans on or Before June 30, 1976

If at least 25 calendar years have elapsed since your first contributions were reported on your behalf in the Plan with a minimum of 300 hours in that Plan Year without a Permanent Break in Service and you have ceased working in the Pipe Trades Industry, you may retire at any age on a Service Retirement, and receive **unreduced** benefits if you meet one of the following requirements:

- a. You have at least 25 years of Benefit Credit under this Plan (Incoming Reciprocal Credits count towards the 25 Benefit Credits, however; Pro-Rata Reciprocal Credits are not considered toward the 25 Benefit Credits), or
- b. You meet the Credited Service Requirement for a Service Pension under a Recognized Prior Plan (U.A. 342 or U.A. 444 Pension Plans) and have at least 300 hours of Credited Current Service under the Bay Area Pipe Trades Plan in one Plan Year between July 1, 1976 and December 31, 1993.

A Recognized Prior Plan member eligible for this type of retirement is someone who has worked the minimum number of hours and has earned the minimum credit required by a Recognized Prior Plan to qualify as a Participant of that Plan. Once an individual qualifies as a "Recognized Prior Plan Member," that individual's initial date of Participation in that Plan will be utilized as the starting date for determining eligibility for this Service Retirement.

EXAMPLE: YEARS OF PARTICIPATION

If you first earn hours of Covered Employment in May 1975, and you accrue at least 300 hours in the 1975 Plan Year, and you do not incur a Permanent Break in Service, your 25th year of Participation in the Plan is May 1, 2000.

4. Early Retirement-Reduced Benefits. You are entitled to a reduced Early Retirement Pension if:
 - a. You have attained age 55 with at least 10 Years of Vesting Credit and 10 Years of Benefit Credit of which at least five such Benefit Credits were earned under this Plan and/or a prior Plan; or
 - b. You meet the requirements for Early Retirement under a Recognized Prior Plan.

ALERT-Conversion of Early Retirement to Disability Retirement

Conversion of Early Retirement to Total Disability Retirement. If at any time within two (2) years of the date of your Early Retirement, you secure a total and permanent disability award from the Social Security Administration, you may apply for conversion from Early Retirement Benefits to full Disability Benefits. Evidence of your permanent and total disability Award must contain a finding that the onset of your permanent and total disability arose during the two year period from your date of your Early Retirement, and such evidence of a permanent total disability award issued by the Social Security Administration must be submitted to the Trust Fund Office no later than sixty (60) days following end of the two year period.

In the event full disability benefits are awarded, conversion from Early Retirement to Disability Retirement Benefits shall commence on the first of the month next following your submission of evidence of a permanent and total Social Security Disability Award to the Trust Fund Office.

5. Disability Retirement. There are two types of Disability retirements:
 - a. Full Disability Retirement. You may retire on a Disability Retirement and receive **unreduced** benefits if you have received a determination from **Social Security** that you are permanently and totally disabled (and remain so disabled). You must submit the Social Security Award to the Trust Fund Office within sixty days of your receipt of the Award. In addition you must meet the following requirements:
 - i. You have ten (10) years of Benefit Credit regardless of age; or you have at least five (5) years of Vesting Credits and at least (5) years of Benefit Credits and have attained age 55 or more; and
 - ii. You have been credited with at least three hundred (300) hours of Covered Employment during any one of the three Plan Years ending with the year that the disability began.
 - iii. Your disability is not the result of self inflicted injury or of alcohol or drug abuse.

ALERT-File Early Application

You are urged to file a claim for a Disability Retirement 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.

b. Partial Disability Retirement.

- i. Partial Disability Definition. You are eligible for Partial Disability Retirement if you become totally and permanently disabled from performing the duties of the Pipe Trades Industry (but you do not have a Social Security determination of disability) and meet all the requirements set forth in Section iv on page 20.

If you apply for a Partial Disability Retirement Benefit, you must submit to the Trust Fund Office medical evidence of total and permanent disability from the trade (Pipe Trades Industry). To expedite matters, you may submit your medical records with your application. The Trust Fund Office will then submit such evidence to the Plan's Independent Medical Review Program for evaluation and determination of your total and permanent disability from performing the duties of the trade. Health Care Evaluation, Inc. (HCE) is the current Independent Medical Review Organization for the Plan.

A determination by the Independent Medical Review Organization that you qualify for a Partial Disability Retirement Benefit is final and binding by the Trust Fund Office. A determination by the Independent Medical Review Office that you do not qualify may be appealed to the full Board of Trustees. To overrule an adverse determination by the Independent Medical Review Office, the Board must find upon substantial evidence relevant to the question of Partial Disability that overruling the determination of the Independent Medical Review Office is warranted.

- ii. Amount--50% of Full Benefit. Partial Disability Retirement Benefits are fifty percent (50%) of the full Disability Retirement Benefit to which you might otherwise have qualified had you received a permanent and total disability award from Social Security. Partial Disability Retirement Benefits commence as of the first day of the calendar month coincident with or next following the date of disability as approved by HCE, provided an application for benefits has been filed with the Trust Fund Office. **You may not retire on a Disability Retirement if your disability is the result of self-inflicted injury or of alcohol or drug abuse.**

- iii. Proof of Disability. You must provide the Trust Fund Office with such proof of your disability as the Board of Trustees deem necessary. The Board of Trustees has sole discretion to decide whether the proof is satisfactory and the Board's decision is final in the event of any dispute. During the period you are receiving Partial Disability Benefits, periodically you will be required to submit to the Trust Fund Office proof of continued partial disability. Such proof of your continued partial disability shall be a prerequisite to receipt of continuing partial disability benefits. Your benefits will be terminated if you fail to provide such proof.
- iv. Eligibility Requirements. You qualify for a Partial Disability Retirement benefit if you were credited with at least 300 hours of Covered Employment during any one of the three Plan Years ending with the year that your disability began, and you meet either a or b:
 - a. You have at least 5 Years of Benefit Credit and 5 Years of Vesting Credit, and you have attained age 55, or
 - b. You have 10 Years of Vesting Credit regardless of your age (if you are under age 55).
- v. Conversion of Partial to Total Disability. If at any time within two (2) years of the date of onset of your Partial Disability, you secure a total and permanent disability award from the Social Security Administration, you may apply for conversion from Partial Disability benefits to full disability benefits. Evidence of your permanent and total disability award must contain a finding that the onset of your permanent and total disability arose during the two year period from the onset of your disability, and such evidence of a permanent total disability award issued by the Social Security Administration must be submitted to the Trust Fund Office no later than sixty (60) days following end of the two year period.

In the event full disability benefits are awarded, conversion from partial to full disability benefits shall commence on the first of the month next following your submission of evidence of a permanent and total Social Security Disability Award to the Trust Fund Office.

- 6. Special Disability Benefits-Terminal Medical Condition. You qualify for a Special Disability Retirement Benefit of a lump sum benefit equal to the Employer contributions made on your behalf for Covered Employment if you meet all of the following requirements:
 - a. You earned at least 5 years of Benefit Credit and at least 5 years of Vesting Credit; and
 - b. You are disabled for 6 months and are receiving (or are eligible to receive) a Social Security Disability benefit; and
 - c. You are under age 55; and

- d. You furnish the Trustees with a medical report acceptable to the Trustees which indicates you have a terminal medical condition which will cause you not to live to age 55; and
- e. You file a timely and complete application with the Trust Fund Office.

If you receive this benefit the following rules apply:

- f. All of your years of Credited Service are cancelled.
- g. No death benefit will be payable under the Plan for Benefit Credits earned prior to the distribution under this rule.
- h. The forms of benefit options in Article X, Section D (Joint and Survivor), do not apply, subject to the Plan's spousal consent rules as mandated by ERISA.

X. FORMS OF BENEFIT PAYMENTS

A. Married Participants-Joint and Survivor Annuity

1. **Benefit Amount.** Under federal law, the normal form of benefit if you are married is a Joint and 50% Survivor Annuity, unless you and your spouse reject in writing that form of payment in favor of a different benefit option. Under the Joint and 50% Survivor Annuity, your monthly pension is reduced for your lifetime in return for providing a lifetime pension for your surviving spouse equal to 50% of the monthly pension you were receiving based on actuarial calculations.

Under the Joint and Survivor Annuity, the Plan will be providing Pension benefits for the lives of two persons. As a result, there is a reduction in the monthly pension benefit that would be payable for your life only. This reduction is based on your age and the age of your spouse at the date of your retirement as summarized below:

You and your lawful spouse may, however, waive the Joint and Survivor Annuity and select one of the Plan's other benefit options which are summarized below beginning on page 23.

The amount of the initial adjustment for your 50% Joint and Survivor Benefit is 90% of your pension. The amount of any further adjustment depends upon the age difference between you and your spouse by years and months as follows:

- If you and your spouse are the same age, there is no further adjustment.
- For each full year your spouse is older than you, the percentage of your pension amount is increased by ½ of 1% (.005).
- For each full year your spouse is younger than you, the percentage of your pension amount is decreased by ½ of 1% (.005).

Under the Plan's procedures the Plan rounds the ages to the nearest age. For example, age 60 and 5 months is considered age 60. Age 60 and 7 months is considered age 61.

EXAMPLE: SAMPLE BENEFIT CALCULATION

For example: Jim is retiring at age 65 on a Normal Pension in the amount of \$2,000 per month. Assume that he is married and he and his spouse do not reject the 50% Husband and Wife Pension. If at the time of Jim's retirement Jim's wife is age 57, his Normal Pension would be adjusted as follows:

Initial 50% Joint and Survivor Benefit percentage	=	90.0%
Age difference adjustment (8 years younger x .005)	=	<u>4.0% minus</u>
Adjusted 50% Joint and Survivor Benefit percentage	=	86.0%
\$2,000 x 86.0%	=	\$1,720.00

As a result, Jim will receive a 50% Joint and Survivor Benefit in the amount of \$1,720.00. After his death, his surviving spouse will receive 50% of his pension, or \$860.00, for as long as she lives.

2. Spousal Waiver/Beneficiary Designation. A married Participant and spouse's election not to select the Joint and Survivor Annuity is effective only if your lawful spouse provides written consent to such election, such consent is witnessed by a Plan representative or notary public, a beneficiary is designated with the spouse's consent (if applicable), and the form of payment to the beneficiary is also stated.

You are not allowed to designate a beneficiary other than your lawful spouse without your spouse's written consent on the form furnished by the Trust Fund Office. Prior to retirement, if you subsequently desire to revoke such beneficiary designation and to choose another non-spouse beneficiary, your lawful spouse must consent to such revocation and alternative beneficiary selection.

3. Explanation Given to Participant/Election Period. The Plan will provide you with a written explanation of the Joint and Survivor Annuity. To comply with the federal requirement that the Plan provide information to you and your spouse during the 90-day period before payments are to commence, your completed application for payment of your benefits should be submitted to the Trust Fund Office at least 120 days before your anticipated retirement date.

To avoid delays, you should also submit with your application a copy of your marriage certificate, birth certificates for you and your spouse and any documents pertaining to marital dissolution actions, if applicable.

B. Important Facts About the Joint and Survivor Annuity.

1. Rationale For Decreased Benefit. Because the benefits under the Joint and Survivor Annuity Option is 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 Commence. If you elect a Joint and Survivor Annuity, you may not withdraw or change such coverage after you cash your first pension payment.
3. Later Divorce Has No Effect. 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 coverage not been provided. Moreover, if you subsequently remarry, you may not transfer your survivor benefits to your new spouse. Upon receipt of a Qualified Domestic Relations Order (QDRO), your benefits will be adjusted in accordance with the QDRO.

C. Normal Form of Benefit - Single Participant.

The normal form of benefit for an unmarried Participant is a Single Life Annuity. A Single Life Annuity is a series of monthly pension payments payable during your life but if you die before you receive 60 months of benefits, your beneficiary is entitled to receive the remaining payments until a total of 60 months of benefits are paid.

D. Benefit Options.

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

If you are unmarried, you may elect any type of benefit permitted under the Plan and designate any beneficiary. Ask the Trust Fund Office for the necessary forms to complete.

ALERT-You May Not Change Your Payment Option After Benefits Commence.

You will be asked for proof of age for yourself, and your spouse, or other beneficiary and divorce information, if applicable.

1. Single Life Annuity With Ten Year Guarantee. This form of benefit is also a Single Life Annuity, but with a longer period of guaranteed benefits. **Benefits are paid for your life, or ten years (120 months), whichever is greater.** The amount of your monthly benefit will be lower than the amount of benefit you would have received under the 60 Month Guarantee. (This benefit form is not available for Disability Retirements.)

2. Social Security Integration. If you retire early on or after age 55, you may elect to receive greater benefits under the Plan before your Social Security age, and lower benefits once you have reached Social Security age. Your benefits will be calculated, as closely as possible, so that your actual income will remain constant before and after you start receiving Social Security Old Age benefits. (This benefit form is not available for Disability Retirements.)
3. Optional Joint and Survivor Annuities. You may designate your spouse to receive a monthly survivor benefit equal to 75% or 100% of the benefits payable to you, if your spouse survives you.

The following percentage factors are used to compute the actuarially reduced monthly amount payable during the life of the Participant:

- a. 50% Survivor Benefits - 90% plus or minus $\frac{1}{2}$ of 1% (.005) for each year the age of the spouse is greater or less than the age of the Participant, but not to exceed 95%.
- b. 75% Survivor Benefits - 85% plus or minus $\frac{1}{2}$ of 1% (.005) for each year the age of the spouse is greater or less than the age of the Participant, but not to exceed 90%.
- c. 100% Survivor Benefits - 80% plus or minus $\frac{1}{2}$ of 1% (.005) for each year the age of the spouse is greater or less than the age of the Participant, but not to exceed 85%.

The amount of the initial adjustment for your 100% Joint and Survivor Pension is 80% of your pension. The amount of any further adjustment depends upon the age difference between you and your spouse as follows:

- If you and your spouse are the same age, there is no further adjustment.
- For each full year your spouse is older than you, the percentage of your pension amount is increased by $\frac{1}{2}$ of 1% (.005) to a maximum of 85%.
- For each full year your spouse is younger than you, the percentage of your pension amount is decreased by $\frac{1}{2}$ of 1% (.005).

EXAMPLE: JOINT AND 100% SURVIVOR BENEFIT CALCULATION

For example: Jim retired as of the first day of the month following the date he reached age 65 with 15 years of Vesting Service. Jim is entitled to the full benefit under the Plan in the amount of \$2,000.00, which is based on his Benefit Credit total. If at the time of Jim's retirement, Jim's wife is age 57 his Normal Pension of \$2,000.00 per month would be reduced as follows since his spouse is 8 years younger.

Initial 100% Joint and Survivor Benefit percentage	=	80.0%
Age difference adjustment (8 years younger x ½ of 1% (.005))	=	<u>4.0%</u>
Adjusted 100% Joint and Survivor Benefit percentage	=	76.0%
\$2,000.00 x 76.0%	=	\$1,520.00

As a result, Jim will receive a 100% Joint and Survivor Benefit in the amount of \$1,520.00 per month. After his death, his surviving spouse will receive the same amount (\$1,520.00) for as long as she lives.

Once your pension is paid in the form of the 100% Joint and Survivor Pension, the reduced amount you receive will not be increased to the full amount of the pension otherwise payable if you later divorce. Your pension will remain permanently at the reduced amount. If you and your spouse are divorced after your Effective Date of Benefits, your spouse may continue to receive survivor benefits under the 100% Joint and Survivor Pension.

4. Contingent Annuitant Benefits. You may designate someone other than your spouse to receive a 50%, 75%, or 100% survivor annuity. Your spouse must provide written consent if you designate a person other than your spouse to be your beneficiary.

If you die after pension payments began being paid to you, any remaining payments will be issued to your designated beneficiary, and if there is none (or none survived you) to your Estate.

5. Pop-Up Option With 60 Month Guarantee. By selecting the pop-up option with a 50%, 75%, or 100% Joint and Survivor Annuity for your spouse, your monthly benefit will "pop-up" to what it would have been if you had originally elected the Single Life Annuity if your spouse dies before you. This benefit is guaranteed for the same 60-month period.

The pop-up benefit is effective for any Participant whose spouse predeceased the Participant on or after January 1, 1998; however, there is no retroactive benefit increase for the period prior to January 1, 1998. Thereafter, payments will be as of the first of the month following the date that the Plan is notified in writing of the spouse's death, requiring receipt of a certified death certificate.

E. One Month Payment Upon Death

For any form of benefit other than a Joint and Survivor benefit, one extra monthly benefit is paid to your designated beneficiary for the month following the month in which you died. If you do not have a designated beneficiary on file at the Trust Fund Office, or if you do not have a spouse, the one month death benefit will be paid to your estate.

F. Discretionary 13th Checks/Extra Payments/COLA

The Board of Trustees may issue a 13th check or other extra payment or a cost of living adjustment if deemed prudent for a particular period without the necessity of a formal Plan amendment. Any such payment is at the absolute discretion of the Board of Trustees and depends on the availability of funds. Such payments may be authorized in some years and not others (or any at all) and the amounts may vary.

XI. RETURNING TO WORK IN THE PIPE TRADES INDUSTRY-- BENEFIT SUSPENSION

When you retire, you will be required to sign a form stating that you have read and understand the Plan's benefit suspension rules, which are summarized below.

A. If you Return to Work After Retirement

If you are receiving a pension benefit from the Plan, your benefits will be suspended in certain circumstances, as explained below:

1. Prohibited Employment In Pipe Trades Industry

- a. No Work Prior to Age 65. If you return to work after your retirement, your benefits will be suspended for each month that you are working in the Pipe Trades Industry. Your benefits will be suspended if you return to any work in the Pipe Trades Industry in the United States before you reach age 65. However, benefits will not be resumed until Normal Retirement age 65 except for Participants who qualify for Disability Retirement Benefits after returning to Industry Service, or Disability Retirees who return to Industry Service after recovering from the disability and later qualify for Early or Disability Retirement Benefits, or Retirees who meet the waiver requirements during journeymen shortages.

The terms "Pipe Trades Industry" or "Industry Service" include work in the Plumbing and Pipe Fitting Industry, whether for a participating or a non-participating Employer, which makes use of one or more skills used in a job for which the Plan was at any time entitled to receive contributions on the retired Participant's behalf; provided that the skill was learned during a period of training or practice (whether or not acquired during participation in the Plan). It includes work in a managerial, supervisory, or executive capacity, and persons with ownership interests in either incorporated or unincorporated businesses.

Such work, known as "prohibited employment", includes, but is not limited to (1) work in employment of the type performed by Employees covered by the Plan, also known as "Covered Employment"; (2) work which requires directly or indirectly the use of the same skills used by Employees covered by the Plan on the date the Pension became effective; (3) work in employment for compensation or wages of any kind or for profit in the Pipe Trades Industry in the geographic area covered by the Plan; (4) work where you supervise Employees in the same trade or craft or directly or indirectly use the same skills as Employees covered by the Plan on the date you retire.

For purposes of determining whether you have been employed in Prohibited Employment, "hours" or "hours of service" include all hours for which you receive or are entitled to compensation whether for actual work, illness, incapacity (including disability) or layoff.

"Prohibited Employment" is interpreted in the broadest manner. It includes employment in which a salary is paid (which includes payment based on an hourly, daily, weekly, bi-weekly, bi-monthly, monthly, annually or any other rate), work in which you are considered an "independent contractor," work in which you receive a deferred benefit, or work in which you receive anything of value (or will receive anything of value) in exchange for the services rendered.

- b. Exceptions to Industry Service Definitions. The following specific and limited work categories are excluded from the "Industry Service" definition. Thus, you may perform such work while receiving pension benefits. You must, however, submit a written advance request to the Board of Trustees to determine if you meet the necessary requirements.
 - i. Estimators. Employment as an estimator for a contributing Employer. For this purpose, the term "estimator" means an individual who spends all of his working time doing estimating and related work and who does no work which is otherwise covered under a Collective Bargaining Agreement, whether as a foreman or journeyman, to which his Employer is party with U.A. Local 342.
 - ii. Project Manager. Employment as a project manager for a contributing Employer. For this purpose, the term "project manager" means an individual who spends all of his working time on project management, supervision of one or more crafts, on projects upon which another person performing supervisory work, as defined in a Collective Bargaining Agreement, with U.A. Local 342 is present, but who himself does not perform Covered Employment, whether as a foreman or journeyman, which is covered by any Collective Bargaining Agreement to which his Employer is party with U.A. Local 342.
 - iii. In-house Maintenance. General in-house maintenance work at one or more fixed locations for an owner/Employer who is not a contractor.
 - iv. Above General Foremen Status. Employment in a position above the General Foreman status or level for a contributing Employer or an Employer in the Pipe Trades Industry that, when hiring (either directly or indirectly) Employees to perform work over which the Employer has the "right to control" and which would qualify as bargaining unit work, hires only such Employees on whose behalf contributions are required to be made to this Plan or a Plan which has reciprocity with this Plan.

- v. Instructor or Coordinator of JATC. Full or part-time employment as an instructor or coordinator in connection with any journeyman, apprentice and/or other training program sponsored by or operated by the Joint Apprentice and Training Committee of the U.A. Local 342 Joint Apprentice and Training Trust.
- vi. Work Beneficial to Industry. Notwithstanding the foregoing, work in "Industry Service" as defined below may not constitute prohibited service if the Trustees, in their sole discretion, deem such service to be beneficial to the Plan and/or Plan Participants. Such service may be deemed not to constitute prohibited service when:

A Participant wishing to work in employment that may qualify as "non-prohibited" service pursuant to this provision, prior to engaging in such employment, makes a written request for a qualification determination by the Trustees, and the Trustees determine that:

- a. Such employment is not covered by a Collective Bargaining Agreement, and
- b. Such employment does not directly or indirectly replace the employment of a bargaining unit employee, and
- c. Such employment will not impinge upon the jurisdictional claims of U.A. Local 342, and
- d. Such employment, in the opinion of the Trustees, provides enhanced opportunities for the promotion of the multi-Employer group associated with the Plan and/or expansion of work opportunities for current or future Participants of the Plan; and
- e. Such employment is otherwise deemed by the Trustees to be employment beneficial to the segment of the plumbing and pipefitting industry served by this Plan.

Initial and continuing qualification of such employment as "non-prohibited service" is determined solely by the Trustees and continuing proof that such employment meets the above criteria may be required from time to time by the Trustees. Failure upon the request of the Trustees to provide such continuing proof of qualification of the employment pursuant to this rule will constitute sufficient grounds for disqualification of such employment and, to the extent otherwise provided for herein, suspension of further pension benefits.

- c. Limited Work Allowed After Age 65. After your Normal Retirement Date (the first of the month after attainment of age 65), your benefits will be suspended if you return to work for 40 or more hours a month in the Pipe Trades Industry in California. This includes but is not limited to:

- i. The type of work performed by Employees covered by the Plan on your Effective Retirement Date; or
- ii. Which requires directly or indirectly the use of the same skills employed by Covered Employees on your Pension effective date; or
- iii. Any supervision of Employees in the same trade or craft or directly or indirectly using the same skills as Employees covered by the Plan on the date you retired. This includes self-employment, salaried, hourly and independent contract employment.

2. Presumptions. If you are retired and receiving pension benefits under the Plan, you must immediately report to the Board of the Trustees in writing any employment in the Pipe Trades Industry. If you do not report your employment, and the Trustees discover you have been working in the Pipe Trades Industry, they will act on the basis of a rebuttal presumption that you have been working at least 40 hours per month and suspend your benefits.

If the Board of Trustees learns that you worked in the Pipe Trades employment at a job site, the Trustees will presume you have been employed at the job site with the same Employer for as long as the Employer has been working at that job site. You will, however, have the opportunity to prove these presumptions are not true.

3. 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 or income-related 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.

4. Request Determination. You should request of the Board of Trustees a determination whether specific contemplated employment will be prohibited under the Plan. The Board of Trustees will provide you with its determination within a reasonable time, not to exceed ninety (90) days, unless the Trustees have not been provided with sufficient information to make such a determination or unless special circumstances exist.
5. Appeals. You are entitled to a review of the Plan's decision to suspend your benefits by submitting a written request with the Plan within 60 days of the date of the suspension notice. The Plan's claims and appeal procedure, as summarized in Article XVII on pages 38-39 applies to a suspension of benefits.
6. Your Obligation to Provide Notice to the Plan. You must notify the Trust Fund Office in writing immediately before you start work of a type that is or may be Prohibited Employment under the Plan.

Employment Ends. If your monthly payments have been suspended, you should notify the Plan when your prohibited employment has ended. The Plan will continue to withhold your pension until you provide written notice to the Trust Fund Office.

7. Payment Resumption. If you are employed in Prohibited Employment, your pension payments will be suspended for a period equal to the number of months during which you were employed in Prohibited Employment. **If you fail to give written notice to the Plan within 30 days after you commence such employment, your pension payments will be suspended for three additional months which follow the period of such employment.**

If the Plan has paid you a monthly pension for any month in which you engaged in Prohibited Employment, the Plan may offset such amounts from future monthly payments. In making such deductions the Plan may reduce your future monthly pension payments by 100% for the first three months of any pension payment to which you would otherwise be entitled and up to 25% of future monthly payments until the full amount of overpayment is recovered. Any amounts owed also may be recovered or offset from any death or other benefits payable from the Plan.

8. Return to Covered Employment After Previously Retiring. If you return to Covered Employment after previously retiring, you will earn additional Benefit Credits at the then current rate; however, the amount of the pension which you previously earned and were receiving will not be changed. Thus, your previous pension that was earned for service prior to your initial retirement will continue to be based on the value of the Benefit Credits at the time you initially retired. Any additional Benefit Credits will be recalculated at the time of your termination of employment.

ALERT- Ramifications If You Return To Work And Retire Again

9. Employment After Early Retirement Delays Pension. **If you retire on an Early Retirement and return to Covered Employment your Pension will be suspended until you reach age 65.** You will not receive an amount higher than the Pension you were receiving for Pension Credit earned prior to your Early Retirement, but any Pension Credit you earn after your return to Covered Employment will increase your pension only when you reach Normal Retirement Age (age 65).

Your Early Retirement Benefit will be adjusted by the Benefit amount for such later earned years of Benefit Credit but not including any Benefit increases provided by any later Plan Amendment applicable to years of Benefit Credit earned prior to the date of your Early Retirement. Moreover, you may not change your previously selected benefit option when your benefits are adjusted, except Spousal Consent is required for a payment Option other than a Joint and Survivor Annuity.

10. Temporary Waivers of Suspension of Benefits. The Board of Trustees may periodically permit post-retirement work in Covered Employment to meet temporary shortages of available qualified men and women for work at the trade, for work requiring special individual skills, or for work for Signatory Employers that is not covered by the Collective Bargaining Agreement. This practice allows those who have already retired to be able to return to work to meet these special needs. The Trustees reserve the right to rescind or modify this policy at any time. All waivers are temporary and subject to recession at any time.

XII. PENSION DISTRIBUTION RULES

A. Required Distributions

Under the Internal Revenue Code, 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. A Vested Participant who attains age 70-1/2 may elect to receive his or her benefits regardless of whether he or she continues to work. Your monthly pension will be recalculated annually based on new Benefit Credits that you earned in the prior year. If you are a 5 percent owner of a contributing employer, the Plan is required to commence paying your benefits at age 70-1/2 even if you are still working.

Upon attainment of age 70½, 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.

ALERT-Potentially Large IRS Penalty

The IRS will assess 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.

B. Rights of Former Spouse - Domestic Relations Orders

If you are divorced your former spouse may be entitled to a portion or your entire 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.

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.

ALERT-Unresolved Disputes Regarding A Divorce And Your Retirement 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.

ALERT-Discretion To Pay Portion Of Your Pension

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 retirement benefit that is not being addressed by the pending QDRO.

C. No Assignments - Benefits May Not be Transferred to Others

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 in Section B above, certain Internal Revenue Service liens, and as may be required by applicable law.

D. Overpayments to be Recovered by 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 are 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 (25%) of your pension payments until the overpayment is recovered by the Plan. To the extent permitted by law the Plan may withhold 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 at the time of the Participant's death. The Board of Trustees is authorized to take any necessary action to recover over payments.

XIII. DEATH BENEFITS/PRE-RETIREMENT SURVIVOR BENEFITS

- A. **Pre-retirement Survivor Annuity**. This death benefit option applies if you are married and you die before your pension has commenced being paid to you.

Upon your death prior to retirement, your surviving spouse will be eligible for a Pre-retirement Survivor Annuity, also known as a ("QPSA"), payable for your spouse's lifetime as follows:

1. Death on or After Age 55. If you die on or after attaining age 55 but before retirement, your surviving spouse is entitled to receive the same monthly benefit, known as a "Pre-retirement Survivor Annuity," that would have been payable to you if you had retired with a Joint and a 50% Survivor Annuity on the day before your death. Benefits to your spouse may begin effective as of the first day of the month following the month in which you died, subject to receipt of an application from the spouse.

EXAMPLE: DEATH PRIOR TO RETIREMENT

You die before your retirement at age 57. At the time of your death, you were Vested and eligible for a reduced Early Retirement Pension under the Joint and Survivor Annuity Option of \$800.00 per month. At the time of your death, your Spouse is age 55. Your Spouse's monthly benefit is determined as follows: $\$800 \times 50\% = \400 per month. Your Spouse would receive a monthly pension benefit of \$400 for the remainder of his or her lifetime.

2. Death Before Age 55. If you are younger than age 55 at the time of your death and have accumulated sufficient Pension Credits to be eligible for a Pension, your surviving spouse will be entitled to the same benefit that would be payable if you had:
 - a. Separated from service on the date of your death;
 - b. Survived to the earliest retirement date you could retire under the Plan and receive a retirement annuity;
 - c. Retired with an immediate Joint and Survivor 50% Annuity at such earliest retirement date; and
 - d. Died on the day after your earliest retirement date.

Your surviving spouse will begin receiving payments effective as of the later of the first day of the month following your death or the earliest retirement age you could have retired under the Plan (age 55 in most instances) unless your spouse elects a later date (but no later than December 31 of the calendar year in which you would have attained age 70-1/2). If your surviving spouse elects the immediate Lump Sum Death Benefit described in Section B below instead of this benefit, this Pre-Retirement Survivor Annuity will not be paid.

This Pre-Retirement Survivor Annuity option is not available if you are not married and is provided to comply with federal law.

B. Optional Lump Sum Death Benefit

This benefit applies if you are not married, not otherwise eligible for the QPSA set forth in Section A above, or your spouse waives the QPSA, **but only if you were credited with at least 300 hours of Covered Employment in at least one of the three calendar years ending with the year of your death.** Under this option, the death benefit is \$4,000 per year of Benefit Credit up to a maximum of \$100,000.

This benefit is payable in equal monthly installments during the first twelve months, and one half in equal monthly installments during the next twenty-four months, following the date of death. Alternatively the death benefit may be paid in a lump-sum payment. If this benefit is less than or equal to \$100,000, it will be paid in an actuarial equivalent lump sum at the option of the beneficiary, if the payment of such lump sum will not cause the total amount paid in lump sums under this rule to exceed \$100,000 in a Plan Year.

The following rules determine the beneficiary for this benefit:

1. A surviving spouse who is eligible for the QPSA can choose between the QPSA and this Benefit.
2. If you are single, you may designate anyone to receive this Benefit.
3. If you have no designated beneficiary, a beneficiary is designated under the terms of the Plan. (See Article XIV below)

ALERT-No Death Benefit In Limited Situations

No death benefit is payable if you were not married at the time of your death and you were not credited with at least 300 hours of Covered Employment in at least one of the three calendar years ending with the year of your death, unless you were totally and permanently disabled from the time you stopped working in the Pipe Trades Industry until your death.

XIV. DESIGNATION OF BENEFICIARY

You should provide the Plan with the name and address of your beneficiary or beneficiaries.

You may change your beneficiary at any time prior to retirement, except if you are married, your spouse must provide written consent to any beneficiary designation and the form of benefit. Each designation of beneficiary or beneficiaries must be on the Plan's beneficiary form, which must be received by the Trust Fund Office during your lifetime. The Plan will not release beneficiary information to you over the phone.

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.

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).

If you die before your pension has commenced being paid to you and if no beneficiary has been designated or no designated beneficiary has survived you, distribution of your pension benefit will be made to your spouse, if any, and if none, in equal shares to your children, natural or adopted; if none survive you, in equal shares to your parents; or if none, then in equal shares to your brothers and sisters; if none, then finally to your estate.

XV. DEFERRAL OF TAXES/TAX WITHHOLDING/ROLLOVERS

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).

The Plan is required by federal law to withhold for taxes 20% of certain lump sum distributions from the Plan.

ALERT – Age 70 ½ 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

Federal and California income taxes are withheld from your monthly pension payments according to your instructions or as required by law. When you retire, you will be required to complete tax withholding Forms.

C. Rollovers.

If you are eligible to receive your benefits in a lump sum or in periodic payments of less than ten years, your distribution may qualify for "rollover" treatment. This includes certain payments to spouses. 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. The choice will affect the tax you owe. Additional information on rollovers is available upon written request to the Trust Fund Office.

D. Distributions Not Eligible for Rollover.

You cannot rollover a distribution made (1) in a series of equal (or almost equal) periodic payments for your life or the joint lives of you and your spouse or other Beneficiary, or (2) as a "required minimum payment" beginning on the April 1st of the year after the year during which you reach age 70-1/2 (or thereafter).

Thus, you may not rollover your monthly Pension received under a Joint and 50%, 75%, or 100% Survivor Annuity or a Life Annuity. In addition, a Pre-retirement Survivor Annuity paid to your surviving spouse and payments to non-spouse beneficiaries may not be rolled over. There may be other benefits that may not be rolled over. You may want to consult with a tax advisor.

E. Electronic Funds Transfer of Pension Payments.

In order to increase efficiency and to reduce the possibility of theft, the Trust Fund Office strongly recommends that you have your monthly benefit electronically transferred 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 which will receive your electronic transfer. You will receive a monthly statement showing your electronic transfer amount.

XVI. POTENTIAL LOSS 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 Credited Service or Pension Credit.

If you fail to accrue the minimum years of Credited Service (to become vested) 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 years of Vesting Credits 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 as described in Section XI of this booklet.

F. Retire, Return to Work and Retire Again.

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, except as described in Article XI.

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 will 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. Benefit/Contributions 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. Death.

If you die before meeting the requirements for a death benefit under the Plan or you fail to designate a Beneficiary or no eligible Beneficiary can be located, no benefits will be paid upon your death.

K. Plan Termination.

If the Plan terminates, the procedures for allocation of Plan assets on termination may result in a reduction or loss of your Plan Benefits if the assets of the Plan are inadequate to cover the actuarial value of all your accrued Benefits. Moreover, the Federal Pension Benefit Guaranty Corporation (PBGC) guarantees only a specified level of benefits.

XVII. CLAIMS AND APPEAL PROCEDURE

A. Claims and Appeal Procedure

The Plan, which is available for review by appointment at the Trust Fund Office, or upon written request of the Trust Fund Office, contains a claims and appeal procedure that must be followed. Be sure to read the 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.

B. 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, however, you must file with the Trust Fund Office a written appeal within 60 days of your receipt of the Board's initial denial of your claim. Your appeal must state the specific reasons the denial of the claim was in error. **If you fail to submit your written appeal within that period, there will be no review of your claim and the denial is automatically upheld.**

If you timely file an appeal, a review of your appeal will be held and a decision rendered by the Board of Trustees at 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 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. You may request in writing or you may be requested by the Board of Trustees to appear at a hearing on your appeal. The Trustees, however, have 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 specific reason(s) for the denial.

C. 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 up to 30 days may be necessary due to matters beyond the control of the Plan.

Any notice of extension to decide the claim will include, 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. You then have at least an additional forty-five (45) days to provide the requested 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 you until the date a response is received.

A notice of the Plan's denial of your benefit determination on your claim (an "adverse" benefit determination) will 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; 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 or request for benefits is denied in whole or in part, you or your duly authorized representative, may petition the Board of Trustees for review of the decision. You should file the petition for review with the Trust Fund Office within one hundred and eighty (180) days of receipt of the notification of adverse benefit determination. You may 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 your diagnosis, without regard to whether such advice or statement was relied upon in making the benefit determination. If the adverse benefit determination is based in whole or in part on a medical judgment, the Trustees will 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 or the subordinate of any such person.

The Plan will provide you with a written notice of its decision on the appeal. Any notice of adverse benefit determination on the appeal will include, in addition to the reason 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.

D. Two 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. Pursuant to the Plan Document, 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 two years after your appeal was denied.

XVIII. AMENDMENT/TERMINATION/MERGER OF PLAN

A. Amendment of Plan

The Board of Trustees has the discretion to amend the Plan at any time. Moreover, if the Collective Bargaining Agreement is amended by the insertion or deletion of provisions relating to the Plan, the Board of Trustees will amend the Plan to effectuate the intent of the amendment to the Collective Bargaining Agreement, unless such amendment conflicts with applicable law or is actuarially unsound.

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 342 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 of \$2.60 per participant to the PBGC. The PBGC does not, however, guarantee all types of benefits and the amount of guaranteed benefit protection is limited.

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 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 currently is \$35.75 per month times a Participant's Years of Service. Thus, the maximum annual guarantee for a pensioner with 30 Years of Service would be \$12,870. **These amounts could change in the future.**

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.

The maximum PBGC guarantee is lower if benefits begin before age 65, if benefits are paid in a form other than a straight life annuity and for certain disability and survivor benefits. Non-vested Benefits are not guaranteed by the PBGC.

For more information on PBGC insurance protection and its limitations, you may contact the PBGC as follows:

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 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 receive before such merger, consolidation or transfer.

XIX. ADDITIONAL INFORMATION REQUIRED BY ERISA

A. Name and Type of Plan

The name of the Plan is the Northern California Pipe Trades Pension Plan ("Plan"). The Plan is a Defined Benefit Pension Plan exempt from income tax under Section 401(a) of the Internal Revenue Code.

B. Plan Administrator

The Board of Trustees is the designated Plan Administrator of the Plan under ERISA. The Board is responsible for the operation and administration of the Plan, including ensuring that information regarding the Plan is reported to governmental agencies and disclosed to Plan Participants and beneficiaries in accordance with ERISA. The Board has designated Kim Biagi to be the Fund Manager for the Plan, You may contact her as follows:

Kim Biagi, Fund Manager
Northern California Pipe Trades Pension Plan
1855 Gateway Boulevard, Suite 350
Concord, California 94520-8445
(925) 356-8921 Fax: (925) 856-8938
E-mail: pipe_trades_trust@ncpttf.com

C. Agent for the Service of Legal Process

The person designated as agent for service of legal process is:

Richard K. Grosboll
Neyhart, Anderson, Flynn & Grosboll
44 Montgomery, Suite 2080
San Francisco, CA 94104-6702
(415) 677-9440

Service of legal process may also be made upon the Fund Manager, any Plan Trustee, or the Board of Trustees, at the addresses listed on page iii of this booklet.

D. Plan Year

Beginning January 1981, the Plan Year commences on January 1 and ends on December 31.

E. Employer Identification Number

The Internal Revenue Service Employer Identification Number (EIN) for this Plan is 94-3190386. The Plan Number is 001. The California State Employer Account Number for this Plan is 804-0112-8.

F. Funding Contributions and Collective Bargaining Agreements

The Plan is maintained in accordance with Collective Bargaining Agreements between the U.A. Local 342 and certain designated Employer associations (and some individual Employers), which require Employers to contribute to the Plan. There are no Employee contributions to this Plan.

The Trust Fund Office will provide you upon written request with information on whether a particular Employer for whom you work is contributing to the Plan and if the Employer is a contributor, the Employer's address.

G. Fund Medium/Investments

Assets of the Plan are held in Trust. Plan assets are held in custody by Bank of New York. The Board of Trustees has delegated to Wurts and Associates, the Plan's Investment Consultants, the responsibility of helping the Board of Trustees develop an Investment Policy and select Investment Managers to manage the Plan's assets.

STATEMENT OF ERISA RIGHTS

As a Participant in the Northern California Pipe Trades Pension Plan ("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:

RIGHT TO RECEIVE INFORMATION ABOUT THE PLAN AND YOUR BENEFITS

- Examine without charge at the Trust Fund Office and at other specified locations such as worksites and the Union office, documents governing the Plan, including Collective Bargaining Agreements and the latest annual report (Form 5500 series) filed with the Department of Labor (and which is available at the Public Disclosure room of the Department of Labor's Employee Benefits Security Administration ("EBSA") office.
- Obtain copies of Plan documents governing the Plan (those documents which are required by law to be furnished) upon written request to the Plan. Pursuant to ERISA, the Trust Fund 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 informing you whether you have a right to receive a pension at Normal Retirement Age and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. 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.

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.

ENFORCING YOUR RIGHTS UNDER ERISA

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 materials 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 or as determined by a Court.

If you have a claim for benefits which is denied or ignored in whole or in part, and which 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 suit in federal court.

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 will 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).

If you have any questions about your Plan, you may contact the Trust Fund Office.

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:

Office of Participant Assistant
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 publications hotline of the EBSA. For single copies of publications, contact the EBSA Brochure Request Line at 1-800-998-7542 or contact the EBSA field office nearest you.

You may find answers to your questions and a list of EBSA offices at:
<http://www.dol.gov/ebsa/welcome.html>