SHEET METAL WORKERS' PENSION PLAN OF SOUTHERN CALIFORNIA, ARIZONA AND NEVADA

PENSION PLAN
SUMMARY PLAN DESCRIPTION

Effective July 1, 2012

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SHEET METAL WORKERS' PENSION PLAN
OF SOUTHERN CALIFORNIA, ARIZONA AND NEVADA

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Manhattan Beach, CA 90266-6861 | Manhattan Beach, CA 90266-8567
(310)798-6572 or (800) 947-4338

Dear Participant:

We are proud to present your new Pension Plan summary plan description or plan booklet, describing the benefits available as of July 1, 2012.

The Internal Revenue Service has determined that the Plan continues to meet the requirements for tax-qualified status. This means that income taxes on the contributions made to the Plan are deferred until your benefit payments begin.

Numerous changes were made since the last printing in 2006, as announced in previous correspondence to you. We, therefore, urge you to read this booklet carefully so that you understand the valuable benefits provided to you under this plan.

It is important to remember when reading and interpreting the Plan that if the facts and circumstances of a particular situation occurred prior to the printing of this booklet the provisions of the Plan in effect at the relevant date may be applied. Those provisions may be different from the Plan presently in effect and contained in this booklet.

This booklet is merely a summary of the Rules and Regulations of the Pension Plan. Your benefits will be determined under the Pension Plan document itself (the "Rules and Regulations" or "Plan Document"), as amended by the Board of Trustees from time to time. In the event of any inconsistency between the Plan Document and this booklet, the Plan Document will control. The Board of Trustees has full discretion and authority to interpret the Rules and Regulations and to decide any question regarding the nature and extent of benefits provided under the Pension Plan. The Trustees also have full discretion and authority to decide any factual question related to eligibility for and the extent of benefits provided by the Pension Plan. A copy of the Plan Document can be obtained from the Administrative Office (see paragraph 16 of the section entitled "Information Required by the Employee Retirement Income Security Act of 1974," on pages 82-84).

For your protection, only the Board of Trustees is authorized to interpret the Pension Plan. While a great effort is made by the Local Unions and Employers to help you obtain the correct information about your Pension Plan, information you receive from a Local Union or employer, or from a contractor's representative such as a local Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) representative, should be regarded as unofficial. In order to be official, any information or opinion about your rights under the Pension Plan must be communicated to you by the Administrative Office in writing, and signed on behalf of the Board of Trustees.

Please remember to keep the Administrative Office informed of any change in your mailing address to ensure that you receive all communications. Any questions about your benefits or your rights and responsibilities should also be addressed to the Administrative Office at: Sheet Metal Workers' Pension Plan of Southern California, Arizona and Nevada, P.O. Box 10067, Manhattan Beach, CA 90267-8567.

Sincerely,

BOARD OF TRUSTEES

A. SOME PENSION PLAN TERMS

The Pension Plan provides retirement benefits for eligible employees who work for employers who contribute to the Plan. Before describing these benefits and the requirements that must be met in order to be eligible, there are certain terms used in the Plan which should be explained.

EMPLOYEE: The term "Employee" means an employee of an Individual Employer who performs one or more hours of work covered by any of the Collective Bargaining Agreements.

The term "Employee" shall also include employees of Local Unions, Joint Apprentice Committees and/or the Administrative Corporation on whose behalf contributions are made to the Pension Plan pursuant to regulations adopted by the Board of Trustees.

The term "Employee" shall also include individuals who are shareholders in an Individual Employer which is incorporated pursuant to the Internal Revenue Code, provided that such individuals are working in the bargaining unit as evidenced by being members of a Local Union in accordance with applicable Collective Bargaining Agreements and the Constitution and Bylaws of that Local Union and the Sheet Metal Workers International Association and that contributions on such individuals are made on all hours worked subject to a minimum of 155 hours per month (130 hours per month for the first six months for newly-organized bargaining units).

COVERED EMPLOYMENT: Work for which your employer is required to contribute to this Plan.

HOUR OF SERVICE: The term "Hour of Service" includes each hour of work in Covered Employment as well as hours for which no work is performed but for which you are entitled to be paid due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, family or medical leave of absence but excluding any time compensated under a workers' compensation law or pursuant to a mandatory disability benefits law and excluding any hours of non-work time in excess of 300 in a calendar year (375 before 1992).

NON-COVERED SHEET METAL SERVICE: Sheet Metal work in the geographical jurisdiction of this Plan or a Related Plan (see definition on page 33) on or after February 1, 1986 for an employer which does not have, or self-employment which is not covered by, a collective bargaining agreement with a Sheet Metal Workers' Union requiring contributions to this Plan or a related pension plan. It includes all work or service of the kind performed by any contributing Employer to the Plan which relates in any way to any work of the kind performed by participating Employees covered by the Plan. It includes such jobs as management, ownership, sales, estimating or consulting positions for Sheet Metal employers or in the Sheet Metal Industry (see definition on pages 60-61), as well as work of the type done by bargaining unit members and related work.

PARTICIPANT: The term "Participant" includes an Active Participant, a Pensioner, a Beneficiary, a Vested Participant, an Inactive Vested Participant, or a Terminated Participant (see page 6).

ACTIVE PARTICIPANT: The term "Active Participant" refers to an individual who has not incurred a One-Year Break in Covered Employment (see page 42-43) since the most recent Calendar Year or computation period in which he completed 1,000 or more Hours of Service. The term "Active Participant" also excludes an Inactive Vested Participant and a Terminated Participant (see page 6). "Vested Participants" are Active participants who have a nonforfeitable right to benefits under the Plan.

PENSIONER: The term "Pensioner" refers to a Participant who retired and is receiving Pension benefits under this Plan.

BENEFICIARY: The term "Beneficiary" refers to person (other than a Pensioner) who is receiving benefits or is entitled to receive benefits in the future because of his or her designation for such benefits by an Active Participant, Inactive Vested Participant or Pensioner, or is entitled to such benefits by operation of law.

PENSION CREDIT: Years of service which are earned by Participants and which are used to determine eligibility for benefits. Pension Credits are of two types: PAST SERVICE CREDIT earned for periods prior to the Contribution Date; FUTURE SERVICE CREDIT for periods on and after the Contribution Date. How these are earned is described in detail later in this booklet.

VESTING SERVICE: Years of service which are earned by Participants after the Contribution Date which are used to determine eligibility for a Vested Pension.

CONTRIBUTION DATE: The date corresponding to the Local Union as shown in the following chart in whose jurisdiction a Participant was employed when the first contribution to the Plan was made on his behalf.

LOCAL UNION NO.	CONTRIBUTION DATE
105 (formerly 108, 102, 420 and 509)	January 1, 1958
206, 273	July 1, 1959
152 (now part of 105)	January 1, 1961
88	July 1, 1965
26	January 1, 1967
426 (now part of 359)	June 1, 1967

PERMANENT BREAK IN COVERED EMPLOYMENT: When a Participant who is not vested fails to work enough hours in Covered Employment over a period of time, the Participant has a Permanent Break in Covered Employment and his Pension Credits are cancelled. Prior to 1975, a Participant had to earn at least one quarter of Pension Credit in a period of two consecutive calendar years to avoid a Permanent Break in Covered Employment. Between January 1, 1976 and January 1, 1987, a Participant had a Permanent Break in Covered Employment if the number of consecutive calendar years during which the Participant did not earn at least 375 Hours of Service equaled the number of years of Vesting Service the Participant had earned. Beginning January 1, 1987, a Participant has a Permanent Break in Covered Employment if the number of consecutive calendar years during which he does not earn at least 375 Hours of Service is at least five and equals the number of years of Vesting Service the Participant had earned. For calendar years beginning January 1, 1992, the minimum number of Hours of Service required to be earned in a year to avoid a break is 300. Information on waivers of Permanent Breaks in Covered Employment can be found on page 46.

SEPARATION IN SERVICE: If a Participant does not earn at least 300 Hours of Service in each of two consecutive calendar years (375 hours before 1992), the Participant will have a Separation in Service. This means that future benefit increases will not apply to the Pension Credit earned before the Separation and also means that the Participant will not be eligible for a Service Pension unless the Participant had at least 25 years of Pension Credit prior to the Separation or earns 25 years of Pension Credit after the Separation. Information on waivers of Separations in Service can be found on page 46.

GRACE PERIODS: Periods of time a Participant is not working in Covered Employment which are not counted in determining a Break in Covered Employment or a Separation in Service. Grace periods are recognized for periods of ownership or management interest in a Contributing Employer to this Plan or a Related Plan (see definition on page 33), full-time employment as an International Representative of the Sheet Metal Workers' International Association or as an elected or appointed official of a labor organization affiliated with the AFL-CIO, certain sheet metal employment with a public agency pursuant to a collective bargaining agreement, and periods of disability or involuntary unemployment. Further details concerning grace periods can be found on page 43.

Parental leave under the Family and Medical Leave Act of 1993 also constitutes a grace period. Parental leave is defined as a Participant's absence from work due to the Participant's pregnancy, or to the birth of the Participant's child (and newborn care after the birth), or to placement of a child in connection with an adoption by the Participant (including a trial period). As of February 3, 1993, the Plan complies with the Family and Medical Leave Act of 1993 and regulations under that law in determining if certain leaves of absence would cause a Break in Covered Employment.

APPLYING FOR A PENSION: You should first request a pension application packet from the Administrative Office. Your application must be completed, signed, notarized and received by the Administrative Office at least one calendar month prior to the date your Pension can become effective. You must send satisfactory proof of your date of birth with your application. If you decide you want the Husband-and-Wife Pension, you will need to provide proof of your marriage and proof of your spouse's date of birth.

By law, participants and their spouses, if any, have a 30-day notice and election period to decide the form in which they want monthly benefits to be payable. The "default" automatic form for married retirees is a Husband-and-Wife Pension, and, for unmarried retirees, it is a single life annuity.

PENSION EFFECTIVE DATES: Pensions are effective on the first day of the second month after the pension application is filed. For example, if a Participant wants to receive his first pension payment on July 1, his application must be received at the Administrative Office by May 31. In addition, if you work one hour in the Sheet Metal Industry (see pages 60-61) during any calendar month, the pension effective date will be the first of the following month. For example, if you work one hour (or more) on July 1st, your Pension Effective Date will be August 1st, providing that your pension application was received no later than June 30th.

Disability Pensions become effective with the sixth month of disability, provided the Participant has made timely application and has been awarded a Disability Benefit from Social Security. In no event can the effective date of his Disability Pension be prior to the effective date of his Social Security Disability award or prior to the first day of the second month after his application for pension benefits is received by the Administrative Office.

Please refer to the section on Annuity Starting Dates at pages 67-68 for more information.

B. 2010 REHABILITATION PLAN

In accordance with the Pension Protection Act of 2006, a federal law, the Plan was certified in "critical status" for the Plan Year beginning January 1, 2010. As a result, the Trustees adopted a Rehabilitation Plan on October 27, 2010 (the "2010 Rehabilitation Plan"), in which certain benefits were reduced or eliminated. A notice was mailed to participants in December 2010 explaining the terms of the 2010 Rehabilitation Plan.

The 2010 Rehabilitation Plan is a complex document whose terms affect the operation of many different provisions of the Plan. Although this section of your Summary Plan Description (SPD) booklet provides an overview of the 2010 Rehabilitation Plan, the SPD will also explain, in greater detail, the impact, if any, of the 2010 Rehabilitation Plan on a given provision of the Plan in the section pertaining to that particular Plan provision. To understand the effect of the 2010 Rehabilitation Plan on your benefits, you should not only read this section of the SPD, but also those sections of the SPD that provide detailed explanations of eligibility for benefits, the amount of benefits, types of pensions, and adjustment for forms of payment.

The 2010 Rehabilitation Plan provides two "Alternative Schedules" which have been adopted by collective bargaining parties, and a "Default Schedule." The structure of the benefit formula itself under each of the Alternative Schedules is the same; only the required contribution increases are different.

Participants become covered by an Alternative Schedule (or the Default Schedule) when they work under a collective bargaining agreement (or other agreement pursuant to which the employer contributes to the Pension Plan) adopted by the bargaining parties, with terms consistent with the Rehabilitation Plan and the Alternative Schedule (or the Default Schedule). Participants who are non-collective bargaining unit employees of the employer are also considered covered by the Alternative Schedule.

Participants who are employees of an employer which contributes to the Pension Plan only on behalf of non-collective bargaining unit employees (for example, the Administrative Office) are covered by the Alternative Schedule determined by the Board of Trustees.

The 2010 Rehabilitation Plan provides that if a collective bargaining agreement that was in effect on January 1, 2010 expires, and the bargaining parties fail to adopt a contribution schedule with terms consistent with the 2010 Rehabilitation Plan and an Alternative Schedule, the Default Schedule will be automatically imposed 180 days after the date the collective bargaining agreement expires.

It is the understanding of the Board of Trustees at the time this booklet was prepared for printing that all bargaining units have adopted Alternative Schedule 1 or Alternative Schedule 2. Most adopted Alternative Schedule 2; Locals 206 and 359 adopted Alternative Schedule 1.

Therefore, it is the Trustees' understanding that no bargaining units are subject to the Default Schedule. However, when a current collective bargaining agreement expires, the

Default Schedule could become applicable if the collective bargaining parties fail to reach an agreement with terms consistent with the 2010 Rehabilitation Plan and an Alternative Schedule. The Default Schedule could also apply to a new bargaining unit for which contributions are required to the Pension Plan.

It is important to note that under the 2010 Rehabilitation Plan your accrued pension benefits at Normal Retirement Age are protected by law under the Single Life Annuity form and cannot be decreased or eliminated.

Some New Terms introduced by the 2010 Rehabilitation Plan

An **"Inactive Vested Participant"** is a participant, or the beneficiary or alternate payee of a participant, who incurred a One-Year Break in Covered Employment (after application of any waivers or grace periods), is not in pay status under the Plan, and has a nonforfeitable right to benefits under the Plan.

A **"Terminated Participant"** is a participant, or the beneficiary or alternate payee of a participant, who incurred a One-Year Break in Covered Employment (after application of any waivers or grace periods), is not in pay status under the Plan, and does not have a nonforfeitable right to benefits under the Plan.

A participant who retires on or after January 1, 2012 who did not work under the Default Schedule or an Alternative Schedule in the 2010 Rehabilitation Plan but who is not an Inactive Vested Participant or a Terminated Participant due to application of a grace period for 2011 or after (see page 3), is considered covered by an Alternative Schedule for benefit calculation purposes.

C. TYPES OF PENSION BENEFITS

The Plan provides for the following several types of pension benefits, the rules for which are summarized in the following pages.

1. Regular Pension (pages 8-19)

2. Service Pension (pages 20-21)

3. Early Retirement Pension (pages 22-25)

4. Disability Pension (pages 26-30)

5. Special Early Pension (page 31)

6. Vested Pension (page 32)

7. Pro Rata Pension (page 33)

1. REGULAR PENSION

When is a Participant eligible for a Regular Pension?

When he has retired, filed a completed application and met the following requirements:

1. He has attained age 65.

2. He has at least 15 years of Pension Credit (Past and Future) or 10 years of Future Service Credit without a Permanent Break in Covered Employment.

3. He has accumulated at least two quarters of Pension Credit since his Contribution Date or has worked at least 750 hours within the eighteen-month period immediately following his Contribution Date.

How much is the Regular Pension?

You must earn at least one-quarter of Future Service Credit in a given calendar year in order to earn any benefit accrual that year. Additional conditions, if any, will be explained in the detailed discussion, in the following pages, of the particular segment or segments of the benefit formula to which such conditions may apply.

Generally, the monthly amount of the benefit will be calculated using the terms of the Plan in effect on the retiree's Annuity Starting Date. However, if you have had a Separation from Service (see pages 45-46), and did not qualify for a grace period (see page 43) or for a waiver under the terms of the Plan (see page 46), then some or all of your benefits may be subject to the terms of the Plan in effect at a time earlier than your Annuity Starting Date.

The monthly amount of the Regular Pension—prior to any applicable adjustment for age or for form of payment—is the sum of the respective amounts accrued in each Plan Year (which is the same as the calendar year). The total accrued benefit is determined in this manner because the benefit has changed as of various effective dates and the accrual method is not the same for all years.

Although, as noted above, your accrued monthly benefit is calculated as the sum of each calendar year's accrual, the benefit formula, for ease of understanding, can be broken down into the following segments, with the same rules generally applying (except as noted in the detailed explanations in the following pages) to each calendar year within a segment. Thus, the benefit formula consists of the following seven segments:

Segment 1. Accrual, if any, in calendar years prior to 1981, plus

Segment 2. Accrual, if any, in the 1981 through 1990 calendar years, plus

Segment 3. Accrual, if any, in the 1991 through 1994 calendar years, plus

Segment 4. Accrual, if any, in the 1995 through 2005 calendar years, plus

Segment 5. Accrual, if any, in the 2006 through 2007 calendar years, plus

Segment 6. Accrual, if any, in the 2008 through 2010 calendar years, plus

Segment 7. Accrual, if any, in calendar years beginning on and after January 1, 2011.

Following is a detailed discussion of each of the seven "segments" in the benefit formula:

Segment 1. Prior to 1981

A Participant who has earned at least one-quarter of Pension Credit on or after January 1996 will receive a monthly benefit of $35.00 for each full year (and proportionately less for fractional years) of Pension Credit earned before January 1, 1981, up to a maximum of $875.00.

Segment 2. 1981 through 1990

The monthly benefit amount is determined by multiplying the Participant's Benefit Accrual Percentage times the total of all contributions required on the Participant's behalf during each calendar year after December 31, 1980 and prior to January 1, 1991 during which the Participant earned Pension Credit for at least 375 hours of work in Covered Employment. The Benefit Accrual Percentage (for 1981 through 1990) is the percentage which corresponds to the Average Hourly Contribution Rate as follows:

Average Hourly Contribution Rate	Benefit Accrual Percentage
At Least - Less Than	
Less than $1.75	1.6871%
$1.75 - $1.80	1.8123
$1.80 - $1.85	1.8903
$1.85 - $1.90	1.9640
$1.90 - $1.95	2.0339
$1.95 - $2.00	2.1002
$2.00 - $2.05	2.1633
$2.05 - $2.10	2.2233
$2.10 - $2.15	2.2804
$2.15 - $2.20	2.3351
$2.20 - $2.25	2.3872
$2.25 - $2.30	2.4370
$2.30 - $2.35	2.4847
$2.35 - $2.40	2.5304
$2.40 - $2.45	2.5742
$2.45 - $2.50	2.6163
$2.50 - $2.55	2.6566
$2.55 - $2.60	2.6953
$2.60 - $2.65	2.7367

Average Hourly Contribution Rate	Benefit Accrual Percentage
$2.65 - $2.70	2.7686
$2.70 - $2.75	2.8032
$2.75 - $2.80	2.8365
$2.80 - $2.85	2.8688
$2.85 - $2.90	2.8998
$2.90 - $2.95	2.9298
$2.95 - $3.00	2.9588
$3.00 - $3.05	2.9867
$3.05 - $3.10	3.0139
$3.10 - $3.15	3.0403
$3.15 - $3.20	3.0657
$3.20 - $3.25	3.0903
$3.25 - $3.30	3.1141
$3.30 - $3.35	3.1373
$3.35 - $3.40	3.1598
$3.40 - $3.45	3.1815
$3.45 or more	3.2028

The Average Hourly Contribution Rate is determined by dividing the total of the contributions required on the Participant's behalf for each calendar year after December 31, 1980 and before January 1, 1991 by the total number of hours for which such contributions were required during such calendar year.

Segment 3. 1991 through 1994

The monthly benefit amount is determined by multiplying the Participant's Benefit Accrual Percentage times the total of all contributions required on the Participant's behalf during each calendar year after December 31, 1990 and before January 1, 1995 during which the Participant earned Pension Credit for at least 375 hours of work in Covered Employment. The Benefit Accrual Percentage (for 1991 through 1994) is the percentage which corresponds to the Average Hourly Contribution Rate as follows:

Average Hourly Contribution Rate	Benefit Accrual Percentage
At Least - Less Than	
Less than $1.75	2.0244%
$1.75 - $1.80	2.1749
$1.80 - $1.85	2.2684
$1.85 - $1.90	2.3568
$1.90 - $1.95	2.4406
$1.95 - $2.00	2.5203
$2.00 - $2.05	2.5959
$2.05 - $2.10	2.6679
$2.10 - $2.15	2.7366
$2.15 - $2.20	2.8021
$2.20 - $2.25	2.8646
$2.25 - $2.30	2.9245
$2.30 - $2.35	2.9816
$2.35 - $2.40	3.0364
$2.40 - $2.45	3.0891
$2.45 - $2.50	3.1395
$2.50 - $2.55	3.1879
$2.55 - $2.60	3.2345
$2.60 - $2.65	3.2793
$2.65 - $2.70	3.3223
$2.70 - $2.75	3.3638
$2.75 - $2.80	3.4039
$2.80 - $2.85	3.4425
$2.85 - $2.90	3.4798
$2.90 - $2.95	3.5157
$2.95 - $3.00	3.5505
$3.00 - $3.05	3.5842
$3.05 - $3.10	3.6168
$3.10 - $3.15	3.6482
$3.15 - $3.20	3.6788
$3.20 - $3.25	3.7082
$3.25 - $3.30	3.7370
$3.30 - $3.35	3.7648
$3.35 - $3.40	3.7917
$3.40 - $3.45	3.8179
$3.45 or more	3.8433

The Average Hourly Contribution Rate is determined by dividing the total of the contributions required on the Participant's behalf for each calendar year after December 31, 1990 and before January 1, 1995 by the total number of hours for which such contributions were required during such calendar year.

Segment 4. 1995 through 2005

The monthly benefit amount is determined by multiplying the Participant's Benefit Accrual Percentage times the total of all contributions required on the Participant's behalf during each Calendar Year after December 31, 1994 and before January 1, 2006 during which the Employee earned at least one-quarter of Pension Credit. The Benefit Accrual Percentage (for 1995 through 2005) is the Participant's Average Hourly Contribution Rate multiplied by 0.85848%, plus 1.2264%. The Average Hourly Contribution Rate is determined by dividing the total contributions required on the Participant's behalf for each calendar year after December 31, 1994 and before January 1, 2006 by the total number of hours for which such contributions were required during such calendar year.

Segment 5. 2006 through 2007

The monthly benefit amount is determined by multiplying the Participant's Benefit Accrual Percentage times the total of all contributions required on the Participant's behalf during each calendar year after December 31, 2005 and before January 1, 2008 during which the Participant earned at least one-quarter of Pension Credit. The Benefit Accrual Percentage (for 2006 through 2007) is the Participant's Average Hourly Contribution Rate multiplied by 0.600936%, plus 0.85848%, but in no event may the Benefit Accrual Percentage exceed 3.148046%. The Average Hourly Contribution Rate is determined by dividing the total of the contributions required on the Participant's behalf for each calendar year during the period from January 1, 2006 through December 31, 2007 by the total number of hours for which such contributions were required for him during such calendar year.

Segment 6. 2008 through 2010

For each calendar year from January 1, 2008 through December 31, 2010, the monthly benefit amount of the Regular Pension accrued during a calendar year is determined as the product of the following three terms:

(1) The eligible Employee's Benefit Accrual Percentage; multiplied by

(2) The total of all contributions required (and permitted by the Plan) on the eligible Employee's behalf during that calendar year; multiplied by

(3) The applicable Accrual Factor for the calendar year (as shown in the table below).

For purposes of this calculation, the Benefit Accrual Percentage is the sum of (a) the Employee's Average Hourly Contribution Rate multiplied by 0.497173%, and (b) 0.85848%. In no event, however, may the Benefit Accrual Percentage exceed 2.35%.

The Average Hourly Contribution Rate for a given calendar year is determined by dividing the total of the contributions required (and permitted by the Plan) on the Employee's behalf for that calendar year by the total number of hours for which such contributions were required for him during that calendar year.

For calendar years 2008 through 2010, the Pension Plan shall neither permit nor accept any contributions in excess of the Maximum Allowable Hourly Contribution Rate as shown in the table below.

Calendar Year	Accrual Factor	Maximum Allowable Hourly Contribution Rate
2008	1.0000	No Maximum
2009	0.8000	$4.50
2010	0.7273	$4.95

Segment 7. Accrual in Calendar Years Beginning on and after January 1, 2011—

A. For Benefits Determined Under an <u>Alternative Schedule</u> under the 2010 <u>Rehabilitation Plan</u>

For each calendar year beginning on or after January 1, 2011, the monthly benefit amount of the Regular Pension accrued during a calendar year (for benefits determined in accordance with one of the **Alternative Schedules** under the 2010 Rehabilitation Plan) is determined as the sum of two separate components—the **Basic Contributions benefit**, and the **Tier 3 Contributions benefit**. See Appendix B for an explanation of the Basic, Supplemental, and Tier 3 Contributions structure.

The **Basic Contributions benefit** is the product of the following three terms:

(1) The eligible Employee's Benefit Accrual Percentage; multiplied by

(2) The total dollar amount of all Basic Contributions required on the eligible Employee's behalf during that calendar year; multiplied by

(3) The applicable Accrual Factor for the calendar year (0.6612 for 2011; 0.6011 for 2012 and after).

For purposes of this calculation, the Benefit Accrual Percentage is the sum of (a) the Employee's Basic Average Hourly Contribution Rate multiplied by 0.497173%, and (b) 0.85848%. In no event, however, may the Benefit Accrual Percentage exceed 2.35%.

The Average Hourly Contribution Rate is determined by dividing the total of the Basic Contributions required on the Employee's behalf for each Calendar Year after December 31, 2010 by the total number of hours for which such contributions were required for him during such calendar year.

The **Tier 3 Contributions benefit** is determined by multiplying all Tier 3 Contributions required on the Employee's behalf during the calendar year by 1.5%.

As explained above, the final step in determining the total monthly benefit accrued during the calendar year is to add the Basic Contributions benefit and the Tier 3 Contributions benefit together.

B. For Benefits Determined Under the <u>Default Schedule</u> under the 2010 <u>Rehabilitation Plan</u>

For each calendar year beginning on and after January 1, 2011, for benefits determined in accordance with the **Default Schedule** in the 2010 Rehabilitation Plan, the monthly benefit amount is determined by multiplying all contributions required on the Employee's behalf during each such calendar year by 1.0%.

REMINDER REGARDING STRUCTURE OF BENEFIT FORMULA:

The seven "segments" described on the preceding pages represent a consolidated or streamlined approach to describing the benefit formula. The total accrued monthly benefit (prior to adjustment for age and form of payment) is the sum of the accrual, if any, in each calendar year during your work history. Calendar years with the same structure in the benefit formula have been grouped together in "segments" for purposes of this explanatory summary.

If you have any questions regarding prior benefit amounts and rates, please call the Administrative Office. The Administrative Office personnel will be happy to provide you with additional information.

Prior to the implementation of the 2010 Rehabilitation Plan, the Regular Pension for an unmarried retiree (or a married retiree who elects, with spousal consent, to reject the 50% Husband-and-Wife Pension) was payable in the form of a single life annuity with a seven-year (84 month) guarantee. That meant that the benefit would continue until at least 84 months of benefits had been paid even if the Pensioner died before the 84th month. Among the changes included in the 2010 Rehabilitation Plan are (1) modification to a 54-month guarantee, or (2) elimination of the 84-month guarantee, depending on the circumstances of a retiree's active status when the retiree's Annuity Starting Date is established, and depending on which Schedule under the 2010 Rehabilitation Plan is applicable to the retiree. See pages 48-51 for an explanation of the 54-month Guarantee as changed by the 2010 Rehabilitation Plan.

The actual monthly amount of a Pensioner's Regular Pension is subject to adjustment for age and for form of payment, as applicable. For a full description of these adjustments, review pages 7 through 33 regarding Types of Pensions, and pages 52 through 59 regarding Forms of Payment.

<u>EXAMPLES OF ACCRUAL IN 2012</u>

1. Alternative Schedule 2 with $7.00 Contribution Rate in 2012

Assume you work 1,800 hours in Covered Service in 2012 and the Average Hourly Contribution Rate for those hours is $7.00. The gross monthly Regular Pension benefit you will earn based on your work in 2012, calculated as a single-life annuity with a 54-month guarantee, will be $170.11, determined as follows:

Step 1: Determine Allocation of Contributions:

Basic:	$6.00
Supplemental:	0.35
Tier 3:	0.65
Total:	$7.00

Step 2: Benefit Accrual Percentage = 2.35% determined as follows: $6.00 x 0.497173% + 0.85848% = 3.841518% (reduced to 2.35% cap)

Step 3: Benefit Accrual Percentage x Basic Contributions required to be paid for the year = 2.35% x 1,800 x $6.00 = $253.80

Step 4: Multiply result in Step 3 by Accrual Factor to determine the Basic benefit accrual = $253.80 x 0.6011 = $152.56

Step 5: Tier 3 benefit accrual determined as follows = 1.50% x 1,800 x $0.65 = $17.55

Step 6: Total benefit accrual = $152.56 + $17.55 = $170.11

2. Alternative Schedule 2 with $2.00 Contribution Rate in 2010 (not linked to the maximum rate) and increasing to a $2.50 Contribution Rate in 2012

Assume you work 1,800 hours in Covered Service in 2012 and the Average Hourly Contribution Rate for those hours is $2.50. The gross monthly Regular Pension benefit you will earn based on your work in 2012, calculated as a single-life annuity, will be $47.75 determined as follows:

Step 1: Determine Allocation of Contributions:

Basic:	$2.29	
Supplemental:	0.21	(42% of the fifty cent contribution increase, see Appendix B)
Tier 3:	0.00	
Total:	$2.50	

Step 2: Benefit Accrual Percentage = 1.9970% determined as follows: $2.29 x 0.497173% + 0.85848% = 1.9970%

Step 3: Benefit Accrual Percentage x Basic Contributions required to be paid for the year = 1.9970% x 1,800 x $2.29 = $82.32

Step 4: Multiply result in Step 3 by Accrual Factor to determine the Basic benefit accrual = $82.32 x 0.6011 = $49.48

Step 5: Tier 3 benefit accrual determined as follows = 1.50% x 1,800 x $0.00 = $0.00

Step 6: Total benefit accrual = $49.48 + $0.00 = $49.48

The monthly Regular Pension payable to a married Participant will be reduced as described under the Husband-and-Wife Pension, on page 52, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of the Husband-and-Wife Pension.

When you request an estimate of your benefit from the Administrative Office, you will receive a printed statement showing the value of benefit earned in each year and an estimate of your pension benefit amount. Below is an example of what you will receive. If you have any questions or would like an estimate of your benefit, you may call or write the Administrative Office.

Sample Benefit Estimate:

This example assumes the retiree has a January 1, 2013 Annuity Starting Date and is subject to an Alternate Schedule under the 2010 Rehabilitation Plan.

TOTAL RECIPROCAL SERVICE:	0.00
TOTAL PAST SERVICE CREDIT:	0.00
TOTAL FUTURE SERVICE CREDIT:	22.75
TOTAL YEARS OF SERVICE:	22.75

PENSION TYPE: REGULAR PENSION AS OF 1/01/2013
(Spouse 1 Year Younger)

YOUR BENEFITS ARE 100% VESTED!

A- TOTAL GROSS MONTHLY PENSION BENEFIT AT AGE 65, CALCULATED AS A SINGLE LIFE ANNUITY WITH 54-MONTH CERTAIN: $4,544.43

B- TOTAL 50% H&W PENSION AT AGE 65 / 64: $4,026.36

C- TOTAL 50% H&W WITH POPUP AT AGE 65 / 64: $3,980.92

D- TOTAL 75% H&W WITH POPUP AT AGE 65 / 64: $3,880.94

E- TOTAL 100% H&W WITH POPUP AT AGE 65 / 64: $3,653.72

****** LIFETIME HISTORY HOUR BREAKDOWN *****

For hours worked prior to January 1, 2012

	1989	1990	1991	1992	1993	1994	1995
HOURS:	829.75	1,725.50	1,822.65	1,527.00	965.00	704.00	1,724.25
CONTRIB:	2,281.81	4,745.13	5,012.30	4,199.24	2,653.76	2,006.40	4,914.09
AV RATE:	2.75	2.75	2.75	2.75	2.75	2.85	2.85
ACCRUAL%:	2.8365	2.8365	3.4039	3.4039	3.4039	3.4798	3.6731
BENEFIT:	64.72	134.59	170.61	142.93	90.33	69.81	180.50

	1996	1997	1998	1999	2000	2001	2002
HOURS:	1,625.90	1,748.25	1,784.00	2,056.00	2,080.00	2,104.00	2,544.00
CONTRIB:	4,734.00	5,157.31	5,262.77	6,065.20	6,136.00	6,216.00	7,632.00
AV RATE:	2.91	2.95	2.95	2.95	2.95	2.95	3.00
ACCRUAL%:	3.7245	3.7589	3.7589	3.7589	3.7589	3.7589	3.8018
BENEFIT:	176.32	193.86	197.82	227.98	230.65	233.65	290.15

	2003	2004	2005	2006	2007	2008	2009
HOURS:	2,544.00	2,448.00	2,448.00	2,448.00	1,800.00	1,800.00	1,800.00
CONTRIB:	7,632.00	7,608.00	7,956.00	7,956.00	7,200.00	7,200.00	8,028.00
AV RATE:	3.00	3.11	3.25	3.25	4.00	4.00	4.46
ACCRUAL%:	3.8018	3.8962	4.0165	2.8115	3.148046	2.3500	2.3500
ACC FACTOR:	N/A	N/A	N/A	N/A	N/A	N/A	0.8000
BENEFIT:	290.15	296.42	319.55	223.68	226.66	169.20	150.93

	2010	2011
HOURS:	1,800.00	1,800.00
CONTRIB:	8,910.00	9,108.00
AV RATE:	4.95	5.06
ACCRUAL%:	2.3500	2.3500
ACC FACTOR:	0.7273	0.6612
BENEFIT:	152.28	141.52

For hours worked after December 31, 2011

	2012
HOURS:	1,800.00
AV RATE:	7.00
BASIC CONTRIB RATE:	6.00
SUPP CONTRIB RATE:	0.35
TIER 3 CONTRIB RATE:	0.65
BASIC CONTRIB:	10,800.00
BASIC ACCRUAL %:	2.3500
BASIC ACC FACTOR:	0.6011
BASIC BENEFIT:	152.56
SUPP CONTRIB (no accrual):	630.00
TIER 3 CONTRIB:	1,170.00
TIER 3 ACCRUAL %:	1.5000
TIER 3 BENEFIT:	17.55
TOTAL BENEFIT:	170.11

TOTAL HOURS REPORTED: 43,928.30 THROUGH 12/2013

Delayed Retirement

The Plan's “Delayed Retirement” provisions apply if a retiree’s Annuity Starting Date is after Normal Retirement Age (generally age 65, but see page 32 of this booklet for the definition of Normal Retirement Age).

When a Delayed Retirement Pension becomes effective, the retiree will receive the **greater** of:

1. The monthly benefit otherwise payable as of the Annuity Starting Date, calculated as shown on the prior pages without taking delayed retirement into account; **or**

2. The benefit the retiree would have received if he had retired at Normal Retirement Age (based on the benefit factors in effect at that time and using the Pension Credit he had as of that date), actuarially increased for each month between Normal Retirement Age and his Annuity Starting Date for which benefits were not suspended. The actuarial increase, if applicable, will be 1% per month for the first 60 months after Normal Retirement Age, and 1.5% per month for each month thereafter. A participant’s Annuity Starting Date cannot be later than his Required Beginning Date, which is April 1st of the calendar year following the year the participant turns age 70-1/2 (see page 67).

Participants who reach age 65 (or Normal Retirement Age, if later) and do not apply for benefits will receive a suspension notice advising them that the Plan assumes they are working and will continue to work in sheet metal employment more than 40 hours per month in the geographical jurisdiction of the Plan or a related plan; that their benefits will remain “suspended” while they perform such work; that their monthly benefit amount will not be actuarially increased for the period of time their benefits are suspended, and that when they cease working they should contact the Pension Department and apply for benefits so their pension can be made effective without delay.

This notice means that when you do eventually retire, the Plan’s definition of Prohibited Employment for a pensioner older than Normal Retirement Age (see page 60 of this booklet) will be applied in determining the months for which you are, or are not, entitled to an actuarial increase in monthly benefits for delayed retirement.

Benefits will be considered suspended, and the actuarial increase, as described above, will **not** be applicable for each month after Normal Retirement Age in which a Participant works in suspendable employment.

2. SERVICE PENSION

When is a Participant Eligible for a Service Pension?

When he has retired, filed a completed application and met the following requirements:

1. He has attained age 50 but not yet attained age 65. If the Participant has worked in Non-Covered Sheet Metal Service after February 1, 1986 (see explanation on page 65), his eligibility date will be delayed.

2. He has at least 25 years of Pension Credit under this Plan (Past and Future) without a Permanent Break in Covered Employment or a Separation in Service.

3. He has accumulated at least two quarters of Pension Credit since his Contribution Date or has worked at least 750 hours within the eighteen-month period immediately following his Contribution Date.

4. For Annuity Starting Dates on and after January 1, 2011, he is not an Inactive Vested Participant or a Terminated Vested Participant.

How much is the Service Pension?

For Annuity Starting Dates prior to January 1, 2012, the Service Pension is determined in the same manner as the Regular Pension.

The Service Pension payable to a married Participant will be reduced as described under the Husband-and-Wife Pension, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of the Husband-and-Wife Pension.

Service Pensions and the Alternative Schedules under the 2010 Rehabilitation Plan

For Service Pensions with an Annuity Starting Date on or after January 1, 2012, retirees whose benefits are determined in accordance with an Alternative Schedule under the 2010 Rehabilitation Plan will be subject to an Early Commencement Factor. The Early Commencement Factor will be based on the Participant's age at the Annuity Starting Date, and will be used to reduce the monthly amount of the benefits earned on and after January 1, 2012 (but not before that date). The portion of the Service Pension the retiree accrued before January 1, 2012 will be calculated in the same manner as the Regular Pension—it will not be subject to the Early Commencement Factor.

The Early Commencement Factor reduction is 5/6 of 1% for each month by which the retiree is younger than 53, but not younger than 52; plus 5/12 of 1% for each month by which the Participant is younger than 52 but not younger than 50. The table below shows the Early Commencement Factor that would be applicable at selected ages, based on the Participant's age in years and months on the Annuity Starting Date:

Age	Early Commencement Factor
53 and Older	100%
52 and 6 months	95%
52	90%
51 and 6 months	87.5%
51	85%
50 and 6 months	82.5%
50	80%

Therefore, the monthly amount of the Service Pension—before adjustment for form of payment, if applicable—is the sum of (A) the Accrued Benefit as of December 31, 2011 without adjustment for Early Commencement, and (B) the Accrued Benefit earned after December 31, 2011 with the new Early Commencement Factors applied to it.

Service Pensions and the Default Schedule under the 2010 Rehabilitation Plan

For Annuity Starting Dates on and after January 1, 2011, retirees whose benefits are determined in accordance with the Default Schedule under the 2010 Rehabilitation Plan (see pages 5-6) will be subject to the following conditions on the availability of and the amount of the Service Pension. These conditions are **in addition to** the eligibility requirements for the Service Pension, as explained on page 20.

Participants subject to the Default Schedule who have attained at least age 46 as of January 1, 2012, and have earned at least 21 Pension Credits as of January 1, 2012, will be allowed to "grow into" eligibility for the Service Pension. Upon meeting the eligibility requirements for the Service Pension, as explained on page 20, the monthly amount of the Service Pension for these retirees shall be determined in the same manner as the Regular Pension.

For Active Participants subject to the Default Schedule who have **not** attained at least age 46 as of January 1, 2012 and/or have **not** earned at least 21 Pension Credits as of January 1, 2012, the Service Pension amount shall be the actuarial equivalent of the retiree's benefit at Normal Retirement Age taking into account all years of service and the Plan provisions, including the impact of the Default Schedule, in effect for the Active Participant upon his retirement. Actuarial equivalence will be determined using the interest and mortality assumptions provided in the 2010 Rehabilitation Plan.

In no case will the Service Pension amount be less than the benefit accrued while not under the Default Schedule, and payable in the amount and form called for by the Plan provisions in effect on the date immediately preceding the date on which he became subject to the Default Schedule and taking into account only service earned through that date.

3. EARLY RETIREMENT PENSION

When is a Participant eligible for an Early Retirement Pension?

When he has retired, filed a completed application and met the following requirements:

1. He is at least 55 years of age, but is not yet 65 years of age. If the Participant has worked in Non-Covered Sheet Metal Service after February 1, 1986 (see explanation on page 65), his eligibility date will be delayed.

2. He has at least 15 years of Pension Credit (Past and Future) or 10 years of Future Service Credit without a Permanent Break in Covered Employment.

3. He has accumulated at least two quarters of Pension Credit since his Contribution Date or has worked at least 750 hours within the eighteen-month period immediately following his Contribution Date.

How much is the Early Retirement Pension?

Because a Participant retiring on an Early Retirement Pension is younger when his pension begins, it is likely that his pension will be paid for a longer period of time. Therefore, the amount of Early Retirement Pension is reduced to compensate for this fact. The reduced payments are designed to pay approximately the same amount during the lifetime of the Early Retirement Pensioner as would have been paid to him over the remainder of his lifetime if he retired at age 65.

The Early Retirement reduction is different depending on whether the retiree is (1) an Active Participant subject to an Alternative Schedule under the 2010 Rehabilitation Plan, (2) a Terminated Participant or an Inactive Vested Participant, or (3) an Active Participant subject to the Default Schedule under the 2010 Rehabilitation Plan. The applicable adjustment for each of these three circumstances is explained below, and on the following pages.

Early Retirement Pension Amount for an Active Participant subject to an Alternative Schedule under the 2010 Rehabilitation Plan

For an Active Participant whose benefits are subject to an **Alternative Schedule** in the 2010 Rehabilitation Plan (see pages 5-6 and 87-89), the amount of the Early Retirement Pension is calculated as follows:

1. Determine the amount of the Regular Pension which would be paid to the Participant if he were age 65.

2. Reduce this amount based on when benefits were accrued as follows:

   a. For benefits accrued prior to January 1, 2006, by ¼ of 1% for each month the Participant is younger than age 65, but not younger than age 60, and ½ of 1% for each month he is younger than age 60 on the Annuity Starting Date.

b. For benefits accrued on and after January 1, 2006, by ½ of 1% for each month that the Participant is younger than 65 but not younger than age 55 on the Annuity Starting Date.

The following table shows the reduction percentages for Active Participants who are subject to an Alternative Schedule under the 2010 Rehabilitation Plan at various ages at retirement. If the Participant were to retire at some point between these ages, such as at age 63 and 2 months, the reduction factor would be slightly different based on the reduction described above.

	Reduction for benefits accrued through 12/31/2005			**Reduction for benefits accrued on or after 1/1/2006**	
Age at Retirement	**Months younger than age 65 but not younger than age 60**	**Months younger than age 60**	**Reduction Percentage**	**Months younger than age 65**	**Reduction Percentage**
64	12	0	3.0%	12	6.0%
63	24	0	6.0%	24	12.0%
62	35	0	9.0%	35	18.0%
61	46	0	12.0%	46	24.0%
60	60	0	15.0%	60	30.0%
59	60	12	21.0%	72	36.0%
58	60	24	27.0%	84	42.0%
57	60	36	33.0%	96	48.0%
56	60	48	39.0%	108	54.0%
55	60	60	45.0%	120	60%

EXAMPLE:

Active Participant subject to an Alternate Schedule under the 2010 Rehabilitation Plan, with Benefits accrued both before and after December 31, 2005: An Active Participant who is subject to an Alternate Schedule under the 2010 Rehabilitation Plan (see pages 5-6 and 87-89) would qualify for a Regular Pension payable at age 65 and decides to retire early at 57 on January 1, 2012. Assume that $950 of the $1,200 accrued benefit is accrued on or before December 31, 2005. His monthly pension at age 57 would be $950 reduced (as shown above) by 33% ($313.50), plus $250 reduced by ½ of 1% for each month the Participant is younger than age 65 – in this case 96 months. The post 2005 reduction is 96 months x ½ of 1% or 48% ($120.00). His monthly benefit is $766.50.

The monthly Early Retirement Pension payable to a married Participant will be reduced as described under the Husband-and-Wife Pension, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of the Husband-and-Wife Pension.

Early Retirement Pension Amount for Terminated Participants or Inactive Vested Participants who retire under the Plan with an Annuity Starting Date on or after January 1, 2011

For Terminated Participants or Inactive Vested Participants who retire under the Plan with an Annuity Starting Date on or after January 1, 2011, the monthly amount of the Early Retirement Pension benefit shall be the actuarial equivalent of the retiree's benefit at Normal Retirement Age. Actuarial equivalence will be determined using the interest and mortality assumptions provided in the 2010 Rehabilitation Plan.

The table below provides examples of how the monthly benefits under the monthly amount of the Early Retirement Pension, payable at different ages to a Terminated Participant or an Inactive Vested Participant, compares with the amount payable to an Active Participant under the Plan Rules in effect before the implementation of the 2010 Rehabilitation Plan. For purposes of this chart, it is assumed that the retiree would be entitled to a Normal Retirement Benefit of $1,000 per month and that the entire benefit was earned prior to January 1, 2006.

Age at Retirement	Normal Retirement Pension	Early Retirement Pension - Prior to 2010 Rehabilitation Plan Changes	Early Retirement Pension - After 2010 Rehabilitation Plan Changes
65	$1,000.00	$1,000.00	$1,000.00
64	1,000.00	970.00	910.60
63	1,000.00	940.00	814.80
62	1,000.00	910.00	738.00
61	1,000.00	880.00	669.80
60	1,000.00	850.00	609.00
59	1,000.00	790.00	554.70
58	1,000.00	730.00	506.20
57	1,000.00	670.00	462.60
56	1,000.00	610.00	423.30
55	1,000.00	550.00	388.00

For information about the applicable age adjustment for ages in between the attained ages shown in this chart, you should contact the Administrative Office.

Early Retirement Pension Amount for Active Participants Subject to the Default Schedule

For Active Participants subject to the **Default** Schedule, the Early Retirement Pension amount shall be the actuarial equivalent of the retiree's benefit at Normal Retirement Age taking into account all years of service and the Plan provisions, including the impact of the Default Schedule, in effect for the Active Participant upon his retirement. Actuarial equivalence will be determined using the interest and mortality assumptions provided in the 2010 Rehabilitation Plan.

In no case will the Early Retirement Pension amount be less than the benefit accrued while not under the Default Schedule, and payable in the amount and form called for by the Plan provisions in effect on the date immediately preceding the date on which he became subject to the Default Schedule and taking into account only service earned through that date.

4. DISABILITY PENSION

When is a Participant eligible for a Disability Pension?

For Annuity Starting Dates on and after January 1, 2011, the Disability Pension is eliminated for Terminated Participants and for Inactive Vested Participants. See page 6 for definitions of these terms.

The Disability Pension is also eliminated for Participants whose benefits are subject to the Default Schedule under the 2010 Rehabilitation Plan.

A retiree who is not an Inactive Vested Participant, is not a Terminated Participant, and is not subject to the Default Schedule under the 2010 Rehabilitation Plan, will be eligible for a Disability Pension upon filing a completed application and meeting the following requirements:

1. Regardless of age he is totally disabled and has been for at least five full calendar months, **<u>AND has received a Certificate of Award for a Social Security Disability Pension</u>.**

2. He has either:

   (a) 15 years of Pension Credit (Past and Future) without a Permanent Break in Employment, or
   (b) 10 years of Future Service Credit without a Permanent Break in Employment, or
   (c) 5 years of Vesting Service or 5 years of Future Service Credit without a Permanent Break in Employment, provided the effective date of the Disability Pension is on or after March 1, 1991 and the Social Security Disability Award is dated after February 1, 1986.

3. He has accumulated at least two quarters of Pension Credit since his Contribution Date or has worked at least 750 hours within the eighteen-month period immediately following his Contribution Date.

4. If the Participant works in Non-Covered Sheet Metal Service after February 1, 1986 during any part of a Calendar Year and becomes disabled in that Calendar Year or in either of the following two Calendar Years, he will not be eligible for a Disability Pension.

5. Effective July 1, 1998, the Participant has accumulated at least one quarter of Pension Credit (including disability credit or Related Pension Credit, see page 33) in the calendar year in which the Participant becomes disabled as determined by the Social Security Administration, or in any one of the five preceding calendar years. This condition is waived for calendar years in which a grace period is granted. <u>However, this condition shall not be applied to a Participant who has accumulated at least twenty years of Pension Credit all earned under this Plan.</u>

Application for a Disability Pension

Important: Whether or not you are eligible for a pension under this Pension Plan at this time, we urge you not to delay the filing of your application for a Disability Pension until you receive your Notice of Award from Social Security, because that will delay the effective date of your Pension from this Plan once the Pension is granted.

You should send in your application for a Disability Pension from this Plan when you apply for a Social Security Disability Benefit indicating on the application that you have applied for a Social Security Disability Benefit. However, in order to qualify for a Disability Pension, you must have been approved for a Social Security Disability Benefit and must submit a copy of the Notice of Award of a Social Security Disability Benefit from the Social Security Administration. Your Notice of Award of a Social Security Disability Benefit should be sent to the Administrative Office as soon as you receive it.

Also see the explanation of the Auxiliary Disability Benefit on pages 28-29.

How much is the Disability Pension?

The monthly amount of the Disability Pension shall be determined in the same manner as the Regular Pension, for the following eligible applicants:

(1) for Participants who retire under the Plan with an Annuity Starting Date prior to January 1, 2011; and

(2) for Participants who retire under the Plan on or after January 1, 2011 whose benefits are determined in accordance with an Alternative Schedule and whose disability retirement under the Plan is based on a Social Security Disability Award determining the Participant to have become disabled prior to January 1, 2012.

For Participants whose benefits are determined in accordance with an Alternative Schedule, and whose disability retirement is based on a Social Security Disability Award determining the Participant to have become disabled on or after January 1, 2012, the monthly Disability Pension benefit shall be reduced by an Early Commencement Factor based on the Participant's age at the Annuity Starting Date. The Early Commencement Factors shall apply to the Participant's entire accrued benefit that is determined in accordance with an Alternative Schedule.

The Early Commencement Factor reduction shall be 5/6 of 1% for each month the Participant is younger than 53, but not younger than 52; plus 5/12 of 1% for each month (up to 24 months) that the Participant is younger than 52 but not younger than 50. Application of the Early Commencement Factor is summarized in the table below, based on the Participant's age in years and months on the Annuity Starting Date.

Age	Early Commencement Factor
53 and Older	100%
52 and 6 months	95%
52	90%
51 and 6 months	87.5%
51	85%
50 and 6 months	82.5%
50 and Younger	80%

The Disability Pension payable to a married Participant will be reduced as described under the Husband-and-Wife Pension, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of the Husband-and-Wife Pension.

Auxiliary Disability Benefit

Once you have obtained a notice of entitlement to disability benefits from the Social Security Administration, and the Annuity Starting Date for the applicant's Disability Pension has been established, then, if the Plan's requirements are met, an "Auxiliary Disability Benefit" may be payable for certain months prior to the Annuity Starting Date.

The Auxiliary Disability Benefit is a lump sum equal to the total of the monthly payments that would have been made if a Disability Pension had been payable for the period between the date of entitlement to Social Security Disability benefits and the Annuity Starting Date of the Disability Pension.

In order to qualify for the Auxiliary Disability Benefit, the applicant must meet all of the following requirements:

(1) The applicant must have a date of entitlement to Social Security Disability benefits that is prior to the Annuity Starting Date of his Disability Pension; and

(2) The applicant must file both his application for a Disability Pension **and** his notice of entitlement to Social Security Disability benefits with the Administrative Office within 90 days after the date on which the Social Security Administration mailed the notice; and

(3) On the date the applicant became disabled, as determined by the Social Security Administration, the applicant must not have met the eligibility requirements (excluding the filing of an application) for any benefits from this Plan other than a Disability Pension.

If either the notice of entitlement or the application for a Disability Pension is filed after the end of this 90-day period, then the Auxiliary Disability Benefit will not be payable.
Upon receiving the notice of entitlement from the Social Security Administration, a disabled Participant should **promptly** submit it to the Administrative Office. This will ensure that disability benefits from the Plan become payable as early as possible.

Conversion of a Service or Early Retirement Pension to a Disability Pension

A Participant who is totally disabled but has not yet received a Social Security Disability Benefit and applies for and receives a Service or Early Retirement Pension, may convert his pension to a Disability Pension when he becomes entitled to Social Security Disability benefits if he meets the following requirements:

1. He has filed an application for pension benefits on or after January 1, 1980, and

2. He has filed for Social Security Disability benefits before filing his application for pension benefits and so indicates on his application, or he indicates on his application that he will file for Social Security Disability benefits within 30 days of his application and, in fact, does so.

3. Effective for Annuity Starting Dates on or after January 1, 2011, the Participant is not a Terminated Participant or an Inactive Vested Participant (see page 6 for definitions of these terms, and the Participant is not subject to the Default Schedule under the 2010 Rehabilitation Plan (see pages 5-6 and 87-89).

4. He meets all the requirements for a Disability Pension.

Once Social Security Disability benefits have been awarded, if he meets these requirements, he may convert his Service or Early Retirement Pension to a Disability Pension. The effective date of the converted Disability Pension will be the entitlement date of his Social Security Disability benefits as shown on the Social Security Certificate of Award or the effective date of his Pension benefits whichever is later.

Upon conversion to a Disability Pension, the Service or Early Retirement Pension will be recalculated to eliminate the reduction for age, if any. If the benefit is paid in the form of a Husband-and-Wife Pension, it is also recalculated using the reduction factors for a Disability Pension (see pages 27-28). Since the reduction factors for the Husband-and-Wife Pension are greater for Disability Pensions, the benefit payable as a Service or Early Retirement may be greater than the benefit payable as a Disability Pension.

The Administrative Office will advise the Participant of the monthly amount payable under each type of pension before the conversion. The Participant may then elect not to convert to a Disability Pension if his benefits would be reduced. If the benefit is converted to a Disability Pension, it cannot be changed back to either the Early or Service Pension, unless the Participant recovers from his disability.

If you had retired on an Early Retirement Pension with a Level Income Option, the Plan will offset your Disability Pension payments until it has made a full recovery of the Level Income Option amounts you previously received.

Loss of Social Security Benefits

Because people sometimes have their disability benefits terminated by Social Security, the Trustees have adopted provisions regarding continuance of benefits. If a Disability

Pensioner's Social Security Disability benefits are terminated, his Disability Pension from this Plan will be continued if the Pensioner:

1. Timely filed an appeal of the termination with the Social Security Administration;

2. Notifies the Plan within 30 days of his termination that he has appealed and provides the Plan with a copy of the appeal; and

3. Notifies the Plan at least every 90 days as to the status of the appeal.

If the Pensioner wins his appeal and retains Social Security Disability benefits, his Disability Pension from the Plan will remain unchanged. If his Social Security Disability benefits are finally terminated, or if the Pensioner does not provide the notices to the Plan noted above concerning his appeal, the Pensioner will no longer be eligible for a Disability Pension from the Plan and must refund any Disability Pension payments erroneously paid. If he would have been eligible for other benefits at the time of his application and/or is eligible for other benefits at the time of his termination of disability benefits from Social Security, he will receive the greater of those pension benefits from the Plan.

5. SPECIAL EARLY PENSION

The Special Early Pension permits Participants who have been diagnosed as terminally ill to receive some benefits from the Plan prior to death. A Participant is eligible for a Special Early Pension if he has stopped working and meets the following conditions:

1. He has obtained certification from his attending physician stating that he has been diagnosed with a medical condition which is expected to be terminal within 12 months. If the Participant survives such 12-month period, and has not qualified for a Disability Pension, he must obtain a new certification that his medical condition continues and is expected to be terminal within 12 months. Such certification or continued certification shall be subject to review by the Plan.

2. He has earned 5 years of Vesting Service or 5 years of Future Service Credit without a Permanent Break in Employment.

3. He has accumulated at least one quarter of Pension Credit within the twelve-month-period prior to being diagnosed as terminally ill.

4. If the Participant works in Non-Covered Sheet Metal Service during any part of a calendar year and becomes disabled in that calendar year or in either of the following two calendar years, he will not be eligible for a Special Early Pension.

How much is the Special Early Pension?

The monthly amount of Special Early Pension is calculated in the same manner as the Early Retirement Pension with no additional reduction below age 55. Please see pages 22-23 for a detailed description. If the Participant receives a Social Security Disability Award before submitting an application for benefits, the Special Early Pension will be calculated in the same manner as the Disability Pension. Also, if the Participant receives a Social Security Disability Award, the Special Early Pension can be converted to a Disability Pension in the same manner as an Early Retirement Pension is converted to a Disability Pension.

The Special Early Pension payable to a married Participant will be reduced as described under the Husband-and-Wife Pension on pages 52-53, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of the Husband-and-Wife Pension.

6. VESTED PENSION

What is a Vested Pension?

The Vested Pension is used ONLY if a Participant does not qualify for another type of pension or if the Vested Pension would give him a greater benefit amount. The Vested Pension is based upon Vesting Service, NOT Pension Credit.

When is a Participant Eligible for a Vested Pension?

When he has retired and met either of the following requirements:

(a) 1. He is at least 65 years of age, and

2. He has 10 years of Vesting Service without a Permanent Break in Covered Employment. Effective January 1, 1999, he has 5 years of Vesting Service without a Permanent Break in Covered Employment and has at least one hour of Covered Employment on or after January 1, 1999. If he had a Separation in Service prior to January 1, 1999, he has at least one quarter of Pension Credit on or after January 1, 1999 before he has a Permanent Break in Covered Employment; or

(b) He has attained **Normal Retirement Age**. Normal Retirement Age under the Plan is the later of age 65 or, if later, the earlier of the age of the Participant on the fifth anniversary of his participation in the Plan since April 1, 1988 or the tenth anniversary of his participation. For this purpose, the Plan does not count participation before a Permanent Break in Covered Employment. Nor does the Plan count participation before a One-Year Break in Covered Employment in the case of a former Participant who has not returned to Covered Employment. However, if a former Participant reestablishes his status as an Active Participant before incurring a Permanent Break in Covered Employment, his participation prior to the One-Year Break will be counted. Active Participation is restored when a former Participant returns to Covered Employment and earns 1,000 Hours of Service in a twelve-month period following his break-in-service, or subsequently earns a year of Vesting Service (1,000 Hours of Service in a calendar year).

How much is the Vested Pension?

The amount of the Vested Pension is calculated in the same way that a Regular Pension is calculated.

7. PRO RATA PENSION

What is a Pro Rata Pension?

A Pro Rata Pension is provided for certain Participants who would not otherwise qualify for a pension, or whose pensions would be less than the full amount, because their years of employment have been divided between the jurisdiction of this Pension Plan and a Related Plan with similar provisions for a Pro Rata Pension so that years of Pension Credit earned under this Pension Plan can be used toward eligibility for a Pro Rata Pension under that Plan.

Effective for hours worked prior to January 1, 2012, the Plan also adopted the now-superseded Sheet Metal National Reciprocal Agreement which provided additional reciprocity with other pension plans (also considered **Related Plans**) around the country which also adopted it. Credits earned under the Sheet Metal Workers' National Pension Plan shall also be treated as Related Credit under this Plan with respect to hours worked prior to January 1, 2012.

Upon retirement a Participant is eligible to receive a Pro Rata Pension if he would be entitled to a Regular, Disability, or Early Retirement Pension if his Combined Pension Credits (credits earned under this Plan added to those earned under a Related Plan) were treated as credits earned under this Plan. There is no Service Pension available under the Pro Rata Pension provisions.

What is the amount of the Pro Rata Pension?

The amount of the Pro Rata Pension payable by this Pension Plan is determined in the same manner as the Regular, Disability or Early Retirement Pension based on the Pension Credit accumulated in this Pension Plan and the contributions made to this Pension Plan, except that only the most recent 25 years of Combined Pension Credit earned prior to January 1, 1981 is considered in determining the monthly benefit amount for the period prior to January 1, 1981. **For purposes of the Separation in Service rule (see pages 45-46), and Break in Covered Employment rules (see pages 42-46), work under a Related Plan is considered the same as work under this Plan.**

The Pro Rata Pension payable to a married Participant will be reduced as described under the Husband-and-Wife Pension on pages 52-53, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of the Husband-and-Wife Pension.

"Money Follows the Man" Reciprocity

IMPORTANT: The Pension Plan has adopted "money follows the man" reciprocity rules effective for hours worked on and after January 1, 2012. See the discussion below in the section entitled "Money Follows the Man' Reciprocity" on pages 34-36).

D. “MONEY FOLLOWS THE MAN” RECIPROCITY

Beginning in 2012, if a Pension Plan participant works as a “traveler” outside the jurisdiction of this Pension Plan (his “Home Local Fund”), under a collective bargaining agreement which requires contributions to the Sheet Metal Workers’ National Pension Fund and/or a local sheet metal workers’ pension fund, the participant may have his pension fund contributions transferred back to this Pension Plan. This will occur if the traveler works in a local jurisdiction that also recognizes “money follows the man” reciprocity. Most local sheet metal workers’ pension funds, as well as the National Pension Fund, are signatory to the new Sheet Metal Workers’ International Association (SMWIA) Master Reciprocal Agreement and do provide for “money follows the man” reciprocity between local sheet metal workers’ pension funds.

Under “money follows the man” the traveler’s reciprocated contributions (the contributions transferred back to this local fund) will be treated like regular (non-reciprocal) Pension Plan contributions for purposes of benefit accrual, and the traveler’s hours worked outside the jurisdiction of the Plan will be treated like hours worked locally for purposes of eligibility for benefits and vesting.

Some important things to know about the new “money follows the man” reciprocity rules include:

- The new rules will be applied only to hours worked on and after January 1, 2012. For work performed through the end of 2011, the current “pro rata” reciprocity rules will remain in effect for purposes of eligibility and benefits under the Plan.

- For participants whose “Home Local Fund” is this Pension Plan, pension benefits earned under the Plan before January 1, 2012 will be combined with pension benefits earned under the Plan after January 1, 2012. For participants whose “Home Local Fund” is another local pension fund, or the National Pension Fund, pension benefits earned under the Pension Plan before January 1, 2012 will remain with this Pension Plan for the participant, but hours and contributions earned in this jurisdiction after January 1, 2012 will be “reciprocated” (transferred back) to the participant’s Home Local Fund, and the participant will not earn benefits or credit under the Pension Plan on the basis of such employment.

- Individuals who are working as travelers outside the jurisdiction of their Home Local Fund should make sure the local union in whose jurisdiction they are working, and the visited local pension fund, are advised that the participant is a traveler and has a different home local union and Home Local Fund, so hours, benefits and credit can be applied correctly on the individual’s behalf to the proper pension fund or funds.

- The Pension Plan’s current “pro rata” reciprocity rules will remain in effect for hours worked on and after January 1, 2012, for travelers working in this jurisdiction whose Home Local Fund is a local sheet metal workers’ pension fund that follows only “pro rata” reciprocity rules and has not adopted the “money follows the man” reciprocity provisions of the new SMWIA Master Reciprocal Agreement.

- Individuals can change their Home Local Fund. If an employee transfers or otherwise changes his membership from one local sheet metal workers' union to another, his new Home Local Fund will be the local pension fund (or in some cases the National Pension Fund) to which contributions are required under the applicable collective bargaining agreement in the jurisdiction of the employee's new home local union. However, if an employee changes his Home Local Fund, benefits and credit earned by the employee before the change will not transfer from the employee's former Home Local Fund to his new one. The change will apply only *prospectively* for future hours.

- Under "money follows the man" reciprocity rules, the visited local pension fund (the "Cooperating Local Fund") will transfer reciprocated contributions to the National Pension Fund and/or the Home Local Fund. For a traveler from this jurisdiction, if the hourly pension contribution rate in the visited fund is greater than the traveler's hourly pension contribution rate under the Pension Plan, the difference between the two rates will be applied to the National Pension Fund and treated as additional contributions to the National Pension Fund on behalf of the traveler. If the collective bargaining agreement in the visited local union jurisdiction does not require National Pension Fund contributions for the traveler, then all reciprocated contributions will be transferred back to the Pension Plan.

- For travelers from the jurisdiction of the Pension Plan who are covered by an Alternative Schedule in the 2010 Rehabilitation Plan, reciprocated contributions that are transferred back to the Pension Plan under "money follows the man" will be allocated to Basic Contributions (which earn benefit accruals at the rate in effect before the 2010 Rehabilitation Plan), Supplemental Contributions (which earn no benefit accrual), and Tier 3 Contributions (which earn benefits at the rate of one and one-half percent (1-1/2%) of contributions), according to the following rules:

  <u>Basic Contributions</u>. The hourly rate of reciprocated contributions to be allocated to Basic Contributions will be determined by multiplying the reciprocated hourly contribution rate times the ratio of the Basic Contributions rate to the sum of the Basic Contributions rate and the Supplemental Contributions rate for the participant's classification in his local union. In no event will the reciprocated hourly contribution rate allocated to Basic Contributions exceed the hourly contribution rate allocated to Basic Contributions for the participant's classification in his local union.

  <u>Supplemental Contributions</u>. The hourly rate of reciprocated contributions to be allocated to Supplemental Contributions will initially be determined by multiplying the reciprocated hourly contribution rate times the ratio of the Supplemental Contributions rate to the sum of the Basic Contributions rate and the Supplemental Contributions rate for the participant's classification in his local union. In no event will the reciprocated hourly contribution rate allocated to Supplemental Contributions in this initial allocation exceed the hourly contribution rate allocated to Supplemental Contributions for the participant's classification in his local union.

Tier 3 Contributions. If the sum of the reciprocated hourly contribution rates allocated to Basic Contributions and Supplemental Contributions is less than the total reciprocated hourly contribution rate, the remaining reciprocated hourly contribution rate will be allocated to Tier 3 Contributions.

Allocation of reciprocated contributions on behalf of a traveler who is covered by an Alternative Schedule is demonstrated by the following two examples. For each example, assume a journeyman participant whose Home Local Fund is the Pension Plan, is covered by Alternative Schedule 2, then travels and works in another local jurisdiction. In the participant's home local the hourly contribution rate for his classification is $6.35, comprised of $6.00 allocated to Basic Contributions (94.49% of contributions) and $.35 allocated to Supplemental Contributions (5.51% of contributions).

Example 1: Reciprocated contributions (contributions transferred back to this Pension Plan from the visited local pension fund) total $5.00 per hour. In this example, $4.72 (94.49% of contributions) will be allocated to Basic Contributions, and $.28 (5.51% of contributions) will be allocated to Supplemental Contributions.

Example 2: Reciprocated contributions total $8.00 per hour. In this example, $6.00 (home local allocation) will be allocated to Basic Contributions, $.35 (home local allocation) will be allocated to Supplemental Contributions, and $1.65 (excess of home local allocations to Basic Contributions and Supplemental Contributions) will be allocated to Tier 3 Contributions.

- Other scenarios for transfer of reciprocated contributions may apply, depending on whether the participant is covered by an Alternative Schedule in the 2010 Rehabilitation Plan, and on the pension fund contributions that are required on the traveling participant's behalf under the collective bargaining agreement in the visited local union jurisdiction. For further information or more details, please contact the Administrative Office for the Pension Plan.

- The provisions of this Pension Plan, not the provisions of any other local pension fund or the National Pension Fund, will be used when counting any vesting service or pension credits under this Plan. In other words, service under any other pension fund may or may not count under this Pension Plan. Only this Pension Plan's rules are used to determine benefits and eligibility under the Plan.

E. ANNUAL DECEMBER BONUS CHECK

Pensioners with an effective date for pension benefits under this Plan prior to December 31, 1996 will receive an annual bonus check on or about December 2nd of each subsequent year if they are entitled to a pension benefit at that time. The amount of such bonus check shall be equal to $65 multiplied by the number of years of Pension Credit earned under this Plan, but not less than their monthly pension check.

Bonus checks will continue to be paid to the Surviving Spouse of a deceased Pensioner whose pension benefits were effective prior to December 31, 1996, if monthly pension benefits are being paid to a Surviving Spouse at that time. Bonus checks will continue for as long as the Surviving Spouse is entitled to receive a monthly benefit under the Husband-and-Wife Pension.

F. PENSION CREDITS AND VESTING SERVICE

How is Pension Credit earned?

Pension Credit is divided into two categories: Past Service Credit for years prior to the Contribution Date and Future Service Credit for years after the Contribution Date. PENSION CREDIT IS USED TO DETERMINE ELIGIBILITY FOR ALL TYPES OF PENSION <u>EXCEPT</u> THE VESTED PENSION.

PAST SERVICE CREDIT - Credits for work before the Contribution Date when no Employer contributions were being made to the Pension Plan on behalf of Participants.

A Participant receives one year of Pension Credit for each calendar year in which he worked as a sheet metal worker for at least 40 weeks in the geographical area of the Plan at a job of the kind now covered by a Collective Bargaining Agreement with a Local Union which participates in the Plan. However, a Participant with a Contribution Date of January 1, 1967, (Local 26) or June 1, 1967, (Local 426 or Local 359 Tucson branch) may not receive more than 13 years of Past Service Credit for work in Covered Employment in the geographical jurisdiction of either Local.

In order to be eligible to receive any Past Service Credit, a Participant must have accumulated at least two quarters of Pension Credit or 750 hours within the eighteen-month period immediately following his Contribution Date.

The Trustees realize that it may be difficult for any individual to establish past years of service because of changing employment. For that reason Pension Credit will be granted for allowable periods of membership in any of the Local Unions in the plan prior to the Contribution Date.

Does employment prior to the Contribution Date have to be continuous in order to be counted as Pension Credit?

No. Past Service Credit is granted for all verified allowable periods of employment even though some periods may have been separated by a number of years.

FUTURE SERVICE CREDIT - After the Contribution Date.

A Participant will be given credit for Future Service for periods after the Contribution Date based on the number of hours he works in Covered Employment. (Covered Employment is employment for which an Employer is obligated by a Collective Bargaining Agreement to make payments to this Pension Plan).

Schedules for calculating Future Service credit vary for different periods as shown below:

From Contribution Date to January 1, 1981

Hours worked in Calendar Year	Future Service Credit
Less than 375	None
375 - 562	One Quarter
563 - 937	Two Quarters
938 - 1,499	Three Quarters
1,500 or more	One Year

Between January 1, 1981 and January 1, 1986

Hours worked in Calendar Year	Future Service Credit
Less than 600	None
600 - 899	One Quarter
900 - 1,199	Two Quarters
1,200 - 1,499	Three Quarters
1,500 or more	One Year

Between January 1, 1986 and January 1, 1992

Hours worked in Calendar Year	Future Service Credit
Less than 375	None
375 - 562	One Quarter
563 - 937	Two Quarters
938 - 1,499	Three Quarters
1,500 or more	One Year

Between January 1, 1992 and January 1, 1997

Hours worked in Calendar Year	Future Service Credit
Less than 300	None
300 - 599	One Quarter
600 - 899	Two Quarters
900 - 1199	Three Quarters
1,200 or more	One Year

On and After January 1, 1997

Hours worked in Calendar Year	Future Service Credit
Less than 300	None
300 - 649	One Quarter
650 - 999	Two Quarters
1,000 1,349	Three Quarters
1,350 or more	One Year

What is Vesting Service?

Vesting Service is the unit used by the Plan as required by the Employee Retirement Income Security Act of 1974 (ERISA) rules to measure years of service to determine if a Participant should be eligible for a pension. ONLY FUTURE SERVICE counts towards Vesting Service. Past Service does not count towards Vesting Service or towards a Vested Pension. A Participant earns one year of Vesting Service for each year in which he earns at least 1,000 Hours of Service. Partial years of less than 1,000 hours do not count towards years of Vesting Service.

What kinds of employment count towards Pension Credit and Vesting Service?

Beginning on January 1, 1976, all Hours of Service in Covered Employment are counted in determining Pension Credit and Vesting Service. In addition, all hours for which a Participant is paid or entitled to be paid by an Employer, are counted in determining Vesting Service but not Pension Credit. This includes all direct payments by the Employer for periods of disability, vacation, holidays, etc., but does not include indirect payments such as workers' compensation, unemployment compensation, State disability insurance payments or benefits from the Savings Plan for vacation or holiday.

The number of hours for which a Participant may receive credit for time he is not actually working is limited to 375 (300 effective January 1, 1992) in any one continuous period. Two periods of paid non-work time are continuous if they are compensated for the same reason (i.e. disability) and are not separated by 90 days or more.

Special Rule for Vesting Service

Beginning on January 1, 1976, if a Participant is working for an Employer in a job which is not covered by the Plan and for which no contributions are required to this Plan, while the Employer is making contributions on behalf of other Employees who are covered by a Collective Bargaining Agreement requiring contributions to this Plan, any hours in such non-covered employment will count toward Vesting Service, if the Participant worked in Covered Employment for the same Employer immediately before or after the non-covered work. This non-covered employment, however, does not entitle the Participant to any additional pension benefit amount; it counts only towards years of Vesting Service in determining the Participant's eligibility for a Vested Pension. Only Vesting Service earned in Covered Employment for which contributions are required is used in calculating a Participant's pension benefit amount.

If you think you may be eligible for Vesting Service Credit for any period of non-covered employment, please provide the Administrative Office with accurate records of your employment.

Credit for Military Service

You may be entitled to Pension Credit and Vesting Service Credit for periods that you were absent from Covered Employment due to active military service if you have reemployment rights under federal law and satisfy the other conditions of the Plan. Effective December 12, 1994, benefit levels for periods of military service shall be determined by the average of your hours in Covered Employment during the three years prior to entry into the military or the average hours for all Participants in the Plan for the same three years, whichever is greater.

To receive credit for military service, you must have been employed in Covered Employment or be on the out-of-work list of the Union immediately before joining the military. The maximum length of time away from Covered Employment by reason of military service cannot exceed five (5) years except as required by federal law. After discharge, you must return to Covered Employment or make yourself available for Covered Employment within ninety (90) days of release from duty or, if you are disabled at that time, within ninety (90) days from recovery from disability. However, you will not be given credit for your military service if your period of recovery from a disability exceeds two (2) years.

For deaths on and after January 1, 2007 during qualified military service, the "return to Covered Employment" requirement in the preceding paragraph will be deemed satisfied for purposes of establishing the deceased Participant's vested status, and for purposes of determining the survivor benefits, if any, payable on the Participant's behalf.

If you think you may be eligible for Pension Credit and Vesting Service Credit for a period of military service, please provide the Administrative Office with accurate records of your service.

G. BREAK IN COVERED EMPLOYMENT

Permanent Break in Covered Employment before January 1, 1976

Prior to January 1, 1976, if a Participant who was not vested failed to earn at least one quarter of Future Service Credit in a period of two consecutive calendar years, he had a Permanent Break in Covered Employment and all previous Pension Credit (Past and Future) was cancelled.

Permanent Break in Covered Employment between January 1, 1976 and January 1, 1987

During this period, a One-Year Break in Covered Employment occurs when a Participant does not complete at least 375 hours of Service in a calendar year following December 31, 1975. A One-Year Break in Covered Employment cancels an Employee's Participant status which can be reinstated if he again works 1000 hours in a calendar year.

A Break in Covered Employment becomes <u>permanent</u> if the Participant has consecutive One-Year Breaks and the number of consecutive One-Year Breaks equals the number of years of Vesting Service he has accumulated if he is not Vested.

<u>EXAMPLE</u>: A Participant has earned four years of Vesting Service (four years of at least 1,000 hours each). Then has three years (the fifth through the seventh year) in each of which he has less than 375 hours of service. Whether or not this Participant will suffer a Permanent Break in Covered Employment depends on what happens during the next year (eighth year).

If, in the eighth year, he completes at least 375 hours of Service, he <u>will not</u> suffer a Permanent Break in Covered Employment and will retain his four years of Vesting Service. If he does not earn at least 375 hours of Service he will suffer a Permanent Break in Covered Employment because the number of consecutive One-Year Breaks equals the number of years of Vesting Service.

Permanent Break in Covered Employment after January 1, 1987

During this period a One-Year Break in Covered Employment is the same as a One-Year Break prior to January 1, 1987 except that hours a Participant is absent from Covered Employment due to maternity or paternity leave will count in determining whether the Participant failed to complete 375 hours in a calendar year. Also, for calendar years beginning January 1, 1992, a Participant incurs a One-Year Break in Covered Employment if he fails to complete 300 hours of Service.

A Break in Covered Employment becomes <u>permanent</u> after January 1, 1987 if the Participant has at least <u>five</u> consecutive One-Year Breaks <u>and</u> the number of consecutive One-Year Breaks equals the number of years of Vesting Service he has accumulated if he is not vested.

EXAMPLE: If a Participant has four years of Vesting Service, he will not have a Permanent Break until he has five consecutive One-Year Breaks. However, if a Participant has six years of Vesting Service he will not have a Permanent Break until he has six consecutive One-Year Breaks.

Grace Periods

The Plan provides grace periods for Participants whose failure to earn 300 Hours of Service in the year (375 Hours of Service before 1992) was due to certain reasons. Grace periods do not add to a Participant's Pension Credit or Vesting Service. Rather, they are periods which are ignored in determining Breaks in Covered Employment or Separations in Service. Also see page 3.

Indefinite grace periods will be allowed for the following:

1. Full time employment as an International Representative of the Sheet Metal Workers International Association.

2. Full time employment as an elected or appointed official of a labor organization affiliated with the AFL-CIO.

3. Ownership or management interest in a Contributing Employer to this Plan or a Related Plan (see definition on page 33).

4. While employed by a public agency under a Collective Bargaining Agreement with a Local Union or a Building Trades Council in which the Local Union participates.

Grace periods of up to three consecutive calendar years will be allowed for the following:

1. Disability which lasts for at least six months during a calendar year.

2. Involuntary Unemployment provided the individual is on the out of work list, is living in the jurisdiction of the Plan, is available for work and has not turned down any available employment.

What is the effect of a Break in Covered Employment?

If a Participant has a Permanent Break in Covered Employment before he has become Vested, it shall have the effect of canceling: (a) his previous years of Pension Credit; and (b) his previous years of Vesting Service Credit.

For purposes of the Break in Covered Employment rules, hours earned in a Related Plan shall be treated the same as hours earned in this Plan.

When does a Participant become Vested?

Effective January 1, 1999, a Participant becomes "Vested" and the break rules described above will not operate to cancel his Pension Credits or Vesting Service if he has five years of Pension Credit or five years of Vesting Service without a Permanent Break in Covered Employment and has at least one hour of Covered Employment on or after January 1, 1999 that was earned as an Active Participant. If you incurred a Separation in Service prior to January 1, 1999, you must return to Covered Employment and earn one quarter of Pension Credit after January 1, 1999 before you incur a Permanent Break in Covered Employment in order to become Vested under this five-year rule.

If a Participant is Vested, it does not necessarily mean he is entitled to a pension benefit. He must still qualify under the terms of the Plan for the type of pension he is applying for.

If you do not qualify for vesting under this five-year rule, you may become Vested under the ten-year vesting rules described below, or upon attainment of Normal Retirement Age, as explained in the section on Vested Pensions.

The rules on when a Participant becomes "Vested" have changed over the years since the Plan began. Following is a list of the vesting requirements for the various periods:

Period	Required Pension Credit	Age Requirement
January 1, 1958 to December 31, 1963	15 Pension Credits	55
January 1, 1964 to June 30, 1968	15 Pension Credits	55, or age + Pension Credit is 70 or more
July 1, 1968 to December 31, 1970	15 Pension Credits	None
January 1, 1971 to December 31, 1971	15 Pension Credits, or 10 Future Service Credits	None None
January 1, 1972 to December 31, 1975	10 Pension Credits	None
January 1, 1976 to December 31, 1998	10 Pension Credits, or 10 years of Vesting Service	None None

Required Age

Period	Pension Credit	Requirement
January 1, 1999 and after	5 Pension Credits, or 5 years of Vesting Service	None

In addition, after June 22, 2006, a Participant who has attained Normal Retirement Age is vested.

Separation in Service and Freezing of Benefit Level

A Separation in Service occurs when a Participant fails to earn 300 Hours of Service (375 Hours of Service before 1992) in each of two consecutive calendar years and is used only for purposes of determining benefit amounts for a Participant who eventually qualifies for a pension.

What is the effect of a Separation in Service?

A Separation in Service means that future benefit increases do not apply to Pension Credits or Vesting Service or contributions earned prior to the Separation. It freezes the monthly benefit value or benefit percentage at the rate in effect:

(a) At the time of the Separation in Service for each Separation in Service occurring prior to January 1, 1978.

(b) At the time the last contribution was made by an Employer on behalf of the Participant for each Separation in Service occurring after January 1, 1978. For credit earned prior to January 1, 1981, the monthly benefit values per year of Pension Credit or Vesting Service referred to above (EXCEPT FOR LOCALS NOT MAINTAINING THE UNIFORM CONTRIBUTION RATE) are as follows:

Effective Date	Benefit value	Maximum Pension
January, 1959	$ 2.00	$ 70.00
January, 1963	3.80	95.00
January, 1965	4.50	112.50
April, 1966	6.00	150.00
July, 1967	7.20	180.00
July, 1969	10.00	250.00
January, 1971	20.00	500.00
January, 1975	22.71	567.75
April, 1978	24.00	600.00
January, 1987	24.72	618.00
January, 1992	25.00	625.00
January, 1996	35.00	875.00

If the Separation in Service occurs after 1980, the rates listed above will not be applicable but you will receive the rate in effect at the time contributions were last made on your behalf. Please contact the Administrative Office to determine the applicable rate.

If any Participant whose benefits are frozen because of a Separation in Service returns to Covered Employment - whether before or after receiving retirement benefits - additional Pension Credit or Vesting Service may be earned (subject to the maximum of 25 years of Pension Credit or its equivalent in Vesting Service for employment prior to January 1, 1981). However, because of a Separation in Service, the Participant's pension would be based upon different benefit rates, one for his Pension Credits prior to the Separation in Service, and a different rate for the period of his reemployment. Also, because of the Separation in Service, that Participant will not be eligible for a Service Pension.

For purposes of the Separation in Service rules, hours earned in a Related Plan shall be treated the same as hours earned in this Plan.

Waivers of Breaks in Covered Employment and Separations in Service

For retirements on and after January 1, 1995, Participants who have suffered a Break in Covered Employment or a Separation in Service will have that Break or Separation waived, if they have returned to Covered Employment (including employment under a Related Plan, see page 33) and earned at least 300 Hours of Service per calendar year for at least as long a period of consecutive calendar years as they had been out of Covered Employment (not counting years for which a grace period is granted, see pages 3 and 43). If the Break or Separation was caused by the Participant's work in Non-Covered Sheet Metal Service, the waiver must be earned in Covered Employment for an employer required to contribute to the Plan and there will be only one waiver of such Break or Separation. Any subsequent Breaks or Separations during which the Participant worked in Non-Covered Sheet Metal Service will not be waived. A waiver cannot waive a period of less than one calendar year.

Beginning on January 1, 1976, if a Participant works for an Employer in a job which is not covered by the Plan and for which no contributions are required to this Plan, while the Employer is making contributions on behalf of other Employees who are covered by a Collective Bargaining Agreement requiring contributions to this Plan, any hours in such non-covered employment will be counted as if they were Covered Employment for purposes of determining whether a Break in Covered Employment, or Separation in Service, has been incurred, provided the Participant worked in Covered Employment for the same Employer immediately before or after the non-covered work.

H. OTHER TYPES OF BENEFITS

What other types of benefits are provided by the Plan?

The Plan also provides:

I. Death Benefits (pages 48-51)

   Before Retirement (pages 48-49)
   After Retirement (pages 50-51)

J. Husband-and-Wife Pension Options (pages 52-58)

   50% Husband-and-Wife Pension (pages 52-53)
   50% Husband-and-Wife Pension with Pop-Up Option (pages 53-54)*
   75% Husband-and-Wife Pension with Pop-Up Option (pages 54-55)
   100% Husband-and-Wife Pension with Pop-Up Option (page 55)*

   * The availability of these forms of benefit payment depends on the status of your participation in the Plan and on which Schedule under the 2010 Rehabilitation Plan applies to you at the time of your retirement.

K. Level Income Option (eliminated effective April 28, 2010 for retirements on and after that date)

L. Lump Sum Option

I. DEATH BENEFITS

What benefits does the Plan provide Participants who die <u>before</u> retirement?

Deaths Occurring before January 1, 2012

For deaths occurring before January 1, 2012, if an Active Participant has earned sufficient Pension Credit to be eligible for pension benefits and dies before his Annuity Starting Date, the pre-retirement 50% Husband-and-Wife Pension will be paid to his Spouse unless the eligible surviving Spouse elects to receive 84 monthly payments of the Participant's Normal Retirement Age single life pension amount. If there is no Spouse living or if the Spouse dies before receiving 84 monthly payments, then the remainder of the 84 monthly payments will be made to the Participant's designated beneficiary or beneficiaries. If there is no designated beneficiary, the payment will be made according to the order of succession provided by Article V, Section 5 of the Plan Document. If there is no legal beneficiary, no death benefit shall be payable.

The pre-retirement 50% Husband-and-Wife Pension will be calculated at the age of the Participant at the time of death. If the Participant is younger than age 55, benefits will be calculated as though the Participant was age 55 with at least 10 years of Pension Credit (as an Early Benefit) at the time of death.

The amount of the 84 guaranteed monthly payments, if any, will be equal to the monthly amount of Regular Pension the Participant would have been entitled to receive had he retired and been age 65 on the day he died. A copy of the Death Certificate of the Participant must be filed with the application for this benefit.

If a married Participant who is eligible for pension benefits submits in good faith a completed Pension Application, but dies before the application is approved or his pension becomes effective, the surviving Spouse may also elect to receive payment under the pre-retirement 50% Husband-and-Wife Pension selected in the pension application.

Deaths Occurring on or after January 2012

For deaths occurring on or after January 1, 2012, if an Active Participant whose benefits are determined in accordance with an Alternative Schedule under the 2010 Rehabilitation Plan has earned sufficient service to be eligible for pension benefits and dies before his Annuity Starting Date, then the 50% pre-retirement Husband-and-Wife Pension will be paid to his surviving spouse unless the eligible surviving spouse elects to receive 54 payments of the Participant's Normal Retirement Age single life pension amount. However, if there is no Spouse then living, or if the Spouse dies before the receipt of 54 payments, then the remainder of the monthly payments will be made to the Participant's designated beneficiary or beneficiaries. If there is no designated beneficiary, the payment will be made according to the order of succession provided by Article V, Section 5 of the Plan Document. If there is no legal beneficiary, no death benefit shall be payable.

However, also refer to this page and pages 50-51 for an explanation of the exceptions that apply to Inactive Vested Participants, Terminated Participants, and Participants whose benefits are subject to the Default Schedule under the 2010 Rehabilitation Plan.

Pre-retirement death benefits are available to those who meet the eligibility requirements unless the Participant works in Non-Covered Sheet Metal Service in any calendar year and then dies in that calendar year or either of the following two calendar years.

The pre-retirement 54-monthly payments (or 84 monthly payments, if applicable) benefit will not be payable if a lifetime survivor annuity is payable to a surviving spouse under the pre-retirement 50% Husband-and-Wife Pension (see page 57). The surviving Spouse of an active participant will automatically receive survivor benefits under the pre-retirement Husband-and-Wife Pension unless it is rejected. As described on page 57, the pre-retirement 50% Husband-and-Wife Pension provides a lifetime benefit equal to 50% of the benefit the Participant would have been entitled to receive under the Husband-and-Wife Pension. The pre-retirement 50% Husband-and-Wife Pension will be calculated at the age of the Participant at the time of death. If the Participant is younger than age 55, benefits will be calculated as though the Participant was age 55 with at least 10 years of Pension Credit (as an Early Benefit) at the time of death.

If the automatic form of payment is rejected, the surviving spouse may elect to receive fifty-four (54) monthly payments of the monthly pension benefit the employee would have been eligible for had he retired and been age 65 on the day he died. The pre-retirement Husband-and-Wife Pension is payable effective the first of the month following the date of death for deaths after October 1, 1995. The optional election to receive the 54 monthly payments instead of the pre-retirement Husband-and-Wife Pension must be made by the Spouse within ninety (90) days after notification to the Spouse from the Board of Trustees of the opportunity to make that election.

If a married Participant who is eligible for pension benefits submits in good faith a completed Pension Application, but dies before the application is approved or his pension becomes effective, the surviving Spouse may also elect to receive payment under the pre-retirement 50% Husband-and-Wife Pension selected in the pension application.

Restrictions on the Pre-Retirement Death Benefit

For deaths occurring on or after January 1, 2011, the Pre-Retirement Death Benefit (previously 84 guaranteed monthly payments) is eliminated for Inactive Vested Participants, for Terminated Participants (see page 6 for definitions of these terms), and for Participants whose benefits are subject to the Default Schedule under the 2010 Rehabilitation Plan. See pages 5-6 and 87-89 for an explanation of the 2010 Rehabilitation Plan.

What benefits does the Plan provide Pensioners who die after retirement?

1. **Post-Retirement Lump Sum Death Benefit**

   Upon the death of a Pensioner with an Annuity Starting Date before January 1, 2011, with at least 5 years of Pension Credit or with at least 5 years of Vesting Service, a Lump Sum Death Benefit in the amount of $1,000 will be paid to the Pensioner's surviving Spouse or, if there is no surviving Spouse, to the Pensioner's designated beneficiary. A claim for the lump sum death benefit must be filed within one year from the date of death. The proper form should be obtained from the Administrative Office. A copy of the Death Certificate must be filed with the application.

   This benefit is paid in addition to any other benefits that may be payable upon the death of the Pensioner, such as Husband-and-Wife Pension payments to the surviving Spouse. However, this benefit is not payable if a Pensioner had worked in Non-Covered Sheet Metal Service in any calendar year and dies during that calendar year or in either of the following two calendar years.

   Upon the death of a Pensioner whose Annuity Starting Date is on or after January 1, 2011, the availability of the $1,000 post-retirement death benefit described above is subject to the following limitations:

   FIRST EXCEPTION: No Pensioner's Lump Sum Death Benefit is payable upon the death of a Pensioner who retired from Inactive Vested or Terminated status with an Annuity Starting Date on or after January 1, 2011.

   SECOND EXCEPTION: No Pensioner's Lump Sum Death Benefit is payable upon the death of a Pensioner who retired with an Annuity Starting Date on or after January 1, 2011 whose benefits were determined in accordance with the Default Schedule under the 2010 Rehabilitation Plan.

2. **Post-Retirement Guaranteed Death Benefit**

   For Pensioners with Annuity Starting Dates prior to January 1, 2011, who are receiving any type of pension other than a Vested Pension, and who die within the 84-month period beginning with the effective date of the pension, monthly pension payments will be continued to the Pensioner's surviving Spouse or, if there is no Spouse, to the Pensioner's designated beneficiary for the remainder of the 84-month period. This 84-month guarantee is not payable if payments are due under the Husband-and-Wife Pension, in which case payments will be made according to the option selected.

   The availability of and duration of the 84-month guarantee (which is also called the "Pensioner's Benefits Guarantee") is subject to the following restrictions for Pensioners with Annuity Starting Dates on or after January 1, 2011:

For Active Participants who are subject to an Alternative Schedule under the 2010 Rehabilitation Plan (see pages 5-6 and 87-89) and who retire under the Plan with an Annuity Starting Date on or after January 1, 2011, but before January 1, 2012, the Pensioner's Benefit Guarantee is unchanged.

For Active Participants who are subject to an Alternative Schedule under the 2010 Rehabilitation Plan (see pages 5-6 and 87-89) and who retire under the Plan with an Annuity Starting Date on or after January 1, 2012, the Pensioner's Benefit Guarantee is reduced from 84 months to 54 months.

For Inactive Vested Participants and Terminated Participants (see page 6 for definitions of these terms) who retire under the Plan with an Annuity Starting Date on or after January 1, 2011, the Pensioner's Benefit Guarantee is eliminated.

For Active Participants subject to the Default Schedule, the guarantee period is eliminated if the benefit determined taking into account all years of service and the Plan provisions, including the impact of the Default Schedule on optional forms and retirement adjustment before age 65, is greater than the benefit accrued while not under the Default Schedule, and payable in the amount and form called for by the Plan provisions in effect on the date immediately preceding the date on which he became subject to the Default Schedule and taking into account only service earned through that date. If the benefit accrued before being subject to the Default Schedule is greater, the 54-month guarantee shall apply.

3. **If There Is No Spouse or Designated Beneficiary**

After the Pensioner dies, if there is no surviving Spouse or designated beneficiary, the Lump Sum Death Benefit (if applicable; see page 50 for exceptions) or the remaining payments, if any, under the Guaranteed Death Benefit, whichever is applicable, shall be payable to the legal beneficiary according to the order of succession provided by Article V, Section 5 of the Plan Document. If there is no legal beneficiary, no death benefit shall be payable.

J. HUSBAND-AND-WIFE PENSION OPTIONS

Husband-and-Wife Pension

The Husband-and-Wife Pension provides that after the Participant's death, the surviving Spouse will receive monthly benefits for the rest of his or her lifetime at 50 percent of the amount the Participant received.

For example, if a Pensioner received a monthly pension of $600 per month on a Husband-and-Wife Pension and died, the surviving spouse would receive a monthly benefit of $300 per month for the rest of his or her life.

The Husband-and-Wife Pension extends protection over two lifetimes. Benefit levels are adjusted accordingly. The Pensioner, during his or her lifetime, will receive monthly benefits at a lower level than he or she would receive with a single-life protection. Monthly payments to the surviving Spouse after the Pensioner's death will be half the amount the Pensioner received and will continue for the rest of the Spouse's life.

How much benefits will be reduced with a Husband-and-Wife Pension depends on the difference in age between Participant and Spouse. If the Spouse is much younger than the Participant, benefits will be reduced more than if they were close to the same age or if the Spouse is older than the Participant. The reason is that, statistically speaking, the younger Spouse is likely to receive benefits for a longer period of time.

These are the formulas for Pensioners whose benefits are determined in accordance with an Alternative Schedule under the 2010 Rehabilitation Plan (see pages 5-6 and 87-89). See pages 55-56 for the formulas applicable to Terminated or Inactive Participants, and for Participants whose benefits are subject to the Default Schedule under the 2010 Rehabilitation Plan.

<u>Non-Disability Pensions</u>. If you are eligible for any type of pension other than a Disability Pension, your basic benefit will be reduced for the Husband-and-Wife Pension by multiplying your basic benefit by 89% (90% for Annuity Starting Dates prior to January 1, 2012) minus .4% for each year by which your Spouse is younger than you or plus .4% for each year by which your Spouse is older than you. In all cases, the maximum percentage is 100%.

<u>Disability Pensions</u>. If you are eligible for a Disability Pension, your basic benefit will be reduced for the Husband-and-Wife Pension by multiplying your basic benefit by 80% (82% for Annuity Starting Dates prior to January 1, 2012) minus .4% for each year by which your Spouse is younger than you or plus .4% for each year by which your Spouse is older than you. If you are younger than age 55 and your Disability Pension was effective prior to October 1, 1995, an additional .5% for each year you are younger than age 55 is added to the percentage. In all cases, the maximum percentage is 100%.

The following two examples show the reduction for the 50% Husband-and-Wife Pension for retirees in two different circumstances—one retiree applying for a Regular Pension, the other retiree applying for a Disability Pension. However, both examples assume the retiree has an Annuity Starting Date on or after January 1, 2012, and both examples assume the retiree is an Active Participant subject to an Alternative Schedule under the 2010 Rehabilitation Plan. See pages 55-56 for a discussion of the adjustment factors for other retirees.

EXAMPLE I: Let's say you are eligible for a Regular Pension of $1,500.00 per month. You are 65 years old and your Spouse is 60 years old. In order to determine the monthly amount you would receive under the 50% Husband-and-Wife Pension, you first determine how many years younger or older your Spouse is than you and multiply the benefit amount by the percentage from the table on page 85. In this case, your Spouse is 5 years younger than you, so you would multiply your Regular Pension of $1,500.00 by 87%, which equals $1,305.00. This is the monthly amount of pension you would receive for the rest of your life under the Husband-and-Wife Pension. Upon your death, your surviving Spouse will receive 50 percent of that amount, or $652.50 per month, for the remainder of her life.

EXAMPLE II: Let's say you are eligible for a Disability Pension of $1,500.00 per month. You are age 54 and your Spouse is age 49. Since your Spouse is 5 years younger than you, your Disability Pension of $1,500.00 is multiplied by 78% which equals $1,170.00. This is the monthly amount of Disability Pension you will receive for the rest of your life in 50% Husband-and-Wife form. Upon your death, your surviving Spouse will receive 50 percent of that amount, or $585.00 per month, for the remainder of his or her life.

Husband-and-Wife Pension with Pop-Up Option

When you retire, you may elect a Husband-and-Wife Pension with a Pop-Up Option. The Pop-Up Option provides a reduced monthly retirement benefit for your life, with 50%, 75% or 100% (whichever you elect) of such monthly benefit payable to your Spouse upon your death for your Spouse's lifetime. The reduction is greater than the reduction for the 50% Husband-and-Wife Pension without a pop-up feature. Under the Husband-and-Wife Pop-Up Options, if your Spouse dies before you, your monthly benefit will be increased (or "popped-up") to the amount that would have been payable had your benefit been paid in the form of an 84-month certain single life annuity at retirement. By contrast, under the Husband-and-Wife Pension without pop-up, described above, if your Spouse dies first, your benefits are not adjusted and you will continue to receive payments at the same reduced amount for the remainder of your life.

If you elect a Pop-Up Option and your spouse dies, you should send a certified copy of the death certificate to the Trust Office as soon as possible. The increased monthly benefit will become effective on the first of the month following the date of death provided the Plan receives notification (including acceptable proof of death) within 12 months after your Spouse's death. If you do not notify the Plan within 12 months of the date of death, the increased benefits will start on the first day of the month after proper notification is received by the Trust Office. Also, if your Spouse dies first, all pension payments will stop upon your death.

As with all optional forms of payment, your Spouse must consent, in writing, before a notary, to the election of a Pop-Up Option. Please note that the 75% and 100% Husband-and-Wife Pensions automatically include a pop-up feature. A 50% Husband-and-Wife pension, is available with or without that feature.

50% Husband-and-Wife with Pop-Up Option

See pages 55-56 for the formulas applicable to Terminated or Inactive Participants, and for Participants whose benefits are subject to the Default Schedule under the 2010 Rehabilitation Plan.

For Pensioners whose benefits are determined in accordance with an Alternative Schedule under the 2010 Rehabilitation Plan (see pages 5-6 and 87-89), the amount of the 50% Husband-and-Wife Pension with Pop-Up Option is calculated as follows:

<u>Non-Disability Pensions</u>**.**

For non-disability pensions, multiply the monthly benefit otherwise payable by 88% (89% for Annuity Starting Dates prior to January 1, 2012) minus .4% for each year by which your Spouse is younger than you or plus .4% for each year by which your Spouse is older than you, provided that the resulting pension will never be greater than 100% of the non-reduced pension.

<u>Disability Pensions.</u>

For Disability Pensions, multiply the monthly benefit otherwise payable by 79.4% (81.4% for Annuity Starting Dates on and after January 1, 2012) minus .4% for each year by which your Spouse is younger than you or plus .4% for each year by which your Spouse is older than you, provided that the resulting pension will never be greater than 100% of the non-reduced pension.

75% Husband-and-Wife with Pop-Up Option

See pages 55-56 for the formulas applicable to Terminated or Inactive Participants, and for Participants whose benefits are subject to the Default Schedule under the 2010 Rehabilitation Plan.

For Pensioners whose benefits are determined in accordance with an Alternative Schedule under the 2010 Rehabilitation Plan (see pages 5-6 and 87-89), the amount of the 75% Husband-and-Wife Pension with Pop-Up Option is calculated as follows:

<u>Non-Disability Pensions.</u>

For non-disability pensions, multiply the monthly benefit otherwise payable by 86% (87% for Annuity Starting Dates prior to January 1, 2012) minus .6% for each year by which your Spouse is younger than you or plus .6% for each year by which your Spouse is older than you, provided that the resulting pension will never be greater than 100% of the non-reduced pension.

<u>Disability Pensions.</u>

For Disability Pensions, multiply the monthly benefit otherwise payable by 75.4% (77.4% for Annuity Starting Dates prior to January 1, 2012) minus .5% for each year by which your Spouse is younger than you or plus .5% for each year by which your Spouse is older than you, provided that the resulting pension will never be greater than 100% of the non-reduced pension.

100% Husband-and-Wife with Pop-Up Option

See pages 55-56 for the formulas applicable to Terminated or Inactive Participants, and for Participants whose benefits are subject to the Default Schedule under the 2010 Rehabilitation Plan.

For Pensioners whose benefits are determined in accordance with an Alternative Schedule under the 2010 Rehabilitation Plan (see pages 5-6 and 87-89), the amount of the 100% Husband-and-Wife Pension with Pop-Up Option is calculated as follows:

<u>Non-Disability Pensions.</u>

For non-disability pensions, multiply the monthly benefit otherwise payable by 81% (82% for Annuity Starting Dates prior to January 1, 2012) minus .6% for each year by which your Spouse is younger than you or plus .6% for each year by which your Spouse is older than you, provided that the resulting pension will never be greater than 100% of the non-reduced pension.

<u>Disability Pensions.</u>

For Disability Pensions, multiply the monthly benefit otherwise payable by 67.4% (69.4% for Annuity Starting Dates prior to January 1, 2012) minus .5% for each year by which your Spouse is younger than you or plus .5% for each year by which your Spouse is older than you, provided that the resulting pension will never be greater than 100% of the non-reduced pension.

Exception for Terminated or Inactive Participants

For Terminated or Inactive Vested Participants who retire under the Plan with an Annuity Starting Date on or after January 1, 2011, the only forms of benefit payment available to the retiring Participant shall be a single life annuity with no guarantee period, the 50% Husband-and-Wife Pension, and the 75% Husband-and-Wife Pension with Pop-Up Option. Additionally, the adjustment factors for these Husband-and-Wife payment forms shall be determined as actuarially equivalent to a single life annuity with no guarantee period, using the interest and mortality assumptions provided by the 2010 Rehabilitation Plan for that purpose.

If you are a Terminated or Inactive Vested Participant retiring with an Annuity Starting Date on or after January 1, 2011, you will need to ask the Administrative Office for assistance in calculating your monthly benefit under any form of Husband and Wife Pension.

Exception for Participants Whose Benefits Are Determined in Accordance with the Default Schedule

For Participants who retire under the Plan with an Annuity Starting Date on or after January 1, 2011, whose benefits are determined in accordance with the Default Schedule, the only available forms of payment will be the single life annuity with no guarantee period, the 50% Husband-and-Wife Pension, and the 75% Husband-and-Wife Pension with Pop-Up Option.

For Active Participants subject to the Default Schedule, the Husband-and-Wife form of payment shall be determined taking into account all years of service and the Plan provisions, including the impact of the Default Schedule on optional forms and retirement adjustment before age 65, in effect for the Participant upon his retirement.

In no case will the Husband-and-Wife amount be less than the benefit accrued while not under the Default Schedule, and payable in the amount and form called for by the Plan provisions in effect on the date immediately preceding the date on which he became subject to the Default Schedule and taking into account only service earned through that date.

Applying for a Husband-and-Wife Pension at Retirement

When a married Participant files a pension application, the Administrative Office will give the Participant a statement of what the estimated monthly benefit will be with both the single-life protection or with a Husband-and-Wife Pension.

If you are married, your pension will automatically be paid on the basis of a Husband-and-Wife Pension unless you and your Spouse notify the Administrative Office in writing before your benefits start that you want your pension on the basis of single-life protection or an option other than the Husband-and-Wife Pension. Your spouse must consent to a rejection of the Husband-and-Wife Pension.

Both married applicants and spouses and unmarried applicants must select benefit options in writing and the election must be notarized.

Once payments have started as a Husband-and-Wife Pension, the monthly benefits must continue on that basis, even if the marriage is dissolved or if the Spouse should die before the Participant.

Applying for a Husband-and-Wife Pension Before Retirement

The procedures outlined above relate to the choice of a Husband-and-Wife Pension when the Participant is ready to retire. However, if the Participant dies before applying for a pension, the surviving Spouse will receive a pre-retirement 50% Husband-and-Wife Pension unless the 54-month guarantee is elected. (See pages 48-49.)

Benefits to a surviving Spouse under the pre-retirement Husband-and-Wife Pension will be effective on the first day of the month following the Participant's death (regardless of the Participant's age at the time of death) and be effective for the surviving Spouse's lifetime. If the Participant is younger than 55 at the time of death, the monthly amount payable to the surviving Spouse shall be calculated as if the Participant had retired with a Husband-and-Wife Pension at age 55 on the day before his death. However, if the Participant was eligible for a Service Pension at the time of death, the amount payable to the surviving Spouse shall be calculated as if the Participant had retired with a Service Pension in the Husband-and-Wife form.

Significant notes about the Husband-and-Wife Pension

* You and your Spouse must be legally married for at least one year immediately prior to your death for the Husband-and-Wife Pension to be payable at your death, if you die before pension payments begin.

* If you are married, you will receive a Husband-and-Wife Pension when you retire unless you notify the Administrative Office you want your pension another way.

* If you are vested and die before retirement, you will be <u>automatically</u> covered for the Husband-and-Wife Pension protection covering your Spouse, provided you and your Spouse have been married for at least one year on your date of death.

* Husband-and-Wife Pension can protect only a Spouse legally married to the Participant at the time pension payments start.

* Once payments have begun on a Husband-and-Wife Pension, they will continue at the same level even if the Spouse should die before the Participant (unless you elect a Pop-Up Option at the time retirement) or you are separated or divorced.

* Payments to a surviving Spouse continue for life; they are not affected by remarriage.

* If a Spouse should die before a Participant, after pension payments have begun, all pension payments will stop with the death of the Participant.

If you are unable to figure out the amount of your Husband-and-Wife Pension, you may contact the Administrative Office and request a Pension Credit Status Report to be sent to you which will include an estimate of the monthly benefit options.

The table in Appendix A shows the reduction for each type of Husband-and-Wife Pension at various ages.

K. LEVEL INCOME OPTION

The Level Income Option form of pension benefit is no longer available for retirements on or after April 28, 2010.

L. LUMP SUM OPTION

Subject to the restrictions set forth below, if the monthly amount of any pension benefit does not exceed $100, the Participant may elect to receive the actuarial present value of the benefit in a lump sum. If the Participant is married, the Participant's spouse must consent to the distribution in the form of a lump sum. The option to elect a lump sum distribution is also available to a surviving spouse who qualifies for a pre-retirement Husband-and-Wife Pension benefit and to a designated beneficiary who qualifies for the 54-month Pre-Retirement Death Benefit. The amount of the lump sum will be determined by converting the monthly benefit to its actuarial present value using the applicable interest rate and the applicable mortality table required by federal law.

Restrictions on Availability of Lump Sum Option:

1. For Annuity Starting Dates on and after January 1, 2011, the Lump Sum Option is eliminated for Terminated Participants and for Inactive Vested Participants. See page 6 for definitions of these terms.

2. The Lump Sum Option is also eliminated for Participants whose benefits are subject to the Default Schedule under the 2010 Rehabilitation Plan.

3. The Lump Sum Option is not available in any year in which the Pension Plan actuary has determined the Plan to be in "critical status" under the Pension Protection Act of 2006, unless the calculated present value of the Lump Sum Option benefit does not exceed $5,000.

M. SUSPENSION OF BENEFITS FOR WORK AFTER RETIREMENT

May a Pensioner return to work and continue to receive his Pension?

<u>Suspension of Benefits</u>

Prohibited Employment Before Age 65

While you are younger than age 65 (or Normal Retirement Age if later, see page 32), you cannot work anywhere for wages or profit, or receive any compensation either as an employee or as an employer in the Sheet Metal Industry (see definition below).

However, you may work up to 40 hours as an instructor on a part-time basis (40 hours per month maximum) in any JATC (journeymen and apprentice training) sponsored program, course or activity. This provision shall not apply to full-time instructors or to the positions of training coordinator or administrator.

Pensioners under age 65 must each year provide the Trustees, for review, a copy of their federal income tax return and any applicable W-2 forms, to verify that they are not working in prohibited employment.

Prohibited Employment After Age 65 and before Required Beginning Date

Once you reach age 65 (or Normal Retirement Age if later, see page 32) and before reaching your Required Beginning Date, you may work no more than 40 hours per month in the same industry, in the same trade or craft, and in the same geographic area covered by the Plan or the area of a Related Plan (see definition on page 33). Outside the Plan area and the Related Plan areas, there are no restrictions on the amount or type of work you may engage in while receiving pension benefits.

The "same industry" means any business activity of an employer that includes the type of employment covered by the Plan. The "same trade or craft" means any occupation in which you were employed or in which you could have been employed under the Plan, including self-employment related to that occupation and related supervisory activities. The "same geographic area" means the states of California, Arizona and Nevada and any other area covered by a Related Plan.

Once you attain your Required Beginning Date, your benefits will not be suspended for work in the Sheet Metal Industry. Your Required Beginning Date is the April 1st of the year following the year in which you attain age 70½.

The "**Sheet Metal Industry**" is considered to be all work or services of the kind performed by any contributing Employer to the Plan which relates in any way to any work performed by Employees covered by the Pension Plan. For example, in addition to manufacturing, fabrication, service, design and installation of products or goods by contributing employers, the Sheet Metal Industry includes but is not limited to the following functions:

1. an ownership interest in, or any work or consulting for, any establishment which manufactures, fabricates, services, designs, installs, repairs or sells any items of the type so handled by any contributing employer; whether or not the establishment is incorporated and whether or not it contributes to the Plan.

   Please note that if your spouse has any such connection with the Sheet Metal Industry you are deemed to also have compensation or profit from the Industry. If your spouse has an ownership interest in a Sheet Metal employer prior to your retirement, he or she must sell or transfer that interest or you will not be eligible for pension benefits. However, a spouse of a Pensioner may continue employment in a job capacity he or she continuously performed prior to your retirement. He or she may also work in a non-management office position (such as secretarial or accounting) not involving the tools of the sheet metal trade, and for wages or salary commensurate with the position, in the opinion of the Trustees. The Pensioner, or his or her spouse, must submit a written request for approval of such employment by the Board of Trustees, through the Eligibility Committee, within 30 days of beginning such employment.

2. acting in a sales, consulting, estimating or design capacity relating to any items of the types manufactured, fabricated, serviced, designed, installed, repaired, sold, etc. by any contributing employer.

3. any other work relating in any way to the manufacture, fabrication, service, design, installation, repair or sale of any item of the type handled by any contributing employer.

<u>Exception for Ownership Interest</u>. Effective January 1, 2010, benefits will not be suspended for months in which a Pensioner or his or her spouse maintains a qualifying ownership interest in a contributing Employer, provided the Pensioner is not working in Covered Employment or work that otherwise would be considered Prohibited Employment as described on pages 60-62. For more information about this provision, contact the Administrative Office.

<u>Exception for Certain Sales or Safety Work - 55/25 Rule</u>. Effective through December 31, 2012 (unless extended), if you are 55 or older and have at least 25 years of Pension Credit and are receiving a Pension benefit from the Plan, you may return to work as a salesperson or as safety personnel for a specific contributing Employer without having your pension suspended subject to the following conditions:

1. You are retired and receiving a benefit from the Plan and you do not work at all with the tools of the trade or perform supervision as defined by the local Sheet Metal Workers union in the jurisdiction where the work is performed, or perform

work (other than allowed here) which is claimed by the Sheet Metal Workers' International Association;

2. Prior to the start of your employment, you receive written approval from the Local Sheet Metal Workers Union in the jurisdiction;

3. Prior to the start of your employment, you submit a written request for approval of such employment, and receive written approval from the Eligibility Committee of the Board of Trustees; and

4. Your employer must report all of your hours to the Sheet Metal Workers Trust Funds. No Plan contributions will be paid for your hours, and you will not earn Pension Credits. You will be paid, however, at minimum, regular journeyman wages as set in the jurisdiction, or at the rate set by the bargaining parties of the jurisdiction, for all hours worked under this rule.

5. Approval to work under the 55/25 Rule must be reconfirmed in writing each January by the local Sheet Metal Workers union. Without reconfirmation, approval will terminate effective the following March 1st.

Please be aware that work under these conditions may cause you to lose benefits under any related pension plans. For example, this rule is not consistent with the rules of the Sheet Metal Workers' National Pension Fund and may cause a suspension of your benefits, if any, under that plan. You are urged to consult with any other pension plan from which you receive benefits to determine the implications under such other pension plans of a return to work under this rule. This 55/25 Rule will terminate December 31, 2012 unless extended by action of the Board of Trustees.

Suspension of Pension Payments

If you are receiving a pension from this Plan and take work which is prohibited by the Plan regulations, you must notify the Administrative Office, in writing, within 30 days, at which time your benefits will be stopped.

Your benefits will continue to be suspended for any calendar month in which you have been employed, plus an additional six calendar months after you cease your prohibited employment (but not beyond Normal Retirement Age). If you also have not notified the Administrative Office of your prohibited employment within the required 30 days, your payments will be suspended at the Trustees' discretion for an additional 12 calendar months (18 if the work was in Non-Covered Sheet Metal Service) but not beyond Normal Retirement Age. Any Pensioner age 65 or over who fails to notify the Plan of his employment in the Sheet Metal Industry (see definition above) will be presumed to have worked more than 40 hours in each month in which he worked.

You will receive notice from the Plan when your benefit has been suspended, including the reasons for the suspension. You have the right to appeal to the Board of Trustees in writing, which must be filed with the Trustees within 60 days of the date on your notice of suspension. The appeal will be considered by the Board of Trustees, first by the Eligibility Committee, and upon further appeal by the Appeals Committee, and their decisions will be furnished to you in writing, including the reasons for the decisions and reference to governing Plan provisions.

If your pension is suspended, you must file a claim to resume payments before your pension can start again. To meet this notice requirement, you can simply advise the Trustees, in writing, as to when you stopped or will stop working in prohibited employment. The Administrative Office will then review your file and advise you about the date payments will resume, and the Plan's recovery of any overpayment.

IMPORTANT: If a Pensioner has a question as to whether any work would adversely affect pension benefits or result in suspension of pension benefits, the Pensioner should submit a written request to the Administrative Office for an advance determination from the Eligibility Committee of the Board of Trustees. Failure to request such advance approval will be presumed to be evidence of an intent to hide your employment and could lead to a determination by the Trustees or a Court that you must repay all benefits improperly received. Only the Trustees through the Eligibility Committee, and not any individual Trustee or Union representative, can make this determination. You should not rely upon the statement of any individual, but only the written approval of the Committee.

A Pensioner who returns to Covered Employment will, when he retires again, be entitled to receive an increased benefit by having any additional Pension Credits earned during his return to work added to his original pension. Such additional credit will be added at the end of that calendar year and be paid effective January 1st of the following year.

In the case of a Pensioner who retired at or after Normal Retirement Age who is reemployed and earns additional benefits, the original Annuity Starting Date and the benefit payments elections made at that time will apply when benefit payments begin again at a later date.

In the case of a Pensioner who retired before Normal Retirement Age who is reemployed and earns additional benefits, a new Annuity Starting Date will be established for payment of those new benefit accruals (but only for additional benefits due solely to the Pensioner's renewed employment after early retirement) when the Pensioner again retires. The benefits earned during that period of reemployment will be paid as a Husband-and-Wife Pension, if applicable as of the new Annuity Starting Date, or, if that is properly rejected, any other payment form available to the Pensioner under the Plan.

If an Early Retirement Pensioner returns to work, when he retires again he must repay the full amount of the pension he previously received when he retires again. To accomplish this repayment, he will receive the amount of his former pension until the difference between that and his new, increased benefit has repaid the sum of all his original pension payments.

Effective January 1, 1999, if a Pensioner returns to Covered Service for at least 12 months and works in Covered Employment (including work in a Related Plan, see page 33) for 1,350 hours or more he shall be eligible to reelect the form of his pension for payments made subsequent to his re-retirement (i.e., single life versus Husband-and-Wife benefits) with adjustments to the benefit amount as determined pursuant to the Plan. This reelection is allowed only on a one-time basis.

N. PENALTIES FOR WORK IN NON-COVERED SHEET METAL SERVICE

Special Rules for Work for Non-Contributing Employers

If a Participant works in Non-Covered Sheet Metal Service, the following special rules will apply to him.

Non-Covered Sheet Metal Service means sheet metal work in the geographical jurisdiction of this Plan or a Related Plan (see definition on page 33) on or after February 1, 1986, for an employer which does not have, or self-employment which is not covered by, a collective bargaining agreement with a Sheet Metal Workers' Union requiring contributions to this Plan or a related pension or health plan. This includes local union jurisdictions which are signatory to the SMWIA Master Reciprocal Agreement.

Sheet metal work includes all work or services of the kind performed by any contributing Employer to the Plan which relates in any way to any work of the kind performed by participating Employees covered by the Plan. It includes such jobs as management, ownership, sales, estimating or consulting positions for Sheet Metal employers or in the Sheet Metal Industry (see definition above), as well as work of the type done by bargaining unit members and related work.

Consequences for Work in Non-Covered Sheet Metal Service

1. **Early Retirement Pension**. The effective date of a Participant's Early Retirement Pension will be delayed six months for every calendar quarter in which the Participant has at least one hour of Non-Covered Sheet Metal Service.

2. **Service Pension**. The effective date of a Participant's Service Pension will be delayed six months for every calendar quarter in which the Participant has at least one hour of Non-Covered Sheet Metal Service.

3. **Disability or Special Early Pension**. A Participant shall not be eligible to receive a Disability or Special Early Pension if he works in Non-Covered Sheet Metal Service during any part of a calendar year and then becomes disabled during that same calendar year or the immediately following two consecutive calendar years.

4. **Suspension of Pension Benefits**. If a Pensioner's Early Retirement or Service Pension is suspended on account of employment in Non-Covered Sheet Metal Service, an additional six months of suspension shall be added to the period of suspension otherwise provided for in the Plan.

5. **Death Benefits**. The Pre-Retirement Death Benefit and the Pensioner's Lump Sum Death Benefit shall not be payable on behalf of a Participant or Pensioner who works in Non-Covered Sheet Metal Service during any part of a calendar year and then dies during that same calendar year or the immediately following two consecutive calendar years.

6. **Return to Covered Employment**. If a Participant works in Non-Covered Sheet Metal Service and then returns to Covered Employment for an employer required to contribute to the Plan and earns at least 300 Hours of Service per calendar year for at least as long a period of consecutive calendar years as he had previously worked in Non-Covered Sheet Metal Service, the penalties provided for such work prior to that period shall be waived. A Participant may have only one waiver of such penalties.

   If the Pensioner qualifies for a waiver, he must submit a new pension application and a new pension effective date will be established based on receipt of a new pension application.

   If an Early Pensioner qualifies for a waiver, the Pensioner must submit a new pension application and a new pension effective date will be established based on receipt of a new pension application, the Pensioner must repay the full amount of pension benefits the Pensioner previously received when he retires again. To accomplish this repayment, the Pensioner will receive the amount of the initial pension until the difference between that and the Pensioner's new increased benefit, calculated at his age at the time of his new pension effective date and after the waiver, has repaid the sum of all the Pensioner's original pension payments.

   If a Participant who was employed in Non-Covered Sheet Metal Service as of February 1, 1986, returns to Covered Employment on or before December 31, 1986, and thereafter earns at least 375 hours in Covered Employment, any calendar year prior to January 1, 1987 in which he worked in Non-Covered Sheet Metal Service shall not be considered in determining whether the Participant has a Break in Covered Employment or a Separation in Service.

O. ANNUITY STARTING DATES

Your Annuity Starting Date is the date on which your pension becomes effective. An eligible applicant's earliest permitted Annuity Starting Date is the first day of the second month immediately following satisfaction of these three requirements: (1) the applicant's completed pension application has been filed with the Administrative Office; (2) the applicant has been provided a written explanation of the forms of payment available from the Plan; and (3) the applicant has ceased Prohibited Employment (see above under "Suspension of Benefits for Work After Retirement").

The actual commencement of your payments may be delayed because of processing. For example, in order to verify your Past Service Credit, the Administrative Office may need to obtain Union membership records, or employment records from the Social Security Administration. Generally, once processing is completed and you are found to be eligible for a pension, you will receive payments retroactive to your Annuity Starting Date.

The Annuity Starting Date for a Disability Pension is determined in the same manner. However, disability benefits may, under certain circumstances, be payable for periods prior to the Annuity Starting Date. Refer to the explanation of the Disability Pension on pages 26 through 30. To ensure that a Disability Pension will become payable as early as possible:

1. Send the application to the Administrative Office as soon as possible, and, if applicable, at the same time as the application for Social Security benefits; and

2. Send the Social Security Notice of Award to the Administrative Office as soon as it is received.

The Annuity Starting Date cannot be later than your Required Beginning Date. Your Required Beginning Date—assuming you are eligible for pension benefits from this Plan—is April 1st of the calendar year that immediately follows the calendar year in which you reached age 70½.

Waiver of Minimum 30-day Notice Period for Distributions

By law, participants (and their spouses, if any) have a 30-day notice period to decide if they want monthly benefits payable in a form other than the automatic form of payment that corresponds to their marital status on their Annuity Starting Date. If you and your spouse elect an alternate form of payment (for example, the Single Life Annuity with the 54-Month Guaranteed Death Benefit), then unless you elect to waive the minimum 30-day notice period and your spouse consents to that waiver, your Annuity Starting Date cannot occur—and neither may the actual distribution of your benefits begin—before this notice period ends. An election to waive the 30-day minimum waiting period will be valid as long as:

(1) you are informed of the right to take at least 30 days to consider whether to waive the Husband and Wife Pension and consent to receive an alternate form of payment; and

(2) you are given at least seven days to change your mind and cancel an election to waive the automatic form of payment; and

(3) distribution of benefits does not begin until after the seven-day period expires.

This change will allow the payment of your benefits to begin as of the eighth day after you are provided with the written explanation of the available forms of payment. Administrative processing of your pension application may delay the issuance of your first benefit payment.

P. HOW TO OBTAIN BENEFITS AND APPEAL A DENIAL OF BENEFITS

This section sets forth the Plan's rules that apply to pension benefit determinations and the review of adverse benefit determinations.

Hopefully, the process set forth in this section will allow the prompt initial determination of your pension benefit claims and the full and fair review of adverse pension claim determinations for which you request review.

Authorized Representatives

The Plan will recognize the following individuals as representatives for claims and claim review requests:

1. If you are an adult participant or beneficiary, you may speak on your own behalf.

2. If you are a parent (natural or adoptive) you may speak on behalf of a child – beneficiary.

All other purported representatives must supply evidence that they are authorized to speak on your behalf. For the Plan to recognize such a representative, the representative must present to the Administrative Office a court order, a "Power of Attorney," or a similar document expressing the representative capacity.

Claim Determination Consistency

It goes without saying that like claims should receive like treatment. The Administrative Office will take steps to ensure and to verify that your benefit claim determinations are made in accordance with governing plan documents and that these plan provisions have been applied consistently with respect to you and other similarly-situated claimants.

Benefits Available

The Pension Plan provides benefits to a number of different individuals who qualify for those benefits. The benefits are summarized on pages 8 through 33.

Filing of Pension Claims/Issues

If you believe that you are eligible for benefits under the Pension Plan, you should contact the Administrative Office and request the appropriate benefit application forms. The Administrative Office will mail the appropriate application forms to you. A claim is filed, or "received," for purposes of these rules, when a completed benefit application is received by the Administrative Office, although additional information, including election forms, tax forms, retirement declarations, etc. may be required before an initial determination can be made on the application. The Administrative Office will specify what additional information may be needed. (See discussion of Pension Effective Dates, on page 4. Also see the discussion of Annuity Starting Dates beginning at page 67.)

If you wish to pose any other issue to the Plan for determination, you should put the issue in writing and submit it to the Administrative Office. An issue other than a benefit application is filed, or "received," for purposes of these rules, when the writing posing the issue is received by the Administrative Office.

Once your application or claim is received, the Administrative Office will use the postmark date as your filing date if it is mailed.

Application for a Pro Rata Pension

If your application is for a Pro Rata Pension, in whole or in part, you may also need to apply to the Related Plan (or Plans) (see definition on page 33) for a pension under their regulations.

If you are age 65 and do not apply for a pension

Your benefits will be suspended if you continue to work in prohibited employment (see pages 60-66) after age 65 (or your Normal Retirement Age, if later). This means that if you do not apply for benefits when you reach age 65 (or Normal Retirement Age if later), pension benefits will be suspended for every month thereafter in which you work in suspendable sheet metal employment more than 40 hours, as explained on page 19. You will continue to accrue Pension Credit based on the hours you work in Covered Employment. When you retire, your pension will be calculated as a delayed retirement, as applicable, as described on page 19.

Federal Income Tax Withholding; Rollover to Another Qualified Account

If benefits are paid as a lump sum or in installments over a period of less than 10 years, federal law requires 20% withholding for federal income tax on those payments, unless the individual to receive the payments elects to rollover those payments to another eligible tax-qualified account, such as an Individual Retirement Account (IRA). You should consult with your financial and/or tax advisor to select the best approach.

Application for Benefits by Beneficiaries

If you die before or after retirement, your surviving Spouse or other Beneficiary must file an application with the Administrative Office for death benefits and/or retirement benefits which may be due them (see pages 48-58 for further information about such Plan benefits).

To make it possible for payments to begin with minimal delay, the Spouse or Beneficiary, or their representative, should contact the Administrative Office as soon as possible after a Participant's death about any benefits due and required procedures. The Administrative Office will supply the forms and information needed.

Benefit Claims and Disability Benefit Claims

Initial Determination – Notice

Pension claims/issues are required to be initially determined and notice of any decision will be given to you within a reasonable period of time, not later than 90 days after receipt of the claim. This period may be extended one time by the Plan for up to 90 days, provided that the Plan both: (1) determines that special circumstances require the extension; and (2) notifies you, prior to the expiration of the initial 90-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to make the determination.

If the special circumstance requiring the extension of time under this provision is your failure to supply information needed to perfect the claim, and such information is not received by the Administrative Office within the 180 day time period specified by this provision, the claim will be denied, and a new application must be filed with the Administrative Office under the Filing paragraph of these rules.

Form of Notice of Initial Determination

If an adverse determination is made by the Plan with respect to a benefit claim/issue, the Plan will provide to you written notification setting forth, in a manner suited to your understanding:

1. The specific reason(s) for the determination;

2. Reference to the specific plan provision(s) on which the determination is based;

3. A description of any additional material or information necessary to perfect the claim and any explanation of why the additional material or information is necessary; and

4. A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to sue under Section 502(a) of ERISA after exhaustion of the review procedures.

Time Frame To Request Review of a Denied Claim

You have 60 days following receipt of notification of an adverse determination to file a request for review. Any request for review received by the Plan after this time frame is untimely and subject to denial on review on that basis alone.

Request for Review of a Denied Claim

When a claim for specific Pension Plan benefits (a "claim") is submitted to the Administrative Office, it is processed according to the Plan's rules. If you receive from the Plan, an answer to a claim with which you disagree, you or a duly authorized representative of your choice may request a review of the decision. The request for review must be in writing and submitted to the Administrative Office. The request for review must be received by the Administrative Office within 60 days from the date of your receipt of the answer with which you disagree. Late requests may be rejected as untimely. You may submit any additional evidence or argument to support your position. You may also be provided, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim for benefits. Decisions made by the Appeals Committee (see below) are the final step of any appeals process and are considered final.

Specific Processes

After initial processing by the Administrative Office, a claim will be reviewed by the Eligibility Committee, which is a Committee of the Board of Trustees of the Plan. The Eligibility Committee will independently consider all comments, documents, records and other information submitted by you or your authorized representative relating to the claim.

You will be advised in writing of the decision of the Eligibility Committee. This will include a written explanation giving detailed reasons for any denial, specific references to the Plan provisions on which the denial is based, a description of any additional material or information necessary for you to perfect the claim, an explanation of why such material or information is necessary, a description of the Plan's review procedures and applicable time limits, and a statement of your right to sue under ERISA following Plan review of any denial of benefits.

This written explanation shall be furnished to you within 90 days after receipt by the Administrative Office, of your request for review unless special circumstances require an extension of time for processing your review. If such an extension is required, you will be given written notice of that extension and in no event shall the extension exceed an additional 90-day period.

After the written explanation is received, if you believe you are adversely affected by such decision, you or a duly authorized representative of your choice may file a request for an appeal to the Appeals Committee, which is a separate Committee of the Board of Trustees of the Plan.

The request for an appeal must be in writing and submitted through the Administrative Office, P.O. Box 10067, Manhattan Beach, California 90266-8567. The appeal must be submitted within 60 days of your receipt of the written explanation of the Eligibility Committee's determination. Late requests may be rejected as untimely.

The request for appeal must contain an outline of the matter involved along with any issues, comments or explanation of the applicant's position. You may submit any additional evidence or argument to support your position. You may also be provided, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claims for benefits.

You may request that you and/or your authorized representative be present at the Appeals Committee meeting. A notification of the meeting date and time will then be sent to you. Additional evidence can be presented at the Appeals Committee meeting.

The appeal will be heard by the Appeals Committee within 90 days of the receipt of the appeal unless special circumstances require an extension of that time. In that event, notice will be given of the extension, which, in no event, shall be longer than an additional 90 days.

The Appeals Committee will independently consider the appeal using the written application presented by you, and/or by hearing the appeal of the individual who has requested a personal appearance at the Appeals Committee hearing. You will be advised in writing of the decision of the Appeal Committee. This will include a written explanation giving detailed reasons for any denial; a specific reference to the Plan provisions on which the denial is based; a statement of your right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and a statement of your right to sue under ERISA. The decision of the Appeals Committee shall be final and binding upon the applicant.

This appeals procedure shall be the sole and exclusive procedure available to any individual who is dissatisfied with a claim or eligibility decision of any kind relating to any benefit under the Plan. The Plan's appeals procedure must be exhausted before the applicant can avail himself of any procedure outside of the rules and regulations of the Plan itself.

Q. SOME QUESTIONS, ANSWERS AND BASIC FACTS

Must a Participant retire when he reaches age 65?

No. Retirement under this Plan is voluntary. However, pension benefits must become effective no later than your Required Beginning Date. Your Required Beginning Date is the April 1st of the year following the year in which you attain age 70½.

May Pension Benefits be assigned?

No. This is prohibited by the Plan. However, benefits will be paid in accordance with a qualified domestic relations order as required by federal law.

Domestic Relations Orders/Divorce Decrees

In the event a married Active or Retired Participant divorces or separates, the ex-spouse may be entitled to receive a portion of the pension payments due the Participant. Under federal law, the Trustees must comply with any order issued by a state divorce court that is determined by the Plan to be a Qualified Domestic Relations Order. A Qualified Domestic Relations Order (QDRO) is a state domestic relations order such as a divorce decree which creates or recognizes an alternate payee's right to, or assigns to an alternate payee the right to receive all of or a portion of the benefits payable to a participant under the Plan. Any lawful judgment, decree, order, or property settlement agreement which has been entered into pursuant to a court order may be a QDRO if it relates to the provision of child support, alimony payments, or marital property of a Spouse, former Spouse, child or other dependent of a Plan Participant and is made pursuant to State domestic relations law. No payments can be made to the Spouse or ex-Spouse, however, until the State Court Order has been issued, sent to the Administrative Office and approved as "qualified" by the Plan. Otherwise, all benefits must be paid only to the Participant.

The Trustees cannot recognize or honor a domestic relations order, such as a divorce decree, which attempts to divide a pension, unless the order or decree contains certain information and otherwise complies with federal law. If you are contemplating a divorce or are a party to any other domestic relations action which may involve your benefits under the Plan, then you or your attorney should contact the Administrative Office for additional information **before** any such domestic relations order or decree is signed by the judge.

When a Participant's benefit is assigned (in whole or in part) to an alternate payee under a QDRO, and the Participant is subject to any Schedule under the 2010 Rehabilitation Plan (see pages 5-6 and 87-89), then the alternate payee's benefits will determined on the basis that is applicable to the Participant to whom the alternate payee relates.

In the event you are in the process of a divorce, you should carefully consult with your attorney as to the effect of the divorce on your or your spouse's benefits. Any questions you or your attorney have should be addressed in writing to the Administrative Office and will be forwarded to Trust Counsel for reply. Trust Counsel will also review any domestic relations order to determine if it is "qualified" or will provide a draft QDRO to the parties.

The Trustees have adopted procedures for the treatment of domestic relations orders received by the Plan, and a copy of those procedures is available without charge from the Administrative Office.

You or an attorney representing you or your (ex) spouse may also request sample QDRO language by submitting a written request to the Administrative Office.

Are the Pensions provided under this Plan affected by Social Security or Workers' Compensation Benefits?

No. The benefits under this Plan are in addition to benefits paid under Social Security or Workers' Compensation Benefits.

Who administers the Plan?

A Board of Trustees consisting of Employee and Employer Representatives with equal voting rights in accordance with the law.

R. INFORMATION REQUIRED BY THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)

1. **The name, type of plan, and type of administration of the Plan.**
   Sheet Metal Workers' Pension Plan of Southern California, Arizona and Nevada.
   The Plan is a defined benefit plan, under a Collectively Bargained, Joint-Trusteed Labor-Management Trust.

2. **Name and address of the person designated as agent for the service of legal process.**

   Richard J. Wondra, Administrative Director
   Sheet Metal Benefit Plans Administrative Corporation
   111 North Sepulveda Blvd., Suite 100
   Manhattan Beach, CA 90266-6861

   Legal Process may be served on a Plan Trustee.

3. **Internal Revenue Service Plan Identification Number and Plan Number.**

   The Employer Identification Number (EIN) issued to the Board of Trustees is 95-6052257.

   The Plan Number is 001.

4. **Name and address of the Administrator /Plan Sponsor.**

   The Board of Trustees; same as item 5 below.

   The routine administrative functions of the Trust are performed by:

   Sheet Metal Benefit Plans Administrative Corporation (SMBPAC)
   111 N. Sepulveda Blvd., Suite 100
   Manhattan Beach, California 90266

5. **Names, titles and addresses of any trustee or trustees (as of the date of printing this booklet).**

6. **A description of the relevant provisions of any applicable collective bargaining agreement.**

The applicable provisions of the collective bargaining agreements provide for employer contributions to the Plan. The amount of these contributions is set forth in the agreements and is formulated on a cents per hour basis. The contributions are forwarded to the Plan on a monthly basis.

Upon written request, the Administrative Office will provide you with a copy of requested collective bargaining agreements.

7. **Description of provisions for non-forfeitable pension credits.**

A Participant achieves vested status in accordance with the provisions of Article I, Section 17 of the Plan Document. (See explanation of vesting on pages 44-45.)

8. **The Normal Retirement Age.**

Normal Retirement Age is explained on page 32.

9. **The provisions of the Husband-and-Wife Pension.**

Provisions of the Husband-and-Wife Pension which provides a lifetime benefit for a surviving spouse are set forth in Article IV of the Plan Document. (See explanation beginning on page 52.)

10. **Description of circumstances which may result in disqualification, ineligibility, denial or loss of benefits.**

Refer to Article II of the Plan Document and pages 2 and 6 of this summary with regard to the requirements to participate in the Plan.

Refer to Articles III and III-A of the Plan Document and pages 7-33 of this summary with regard to the eligibility requirements for the types of pensions available under this Plan.

Refer to Article III, Section 13 of the Plan Document and page 30 of this summary with regard to a Disability Pensioner's loss of entitlement to Social Security Disability Benefits.

Refer to Article III, Section 18 of the Plan Document, and pages 45-46 of this summary, regarding a Separation in Service.

Refer to Article VI, Section 4 of the Plan Document and pages 42-46 of this summary with regard to the rules on Permanent Breaks in Covered Employment.

Refer to Article I, Section 27, and Article VIII, Section 1 of the Plan Document, and pages 3 and 67-68 of this summary with regard to the requirement of advance written application for benefits.

Refer to Article VIII, Section 2 of the Plan Document with regard to the Trustees' power to recoup, offset, or recover overpayments made by the Plan if the Board determines that the overpayments were made due to a false statement on which the Trustees relied, and the Trustees' power to deny, suspend, or discontinue benefits if a Participant does not provide information or proof of eligibility reasonable required to administer the Plan.

Refer to Article VIII, Sections 5(e) of the Plan Document and page 19 of this summary with regard to the offset of the value of accruals after Normal Retirement Age against the value of the actuarial adjustment for non-suspendable months, as part of the Plan's method for calculating a delayed retirement benefit.

Refer to Article III-A, Section 8 of the Plan Document regarding non-duplication of credit; refer to Article VIII, Section 6 of the Plan Document regarding non-duplication of pension entitlement.

Refer to Article VIII, Section 7 of the Plan Document and pages 60-66 of this summary with regard to prohibited employment for Pensioners.

Refer to Article VIII, Section 8 and 9 of the Plan Document and pages 60-64 of this summary with regard to suspension of pension payments for prohibited employment and/or failure of a Pensioner to notify the Plan of a return to suspendable employment, and with regard to reinstatement following suspension.

Refer to Article VIII, Section 8(c) of the Plan Document and page 60 of this summary with regard to the requirement that a Pensioner under the age of 65, as a condition of continued receipt of his pension, must annually provide the Trustees with a copy of his federal income tax return and any applicable W-2 forms.

Refer to Article XI of the Plan Document and pages 65-66 of this summary regarding work in Non-Covered Sheet Metal Service.

Refer to Article X, Section 3 of the Plan Document and pages 81-82 of this summary with regard to plan termination.

The maximum annual benefit payable by the Plan is limited by section 415 of the Internal Revenue Code. That section imposes an annual dollar limit on the benefits that may be payable from a qualified trust. For 2011, that limit is $195,000, and for 2012 it is $200,000. The flat dollar amount is further reduced if benefits start earlier than Social Security normal retirement age or are paid in a form other than a single life annuity or a Husband-and-Wife Pension. This limit is adjusted periodically to reflect changes in the cost of living.

If the annual retirement benefit exceeds the maximum benefit permitted, the retired employee's benefit will be reduced to the limit then in effect. In following years, as cost of living increases raise the limits on benefits, payments may be increased. Refer to Article VIII, Sections 14 of the Plan Document.

11. **Recordkeeping Period.** This is the calendar year.

12. **Remedies available under the Plan for the redress of claims which are denied in whole or in part, including provisions required by Section 503 of the Employee Retirement Income Security Act of 1974.**

    If a Participant wishes to appeal a denial of benefit in whole or in part, he should file a request for review within 60 days after receiving the denial. The appeal will be considered by the appropriate committee appointed by the Board of Trustees. Its decision will be communicated to the Participant within 120 days after receipt of all pertinent evidence. See pages 69-73 for the full claims and appeals procedures.

13. **Source of financing of the Plan and identity of any organization through which benefits are provided.**

All contributions to the Plan are made by Employers in accordance with Collective Bargaining Agreements. A list of contributing employers and copies of the Collective Bargaining Agreement are available from the Administrative Office upon request.

14. **The identity of any organization used for the accumulation of assets through which benefits are provided.**

Benefits are provided from the Plan's assets which are contributed pursuant to the provisions of the Collective Bargaining Agreements and accumulated under the Trust Agreement and held in a trust fund for the purpose of providing benefits to Participants and defraying reasonable covered administrative expenses. At the time of printing of this booklet, the Plan's assets and reserves are held in custody by Bank of New York and invested by investment managers Smith Barney, AllianceBernstein Regent, Davis Hamilton Jackson & Associates, Flippin, Bruce & Porter, Inc., McMorgan & Company, N.W.Q. Investment Management Company, Roxbury Capital Management, LLC, Victory Capital Management, American Realty Advisors, Kennedy Associate Real Estate Council, Inc., and Washington Capital Management, Inc.

15. **PBGC Guarantee of Plan Benefits Upon Termination.**

The collective bargaining parties intend that this Plan continue indefinitely. However, the collective bargaining parties reserve the rights, subject to the provisions of the Trust Agreement, to terminate the Plan. See Article X, Section 3 of the Plan Document.

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

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

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first $11.00 of the monthly benefit accrual rate and (2) 75% of the next $33. The PBGC's maximum guarantee limit is $35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be $12,870.

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

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

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

16. Statement of ERISA Rights

As a Participant in the Sheet Metal Workers' Pension Plan of Southern California, Arizona and Nevada, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

Receive Information About Your Plan and Benefits.

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

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65, or, if later, an applicable anniversary date – see page 32) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

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

Enforce Your Rights

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

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

APPENDICES

Appendix A: Husband-and-Wife Pension Tables

The following Tables show the reduction for each type of Husband-and-Wife Pension at various ages. These tables are only for Annuity Starting Dates on and after January 1, 2012, and only for Active Participants subject to an Alternative Schedule under the 2010 Rehabilitation Plan. See pages 55-56 for a discussion of the adjustment factors for other retirees.

Age Difference	**Non-Disability Pensions**			
	50% H&W	**50% w/Pop-Up**	**75% w/Pop-Up**	**100% w/Pop-Up**
20 years younger	81.0	80.0	74.0	69.0
19 years younger	81.4	80.4	74.6	69.6
18 years younger	81.8	80.8	75.2	70.2
17 years younger	82.2	81.2	75.8	70.8
16 years younger	82.6	81.6	76.4	71.4
15 years younger	83.0	82.0	77.0	72.0
14 years younger	83.4	82.4	77.6	72.6
13 years younger	83.8	82.8	78.2	73.2
12 years younger	84.2	83.2	78.8	73.8
11 years younger	84.6	83.6	79.4	74.4
10 years younger	85.0	84.0	80.0	75.0
9 years younger	85.4	84.4	80.6	75.6
8 years younger	85.8	84.8	81.2	76.2
7 years younger	86.2	85.2	81.8	76.8
6 years younger	86.6	85.6	82.4	77.4
5 years younger	87.0	86.0	83.0	78.0
4 years younger	87.4	86.4	83.6	78.6
3 years younger	87.8	86.8	84.2	79.2
2 years younger	88.2	87.2	84.8	79.8
1 year younger	88.6	87.6	85.4	80.4
Same Age	**89.0**	**88.0**	**86.0**	**81.0**
1 year older	89.4	88.4	86.6	81.6
2 years older	89.8	88.8	87.2	82.2
3 years older	90.2	89.2	87.8	82.8
4 years older	90.6	89.6	88.4	83.4
5 years older	91.0	90.0	89.0	84.0
6 years older	91.4	90.4	89.6	84.6
7 years older	91.8	90.8	90.2	85.2
8 years older	92.2	91.2	90.8	85.8
9 years older	92.6	91.6	91.4	86.4
10 years older	93.0	92.0	92.0	87.0
11 years older	93.4	92.4	92.6	87.6
12 years older	93.8	92.8	93.2	88.2
13 years older	94.2	93.2	93.8	88.8
14 years older	94.6	93.6	94.4	89.4
15 years older	95.0	94.0	95.0	90.0
16 years older	95.4	94.4	95.6	90.6
17 years older	95.8	94.8	96.2	91.2
18 years older	96.2	95.2	96.8	91.8

19 years older	96.6	95.6	97.4	92.4
20 years older	97.0	96.0	98.0	93.0

Age Difference	Disability Pensions			
	50% H&W	**50% w/Pop-Up**	**75% w/Pop-Up**	**100% w/Pop-Up**
20 years younger	72.0	71.4	65.4	57.4
19 years younger	72.4	71.8	65.9	57.9
18 years younger	72.8	72.2	66.4	58.4
17 years younger	73.2	72.6	66.9	58.9
16 years younger	73.6	73.0	67.4	59.4
15 years younger	74.0	73.4	67.9	59.9
14 years younger	74.4	73.8	68.4	60.4
13 years younger	74.8	74.2	68.9	60.9
12 years younger	75.2	74.6	69.4	61.4
11 years younger	75.6	75.0	69.9	61.9
10 years younger	76.0	75.4	70.4	62.4
9 years younger	76.4	75.8	70.9	62.9
8 years younger	76.8	76.2	71.4	63.4
7 years younger	77.2	76.6	71.9	63.9
6 years younger	77.6	77.0	72.4	64.4
5 years younger	78.0	77.4	72.9	64.9
4 years younger	78.4	77.8	73.4	65.4
3 years younger	78.8	78.2	73.9	65.9
2 years younger	79.2	78.6	74.4	66.4
1 year younger	79.6	79.0	74.9	66.9
Same Age	**80.0**	**79.4**	**75.4**	**67.4**
1 year older	80.4	79.8	75.9	67.9
2 years older	80.8	80.2	76.4	68.4
3 years older	81.2	80.6	76.9	68.9
4 years older	81.6	81.0	77.4	69.4
5 years older	82.0	81.4	77.9	69.9
6 years older	82.4	81.8	78.4	70.4
7 years older	82.8	82.2	78.9	70.9
8 years older	83.2	82.6	79.4	71.4
9 years older	83.6	83.0	79.9	71.9
10 years older	84.0	83.4	80.4	72.4
11 years older	84.4	83.8	80.9	72.9
12 years older	84.8	84.2	81.4	73.4
13 years older	85.2	84.6	81.9	73.9
14 years older	85.6	85.0	82.4	74.4
15 years older	86.0	85.4	82.9	74.9
16 years older	86.4	85.8	83.4	75.4
17 years older	86.8	86.2	83.9	75.9
18 years older	87.2	86.6	84.4	76.4
19 years older	87.6	87.0	84.9	76.9
20 years older	88.0	87.4	85.4	77.4

Appendix B: Summary of Certain Provisions of the 2010 Rehabilitation Plan

The 2010 Rehabilitation Plan provides four "Alternative Schedules" and a "Default Schedule." The structure of the benefit formula itself under each of the Alternative Schedules is the same; only the required contribution increases are different. Alternative Schedules 3 and 4 have not been elected by any collective bargaining parties and have been eliminated from use.

The Default Schedule is applicable to a bargaining unit unless that unit approves one of the Alternative Schedules. However, as of January 1, 2011, all bargaining units have adopted Alternative Schedule 2 on a timely basis, except for Locals 206 and 359, which have timely adopted Alternative Schedule 1.

Therefore, at the time this booklet was being prepared for printing, no bargaining unit was subject to the Default Schedule. However, when a current bargaining agreement expires, the Default Schedule could become applicable if the bargaining parties do not approve an Alternative Schedule within 180 days after such expiration. The Default Schedule could also potentially apply to a new bargaining unit for which contributions are required to the Pension Plan.

Effective January 1, 2011, under the Alternative Schedules, contributions are divided into the following three types:

(a) Basic Contributions, which earn benefits based on the formula described on pages 13-14 of this booklet; and

(b) Supplemental Contributions, which do **not** earn benefit accruals; and

(c) Tier 3 Contributions, which earn monthly benefits of 1.5% of required Tier 3 contributions (without Accrual Factors). See page 14 of this booklet.

The charts on the following page show the Required Contribution Rates under the two Alternative Schedules. There are no Contribution Rate increases under the Default Schedule.

For participants in Locals 26, 88, 105, 206, or 273 at the Maximum Allowable Hourly Contribution Rate of $4.95 (for 2010), or linked to such rate as of August 1, 2010, the following allocation rules and Required Contribution Rates shall apply:

(1) Basic Contributions. Contributions up to $5.45 per hour in 2011 and $6.00 per hour in 2012 and later years, shall be allocated to Basic Contributions.

(2) Supplemental Contributions. Contributions in excess of the Basic Contributions, but not exceeding the Required Contribution Rates set forth in the table below, shall be allocated to Supplemental Contributions.

(3) Tier 3 Contributions. Contributions in excess of the Required Contribution Rates set forth in the table below, shall be allocated to Tier 3 Contributions.

Required Contribution Rates Effective No Later Than August 1 each Year

Year	Alternative Schedule 1			Alternative Schedule 2		
	Basic Contribs	Supp Contribs	Total Required Contribs	Basic Contribs	Supp Contribs	Total Required Contribs
2011	$5.45	$0.50	$5.95	$5.45	$0.20	$5.65
2012	6.00	0.95	6.95	6.00	0.35	6.35
2013	6.00	1.90	7.90	6.00	1.05	7.05
2014	6.00	1.90	7.90	6.00	1.75	7.75
2015	6.00	1.90	7.90	6.00	2.25	8.25
2016	6.00	1.90	7.90	6.00	2.25	8.25
2017	6.00	1.90	7.90	6.00	2.25	8.25
2018	6.00	1.90	7.90	6.00	2.25	8.25
2019	6.00	1.90	7.90	6.00	2.25	8.25
2020	6.00	1.90	7.90	6.00	2.25	8.25
2021	6.00	1.90	7.90	6.00	2.25	8.25

For participants in Locals 26, 88, 105, 206, or 273 *not* at the Maximum Allowable Hourly Contribution Rate of $4.95 (for 2010), and *not* linked to such rate as of August 1, 2010, the following allocation rules and Required Contribution Rates shall apply:

(1) Basic Contributions. Contributions up to $5.45 per hour in 2011 and $6.00 per hour in 2012 and later years, shall be allocated to Basic Contributions.

(2) Supplemental Contributions. A proportional amount of each contribution rate increase made or required after December 31, 2010 shall be allocated to Supplemental Contributions based on the Alternative Schedule in the 2010 Rehabilitation Plan that applies to the participant. For Alternative Schedule 1, 40% of the contribution rate increase, to a maximum of $1.90 per hour, shall be allocated to Supplemental Contributions. For Alternative Schedule 2, 42% of the contribution rate increase, to a maximum of $2.25 per hour, shall be allocated to Supplemental Contributions.

(3) Tier 3 Contributions. After Basic Contributions and Supplemental Contributions are both at the maximum limits, any remaining contributions shall be allocated to Tier 3 Contributions.

For participants in Local 359, the following allocation rules and Required Contribution Rates shall apply.

Required Contributions shall be allocated to Basic Contributions and to Supplemental Contributions in accordance with the following table. Contributions in excess of the Required Contribution Rates set forth in the table below shall be allocated to Tier 3 Contributions.

Required Contribution Rates Effective No Later Than August 1 each Year

Year	Alternative Schedule 1		
	Basic Contributions	Supplemental Contributions	Total Required Contributions
2011	$3.30	$0.20	$3.50
2012	3.60	0.40	4.00
2013	3.89	0.59	4.48
2014	3.89	0.59	4.48
2015	3.89	0.59	4.48
2016	3.89	0.59	4.48
2017	3.89	0.59	4.48
2018	3.89	0.59	4.48
2019	3.89	0.59	4.48
2020	3.89	0.59	4.48
2021	3.89	0.59	4.48

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