



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

Administrative Office:

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October 15, 2016

To: Contributing Employers to the Pension Plan; International Association of Sheet Metal, Air, Rail and Transportation Workers, Locals 26, 88, 105, 206, 273 and 359; Contractors' Associations

Re: Summary Plan Information Notice for 2015

This Notice includes important information about the Pension Plan, in addition to providing certain legally-required notices described below, in accordance with Section 104(d) of ERISA.

The Plan's Contribution Schedule Information – The Sheet Metal Workers' Pension Plan of Southern California, Arizona and Nevada is a multi-employer, collectively-bargained, defined benefit plan to which employers contribute on behalf of covered employees at rates of \$0.50 to \$10.13 per hour worked (for 2015), as provided in negotiated collective bargaining agreements.

Under the Pension Plan, currently there are three types of Contributions as follows:

- a. Basic Contributions – Contributions up to \$6.00 per hour, that accrue benefits based on the applicable accrual formula.
- b. Supplemental Contributions – Contributions in excess of the Basic Contributions that do not earn benefit accruals.
- c. Tier 3 Contributions – Contributions in excess of Basic Contributions and Supplemental Contributions that accrue monthly benefits of 1.5% of Tier 3 Contributions.

The Plan's Benefit Formulas – Effective for 2014 and future years, the Basic Contributions benefit accrual rate for each calendar year is 1.1% of Basic Contributions (up to \$6.00 per hour), adjusted for each year retroactive to the first day of the year, based on the net investment rate of return on the market value of Plan assets for the prior year.

The benefit accrual rate and adjustment is as follows:

Prior year's net investment return	Current year increase	Current year accrual rate
Less than 5.5%	0.00%	1.10%
5.5% or more, up to 9.0%	0.15%	1.25%
More than 9.0%, up to 10.5%	0.40%	1.50%
More than 10.5%	0.65%	1.75%

Supplemental Contributions do not earn benefit accruals. The benefit accrual rate on Tier 3 Contributions, if any, is 1.5% of Tier 3 Contributions, and this rate is not adjusted based on the rate of return on invested Plan assets.

Continued – Other Side

Based on the Plan's investment returns in 2014, the Basic Contributions benefit accrual rate for 2015 is 1.25% of Basic Contributions (up to \$6.00 per hour).

Number of Contributing Employers – 349 employers were obligated to contribute to the Pension Plan for one or more months in 2015.

Employers Contributing More than 5% of Total Contributions – Two employers, ACCO Engineered Systems and Control Air Conditioning, each contributed more than 5% of the total contributions to the Pension Plan in 2015.

Participants for Whom No Contributions Were Made – The number of participants under the Pension Plan on whose behalf no contributions were made by an employer as an employer of the participant for the year, for 2015 is zero. For 2014 and 2013, the number was also zero.

Plan Funding Status – The Pension Plan was in “Critical” status under Section 1085 of Title 29 of the United States Code, as amended, for 2015. In other words, the Plan was in the “Red Zone” under the Pension Protection Act for 2014. On October 10, 2012 the Board of Trustees of the Plan adopted a rehabilitation plan (the “2012 Rehabilitation Plan”) to improve the Plan's funding status. Individuals may obtain a copy of the 2012 Rehabilitation Plan and actuarial and financial data that demonstrate action taken by the Plan toward fiscal improvement, by contacting the Plan administrator in writing, directed to:

Richard J. Wondra, Administrative Director
Sheet Metal Benefit Plans Administrative Corp.
111 N. Sepulveda Blvd., Suite 100
Manhattan Beach, CA 90266

Number of Employers That Withdrew from the Plan in the Preceding Year (2014) – No employers withdrew from the Plan during 2014.

Amortization Extension or Shortfall Funding Method Information – Based on authorization by the Board of Trustees in September 2007, the Plan's amortization charge bases for 2008 was extended by five years as permitted under Internal Revenue Code Section 431(d). The Plan did not seek or receive an amortization extension for the 2015 plan year. No action regarding any Shortfall Funding Method was necessary or taken.

Right to Additional Information – Parties receiving this notice have the right under ERISA Section 104(d) to a copy of the annual report (Form 5500) filed with the Department of Labor, the Summary Plan Description, and any summaries of material modifications, upon written request to the Plan administrator as indicated above. In no case shall a recipient be entitled to receive more than one copy of any such document described during any one 12 month period. The administrator may make a reasonable charge to cover copying, mailing and other costs of furnishing copies of this information.