

**JANUARY 1, 2015 RESTATEMENT OF THE PLAN DOCUMENT OF THE  
PENSION PLAN FOR THE  
ARIZONA PIPE TRADES PENSION TRUST FUND**

Effective January 1, 2015, a Restatement set forth the Plan Document of the Pension Plan for the Arizona Pipe Trades Pension Trust Fund.

This working copy of the Restatement of the Plan Document consists of the January 1, 2015 Restatement of the Plan together with Amendments 1 through 13 thereto, which became effective on various dates and are incorporated herein.

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**ARTICLE I  
DEFINITIONS**

Unless the context or subject matter otherwise requires, the following definitions shall govern the Plan.

Section 1.01. Active Participant. The term “Active Participant” means an Employee who meets the requirements for participation as set forth in Section 2.02 of the Plan. The term “Active Participant” excludes Pensioners, Beneficiaries and Vested Participants whose Active status has been cancelled in accordance with Section 2.03 of the Plan.

Section 1.02. Beneficiary. The term “Beneficiary” means a person (other than a Pensioner) who is (a) legally entitled to receive a benefit under this Plan because of his or her designation for such benefits by an active Participant, a vested Participant or a Pensioner or (b) legally entitled to and receiving or is entitled to receive benefits by operation of law. However, if a marriage is dissolved, annulled or invalidated, a Beneficiary designation made by a former Spouse prior to such dissolution, annulment or invalidation shall be considered revoked and null and void as of the date of dissolution, annulment or invalidation of the marriage.

Section 1.03. Collective Bargaining Agreement. The term “Collective Bargaining Agreement” means:

- (a) The Collective Bargaining Agreement dated June 1, 1963 by and between the Union and the Plumbing and Air Conditioning Contractors of Arizona;
- (b) Any other Collective Bargaining Agreement executed by and between the Trustors of the Trust, which specifically provides for the making of contributions to the Fund;
- (c) Any other Collective Bargaining Agreements between the Trustors of the Trust, which are labor organizations, and any other Employer, whether Individual or an association of Individual Employers, which specifically provide for the making of contributions to the Fund, subject to the approval of the Board of Trustees; and
- (d) Any other collective bargaining agreements between the Union and the Arizona Pipe Trades Joint Apprenticeship Trust Fund and their employees which specifically provides

for the making of contributions to the Fund, subject to the approval of the Board of Trustees; and

- (e) Any extension or renewal of any of the Collective Bargaining Agreements described in (a), (b), (c), or (d) above, which specifically provides for the making of contributions to the Fund.

Section 1.04. Work. A period of “Work” means a period in which an Employee performed services and for which he was paid or entitled to payment by the Employer.

Section 1.05. Covered Employment. The term “Covered Employment” means employment performed by an Employee for an Employer, as a result of which contributions are required to be made to this Fund.

Section 1.06. Employee.

- (a) The term “Employee” shall mean:
  - (1) An individual employed by an Employer whose employment is the subject matter of any of the Collective Bargaining Agreements;
  - (2) A regularly employed and salaried officer, business representative or employee of the Union, including employees who are parties to a Collective Bargaining Agreement which provides for contributions to the Fund on their behalf.
  - (3) An apprenticeship coordinator, assistant apprenticeship coordinator, or employee regularly employed by the Arizona Pipe Trades Joint Apprenticeship Trust Fund, including those employees subject to any Collective Bargaining Agreement requiring contributions to the Fund on their behalf.
  - (4) Any corporate official or other non-bargaining unit employee employed by an Employer who was previously employed in the bargaining unit after June 1, 1963, but whose status changed to that of a corporate official or other non-bargaining unit employee after that date;
  - (5) Any corporate official or non-bargaining unit employee employed by an Employer who has not been employed in the bargaining unit since June 1, 1963, but on whose behalf contributions to the Fund were actually made prior to January 1, 1974, because of his performance of covered work or because of his employment in the bargaining unit prior to June 1, 1963; and
  - (6) Any individual regularly employed by the Phoenix Building and Construction Trades Council, the Piping Industry Progress and Education Fund, or the Arizona State AFL-CIO or Northern California and Northern Nevada Pipe Trades District Council 51, who has a record of prior participation in the Plan as an Employee within the meaning of (1), (2), or (3) above.
- (b) For purposes of (a) above, the phrase “regularly employed” shall refer to any employee who performs at least 1,000 hours of work in Covered Employment in a Plan Year.

- (c) The term Employee shall not include any partner or sole proprietor of a business organization which is an Individual Employer.

Section 1.07. Employer. The terms “Employer” and “Individual Employer” mean any person who or entity which is now or hereafter may be required by any Collective Bargaining Agreement or other agreement to make payments into this Fund or does in fact make one or more payments into this Fund. The term “Employer” may also include the Union, any apprenticeship committee established pursuant to any Collective Bargaining Agreement, the Phoenix Building and Construction Trades Council, and the Piping Industry Progress and Education Fund. An employer shall not be deemed an Individual Employer simply because it is part of a controlled group of corporations or of a trade or business under common control, some other part of which is an Individual Employer. For purposes of identifying highly compensated employees and applying the rules on participation, vesting and statutory limits on benefits under the Fund but not for determining Covered Employment, the term “Employer” includes all corporations, trades or businesses under common control with the Employer within the meaning of Internal Revenue Code §414(b) and (c), all members of an affiliated service group with the Employer within the meaning of Internal Revenue Code §414(m) and all other businesses aggregated with the Employer under Internal Revenue Code §414(o).

Section 1.08. ERISA. The term “ERISA” means the Employee Retirement Income Security Act of 1974.

Section 1.09. Future Service Credit. The term “Future Service Credit” means periods of employment on and after June 1, 1963, credited in accordance with Article VI of the Plan.

Section 1.10. Normal Retirement Age. The term “Normal Retirement Age” shall mean the later of:

- (a) age 65 or
- (b) the earlier of:
  - (1) the fifth anniversary of an Active Participant’s plan participation, disregarding participation before January 1, 1988, or
  - (2) the tenth anniversary of an Active Participant’s plan participation.

Participation before a Permanent Break in Service shall be disregarded in applying this subsection (b).

Section 1.11. Participant. The term “Participant” means (a) an Active Participant, (b) a Pensioner, (c) a Beneficiary, or (d) a Vested Participant.

Section 1.12. Past Service Credit. The term “Past Service Credit” means periods of employment prior to June 1, 1963, to the extent credited in accordance with Article VI of the Plan.

Section 1.13. Pension Credit. The term “Pension Credit” means the years of employment which, in accordance with Article VI of the Plan, are accumulated and maintained for Employees for benefit accrual purposes.

Section 1.14. Pensioner. The term “Pensioner” means a person to whom a pension is being paid under this Plan or to whom a pension would be paid but for the time required for administrative processing.

Section 1.15. Plan. The terms “Pension Plan” and “Plan” mean this Pension Plan, and any modification, amendment, extension or renewal thereof.

Section 1.16. Plan Year. The term “Plan Year” means the period of twelve consecutive months commencing on June 1 of any year and ending on May 31 of the following year. For purposes of ERISA and ERISA regulations, the Plan Year shall serve as the vesting computation period and benefit accrual computation period and, after the initial period of employment or of re-employment following a Break in Covered Employment, the computation period for eligibility to participate in the Plan.

Section 1.17. Hour of Service. The term “Hour of Service” shall mean:

- (a) Each hour for which an Employee is paid or entitled to payment, directly or indirectly, by an Employer for the performance of duties. Such hours shall be credited to the computation period in which the duties are performed.
- (b) Each hour for which an Employee is paid or entitled to payment, directly or indirectly, by an Employer for a period of time during which no duties are performed, excluding any time compensated under a worker’s compensation or unemployment compensation or disability insurance law. Such hours shall be credited to the computation period in which the period during which no duties are performed occurs. No more than 301 Hours of Service shall be credited under this subsection (b) in any continuous period. Two periods of paid non-work time shall be deemed to be continuous if they are compensated for the same reason and are not separated by at least ninety (90) days.
- (c) Each hour for which back-pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer. Such hours shall be credited to the computation period to which the award or agreement pertains. In no event will hours be credited under this subsection (c) if they are credited under subsection (a) or subsection (b).

Section 1.18. Spouse. The term “Spouse” means the person to whom a Participant is married, provided the jurisdiction in which the marriage was performed recognizes the marriage as valid. For purposes of this Section, the term “jurisdiction” may refer to any of the fifty states of the United States, to the District of Columbia, to the territories of the United States, or to a foreign country.

Section 1.19. Trust Agreement. The term “Trust Agreement” means the Agreement and Declaration of Trust, effective June 1, 1963, establishing the Arizona Pipe Trades Industry Pension Fund and any modification, amendment, extension or renewal thereof.

Section 1.20. Trustees. The terms “Trustees,” “Board” and “Board of Trustees” mean those trustees appointed to administer the Pension Plan under the provisions of the Trust Agreement.

Section 1.21. Fund. The term “Fund” means the Trust Fund created and established pursuant to the Trust Agreement.

Section 1.22. Union. The term “Union” means Local Union 469 and Local Union 741 of the United Association of Journeymen and Apprentices of the United States and Canada, which are labor organizations. Effective July 1, 2007, Local Union 469 and Local 741 were consolidated and, for purposes of this Plan, the term “Union” means Local Union 469, which, on and after July 1, 2007, has the same geographical jurisdiction as Local Unions 469 and 741, together, had prior to that date.

Section 1.23. Vested Participant. The term “Vested Participant” means a Participant who has attained vested status in accordance with the provisions of Section 6.05 of the Plan, or a Participant who meets the age and service requirements for any form of benefit provided by the Plan.

Section 1.24. Annuity Starting Date.

- (a) Subject to section (b), below, a Participant’s Annuity Starting Date is the first day of the first calendar month starting after the Participant has fulfilled all of the conditions for entitlement to benefits and after the later of the Participant’s submission of a completed application for benefits, or 30 days after the Plan advises the Participant of the available benefit payment options, unless
  - (1) the benefit is being paid as a Husband-and-Wife Pension at or after the Participant’s Normal Retirement Age,
  - (2) the benefit is being paid out automatically as a lump sum under Section 8.14, or
  - (3) the Participant and Spouse (if any) consent in writing to the commencement of payments before the end of that 30-day period. Consent of the Participant and Spouse to the commencement of benefits before the end of the 30-day minimum notice period will be valid as long as the following conditions are satisfied:
    - (A) the Participant is informed of the right to take up to 30 days to consider whether to waive the Husband-and-Wife Pension and consent to one of the alternate forms of benefit allowed by the Plan,
    - (B) the Participant is given at least 7 days to change his/her mind and cancel an election to waive the Husband-and-Wife Pension options,
    - (C) distribution of the benefits begins more than 7 days after the written explanation was provided to the Participant and Spouse.
- (b) The Annuity Starting Date shall not be later than the Participant’s Required Beginning Date as defined in Section 8.05(b).
- (c) The Annuity Starting Date for a Beneficiary or alternate payee shall be determined under subsections (a) and (b), except that references to the Husband-and-Wife Pension and spousal consent do not apply.
- (d) A Participant who retires before his or her Normal Retirement Age and then earns additional benefit accruals under the Plan through reemployment shall have a separate Annuity Starting Date determined under subsection (a) with respect to those additional

accruals, except that an Annuity Starting Date that is on or after Normal Retirement Age shall apply for any additional benefits accrued through reemployment after that date.

Section 1.25. Highly Compensated Employee.

- (a) The term “Highly Compensated Employee” includes highly compensated active employees and highly compensated former employees of an Employer. Whether an individual is a highly compensated employee is determined separately with respect to each Employer, based solely on that individual’s Compensation from or status with respect to that Employer.
- (b) A Highly Compensated Employee is any employee who:
  - (1) was a 5-percent owner of the Employer at any time during the year or the preceding calendar year, or
  - (2) for the preceding calendar year
    - (A) had Compensation from the Employer in excess of \$80,000 (as adjusted annually for increases in the cost-of-living in accordance with regulations prescribed by the Secretary of the Treasury), and
    - (B) was in the top-paid group of employees of such Employer for such preceding calendar year. For this purpose, the top-paid group of employees shall consist of the top 20 percent of the employees when ranked on the basis of Compensation paid during such year.

Section 1.26. Non-Bargained Participant. The term “Non-Bargained Participant” means a Participant whose participation is not covered by the Collective Bargaining Agreement.

Section 1.27. Compensation. For Limitation Years beginning on or after July 1, 2007, “Compensation” means remuneration received from the Employer during the Limitation Year, as defined in Treasury Regulation 1.415(c)-2(d)(4) (Section 6041, 6051, and 6052 reportable amounts, i.e. W-2 wages).

- (a) “Compensation” shall also be subject to the following rules:
  - (1) Compensation must be paid within the Calendar Year, and paid or treated as paid before Severance from Employment in accordance with the general timing rule of Treasury Regulation § 1.415(c)-2(e)(1) and in accordance with §1.415(c)-2(e)(2) regarding certain minor timing differences.
  - (2) Compensation must include amounts paid by the later of 2½ months after Severance from Employment or the end of the Calendar Year that includes the Severance from Employment date in accordance with Treasury Regulation §1.415(c)-2(e)(3)(i). Such post-severance compensation includes regular pay as defined in §1.415(c)-2(e)(3)(ii), leave cashouts and deferred compensation as defined in §1.415(c)-2(e)(3)(iii), salary continuation payments for military service and disabled participants in accordance with §1.415(c)-2(e)(4), deemed

section 125 compensation as defined in §1.415(c)-2(g)(6), but not other post-severance payments as defined in §1.415(c)-2(e)(3)(iv).

- (b) The annual compensation of each Participant taken into account in determining benefit accruals in any Calendar Year beginning after December 31, 2001, shall not exceed \$200,000. For this purpose, annual compensation means Compensation during the Calendar Year, or such other consecutive 12-month period over which Compensation is determined under the Plan (the “determination period”).

The \$200,000 limit on annual Compensation shall be adjusted for cost-of-living increases in accordance with Code section 401(a)(17)(B).

In determining benefit accruals in Calendar Years beginning after December 31, 2001, the annual compensation limit for determination periods beginning before January 1, 2002 shall be \$200,000.

- (c) Military Differential Wage Payments. Effective for calendar years beginning after December 31, 2008, compensation shall include military differential wage payments (as defined in section 3401(h) of the Code).

Section 1.28. Applicable Interest Rate.

- (a) For Annuity Starting Dates on or after January 1, 2008, the Applicable Interest Rate means the adjusted first, second, and third segment rates applied under rules similar to the rules of Code §430(h)(2)(C) for the month of November (as published in December) immediately preceding the calendar year (which serves as the stability period). For this purpose, the segment rates shall be subject to the conditions set forth in Code §417(e)(3)(D).
- (b) For Annuity Starting Dates on or after January 1, 2008, but before January 1, 2009, any benefit that is calculated using the Applicable Interest Rate and the Applicable Mortality Table shall be the greater of the amount calculated using:
  - (1) the Applicable Interest Rate as defined in Section 1.28(a) and the Applicable Mortality Table as defined in Section 1.29(a); or
  - (2) the Applicable Interest Rate and the Applicable Mortality Table as defined prior to January 1, 2008; or
  - (3) the interest rate and mortality table specified for lump sums in Section 8.14 of the Plan.

Section 1.29. Applicable Mortality Table.

- (a) For Annuity Starting Dates on or after January 1, 2008, the Applicable Mortality Table means a mortality table, based on the mortality table specified for the calendar year under subparagraph (A) of Code §430(h)(3) (without regard to subparagraph (C) or (D) of such section).

(b) For Annuity Starting Dates on or after January 1, 2008, but before January 1, 2009, any benefit that is calculated using the Applicable Interest Rate and the Applicable Mortality Table shall be the greater of the amount calculated using:

- (1) the Applicable Interest Rate as defined in Section 1.28(a) and the Applicable Mortality Table as defined in Section 1.29(a); or
- (2) the Applicable Interest Rate and the Applicable Mortality Table as defined prior to January 1, 2008; or
- (3) the interest rate and mortality table specified for lump sums in Section 8.14 of the Plan.

Section 1.30. Qualified Military Service. Notwithstanding any provision to the contrary, vesting, benefits and service credit with respect to Qualified Military Service will be provided in accordance with the Uniformed Services Employment and Re-employment Rights Act of 1994, as amended, (USERRA) and section 414(u) of the Internal Revenue Code for individuals who were absent from Covered Employment due to, and who returned to Covered Employment from, Qualified Military Service on or after December 12, 1994. Qualified Military Service shall be counted for purposes of earning Future Service Credit, Years of Vesting Service, avoiding a One-Year Break in Covered Employment, and avoiding a Separation from Covered Employment provided all of the following conditions are satisfied.

- (a) An individual must have re-employment rights under USERRA in order for any period of Qualified Military Service to be recognized.
- (b) The individual must return to Covered Employment within the time period required by USERRA in order for any period of Qualified Military Service to be recognized.
- (c) No more than five years of Qualified Military Service may be recognized for any purpose except as required by law.
- (d) The Board of Trustees determines, in accordance with USERRA, that an individual is entitled to a period of Qualified Military Service.



## **ARTICLE II PARTICIPATION**

Section 2.01. Purpose. This Article contains definitions to meet certain requirements of the Employee Retirement Income Security Act of 1974 (otherwise referred to as ERISA) such as distribution of booklets, notices and disclosure material as well as establishing the basis on which premium payments are made to the Pension Benefit Guaranty Corporation. It should be noted that once an Employee has become a Participant, the provisions of this Plan give him credit in accordance with the rules of the Plan for some or all of his service before he became a Participant.

Section 2.02. Participation. The initial eligibility computation period, for purposes of this Article II only, is the twelve (12) consecutive month period following an Employee's initial date of employment in Covered Employment. For purposes of this Article II only, an Employee who works in Covered Employment shall become an Active Participant in the Plan on the earliest June 1 or December 1 next following a twelve (12) consecutive month period during which he completed at least 300 Hours of Service. The required hours may also be completed with any Hours of Service in other employment with an Employer if that other employment is continuous with the Employee's Covered Employment with that Employer. After the initial eligibility computation period, the Plan Year which includes the first anniversary of an Employee's employment commencement date shall serve as the computation period for eligibility to participate in the Plan.

Section 2.03. Termination of Active Participation. An Active Participant who incurs a One-Year Break in Covered Employment (defined in Article VI) shall cease to be an Active Participant as of the last day of the Plan Year that constituted the One-Year Break.

Section 2.04. Reinstatement of Active Participation. An individual who has lost his status as an Active Participant in accordance with Section 2.03 shall again become an Active Participant retroactive to his reemployment commencement date by meeting the requirements of Section 2.02 on the basis of service after the Plan Year during which his Active Participant status was terminated.

### **ARTICLE III**

#### **PENSION ELIGIBILITY AND AMOUNTS**

Section 3.01. General. This Article sets forth the eligibility conditions and amounts for the pensions provided by this Plan. The accumulation and retention of Pension Credits for eligibility are subject to the provisions of Article VI. The benefit amounts are subject to reduction on account of the Husband and Wife Pension (Article IV). Entitlement of an eligible Participant to receive pension benefits is subject to his retirement and application for benefits, as provided in Article VIII.

Only Pension Credits or Vesting Service earned subsequent to a Permanent Break in Service, if any, will apply towards the eligibility for a pension hereunder.

Section 3.02. Eligibility for Regular Pension. A Vested Participant may retire on a Regular Pension if he meets the following requirements:

- (a) He has attained age 62; and
- (b) He has at least 10 years of Pension Credit, or, for Annuity Starting Dates on and after June 1, 1999, at least 5 years of Pension Credit; and
- (c) He has earned at least one year of Future Service Credit since June 1, 1963.
- (d) In addition to satisfying the above requirements, a participant must file an application for benefits in accordance with Article VIII, Section 8.01. In no event shall a Participant be entitled to benefits prior to the date the application is filed.

Section 3.03. Amount of Regular Pension.

- (a) The monthly amount of the Regular Pension for an Annuity Starting Date prior to June 1, 2016 shall be determined in accordance with the provisions of the Plan as in effect at the applicable time.
- (b) The monthly amount of the Regular Pension for Annuity Starting Dates on and after June 1, 2016 shall, subject to the provisions of Section 3.19, be equal to the sum of (1) \$40.00 for each full year of Past Service Credit, (2) \$75.80 for each full year (and proportionately less for fractions of years) of Future Service Credit earned prior to June 1, 2019, and (3) \$71.50 for each full year (and proportionately less for fractions of years) of Future Service Credit earned on and after June 1, 2019.

Section 3.04. Eligibility for Early Retirement Pension. A Vested Participant may retire on an Early Retirement Pension if he meets the following requirements:

- (a) He has attained age 55; and
- (b) He has at least ten (10) years of Pension Credit; and
- (c) He has earned at least one year of Future Service Credit since June 1, 1963.

- (d) In addition to satisfying the above requirements, a Participant must file an application for benefits in accordance with Article VIII, Section 8.01. In no event shall a Participant be entitled to benefits prior to the date application is filed.

Section 3.05. Amount of Early Retirement Pension. The Early Retirement Pension shall be a monthly amount equal to the monthly amount of the Regular Pension to which the individual would be entitled if he were 62 years of age on the Annuity Starting Date of his Early Retirement Pension, reduced by 1/4 of 1% for each month by which the individual is younger than age 62 on his Annuity Starting Date.

Section 3.06. Eligibility for a Disability Pension. A Vested Participant shall be entitled to a Disability Pension if he is totally disabled prior to attaining age 62 provided he:

- (a) Has at least 10 years of Pension Credit (5 years of Pension Credit for pensions with an Annuity Starting Date on or after June 1, 2001); and
- (b) Has earned at least one year of Future Service Credit since June 1, 1963; and
- (c) Has worked at least 300 hours in the 24-month period immediately preceding the month in which he became totally disabled. Effective January 1, 1996, this qualifying period shall be extended to the 60-month period immediately preceding the month in which he became totally disabled, provided the Participant establishes, to the satisfaction of the Trustees, that during such qualifying period he did not at any time work in employment of the type covered by the Collective Bargaining Agreement for an employer not obligated to make contributions to the Fund on his behalf, wherever such employment may have been performed.
- (d) In addition to satisfying the above requirements, a Participant must file an application for benefits in accordance with Article VIII, Section 8.01. In no event shall a Participant be entitled to benefits prior to the date application is filed.

An employee who returns to employment on an approved Social Security Rehabilitation Program shall be deemed to have waived his Disability Pension for any month of such employment.

Section 3.07. Total Disability Defined.

- (a) A Participant shall be deemed totally disabled within the meaning of this Section only if the Federal Social Security Administration has determined that the Participant is entitled to a Social Security Disability Benefit in connection with his Old Age and Survivor's Insurance coverage.
- (b) Notwithstanding (a) above, the Board of Trustees, in its sole and absolute judgment, may, only for purposes of Section 3.09(b)(4) of the Plan, deem a Participant to be totally disabled if, on the basis of such competent medical evidence as the Board of Trustees may require to be shown, the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of at least 12 months' duration, and that such bodily injury or disease is not due to such Participant's commission of or attempt to commit a felony, or the engagement in any felonious activity or occupation, or the self-infliction of any injury, or as a result of alcohol abuse or the use of narcotics unless the same were administered pursuant to the orders of a licensed physician. In exercising such judgment

to accept medical evidence as proof of total disability, the Trustees shall, as a condition of accepting or continuing to accept such evidence, require the Participant to have applied for a Social Security Disability Benefit and to successfully obtain such benefit within twelve (12) months following the date on which the Trustees, having accepted such medical evidence, deemed the Participant to be totally disabled. A Participant who fails to meet the foregoing conditions shall not be or continue to be deemed totally disabled.

- (c) The Trustees may at any time, or from time to time, require evidence, if applicable, of continued entitlement to a Social Security Disability Benefit and may at any time, notwithstanding the prior granting of a Disability Benefit award by Social Security or a Disability Pension or auxiliary disability benefit by the Fund, require that the Participant submit to a medical examination by Board-appointed physicians to determine whether he meets or continues to meet the requirements of this Section.

Section 3.08. Amount of the Monthly Disability Pension. The Disability Pension shall be a monthly amount equal to the Regular Pension the individual would receive if he were age 62 at the time he became totally disabled.

Section 3.09. Disability Pension Payments.

- (a) Payments Generally. Subject to the provisions of Sections 8.01 and 8.05, eligibility for payment of a Disability Pension shall commence on the first day of the sixth month following the month in which total disability, as defined by Section 3.07, occurred. Payment of the Disability Pension shall continue thereafter for so long as such disability continues and the Pensioner remains totally disabled, provided that upon attaining age 62, a Disability Pensioner shall, subject to Section 8.07 of the Plan, have his pension continued regardless of whether or not he remains totally disabled.

(b) Auxiliary Disability Benefit.

- (1) Effective as of June 1, 1995, if the Annuity Starting Date of a Disability Pension is later than the date of entitlement to a Social Security Disability Benefit, then, subject to (2) below, such Disability Pensioner shall be entitled to an Auxiliary Disability Benefit.
- (2) If a Participant's application for Disability Pension and his Social Security Disability Award certificate are filed within sixty (60) days after a determination by the Social Security Administration of entitlement to a Social Security Disability benefit, then such application shall be considered timely and payment of the Auxiliary Disability Benefit shall commence as of the date of such Social Security Disability entitlement. If either the application for Disability Pension or the Social Security Award certificate is filed more than sixty (60) days following such determination by the Social Security Administration, then the Auxiliary Disability Benefit shall not be payable.
- (3) The Auxiliary Disability Benefit is an amount, payable as a lump sum, equal to the benefit which would have been due had a Disability Pension (in the payment form chosen for that pension) been payable between the date of entitlement to Social Security Disability Benefits and the Annuity Starting Date of the Disability Pension. Notwithstanding the foregoing, the Auxiliary Disability Benefit shall not

be payable for any month or months for which the monthly Auxiliary Disability Benefit provided by (4) below was payable.

(4) Effective June 1, 1996, a Participant who:

- (A) Has not been awarded a Social Security Disability benefit but would otherwise qualify for a Disability Pension under Section 3.06 of the Plan, and
- (B) Is deemed totally disabled in accordance with Section 3.07(b) of the Plan,

may receive, upon application, a provisional monthly auxiliary disability benefit. The provisional auxiliary disability benefit shall be payable until the Annuity Starting Date of the Participant's Disability Pension, subject to a maximum of thirty (30) such monthly payments for a provisional auxiliary disability benefit commencing on or after June 1, 2000, and subject to the following limits. In no event may the provisional auxiliary disability benefit be extended beyond twelve (12) months unless the participant is pursuing a claim for Social Security Disability Benefits, or is appealing a denial of such a claim, and he or she has not yet received a final award or final denial from the Social Security Administration. In no event may the provisional auxiliary disability benefit be extended beyond thirty (30) months unless the participant establishes to the satisfaction of the Trustees that he or she is actively and diligently pursuing a viable administrative claim for Social Security Disability Benefits, or is viably appealing a denial of such a claim, and that he or she has not yet received a final award or final denial from the Social Security Administration. For purposes of this Section, the viability of a claim or an appeal shall be decided by the Trustees in their sole discretion. The amount of each monthly benefit under the provisional auxiliary disability benefit shall be the monthly benefit that would have been due had a Disability Pension (in the automatic form of payment applicable to the Participant's marital status) been payable.

Section 3.10. Conversion from an Early Retirement Pension to a Disability Pension.

- (a) If a Pensioner receiving an Early Retirement Pension was totally disabled within the meaning of Section 3.07 on the date of his application for such Early Retirement Pension, then he shall be entitled, subject to the provisions of Section 3.06, to elect to convert such Early Retirement Pension to a Disability Pension. In no event shall a Pensioner be permitted, upon such conversion, to elect an optional form of benefit other than that in which the Early Retirement Pension being so converted was elected.
- (b) If such election is filed within sixty (60) days of the determination by the Social Security Administration of entitlement to a disability benefit, then the conversion shall be effective on the later of (1) the Annuity Starting Date of the Early Retirement Pension, or (2) the date of entitlement to Social Security Disability benefits. If the date of entitlement to Social Security Disability benefits is prior to the Annuity Starting date of the Early Retirement Pension, then, subject to the requirements of Section 3.09(b), the Auxiliary Disability Benefit shall be payable, provided, however, that such Auxiliary Disability Benefit, for purposes of this Section only, shall not be payable for more than two (2) months.

- (c) If such election is not filed within sixty (60) days of the determination by the Social Security Administration of entitlement to a disability benefit, then the conversion shall be effective as of the first day of the month following the month in which the election was filed. No retroactive adjustment shall be made, and the Auxiliary Disability Benefit shall not be payable.

Section 3.11. Recovery by a Disability Pensioner. If a Disability Pensioner loses entitlement to a Social Security Disability Pension or recovers from his disability, then such fact shall be reported by him in writing to the Board of Trustees within 21 days after the earlier of:

- (a) The date he receives notice thereof from the Social Security Administration, or
- (b) The date of recovery, or
- (c) The date of his return to Covered Employment.

If such written notice is not provided, then, upon his subsequent retirement, the Trustees shall postpone his eligibility for benefits for a period of six months following the date of his retirement, in addition to the months which may have elapsed since he received notice of the termination of the Social Security Disability Pension, or recovered from the disability with respect to which he received disability payments from the Fund, provided that in no event will such six months' postponement extend beyond his Normal Retirement Age.

Section 3.12. Return to Covered Employment by a Disability Pensioner. A Disability Pensioner who is no longer totally disabled may re-enter Covered Employment and will thereupon resume the accrual of Pension Credit to his account.

Section 3.13. Special Past Service Benefit. An Employee who is retired shall be entitled to a Special Past Service Benefit if he is not eligible for a Regular, Early Retirement or Disability Pension under this Pension Plan, and

- (a) He had attained age 65 or over on April 1, 1965; and
- (b) He had retired on or before April 1, 1965; and
- (c) At the time of such retirement he had at least 10 years of service of the type for which Past Service Credit is provided to Employees under Article VI; and
- (d) He presented evidence of such retirement in the form of a Federal Social Security Award; and
- (e) He submitted application to the Board of Trustees for a Special Past Service Benefit on or before June 1, 1967.

Section 3.14. Amount of the Special Past Service Benefit. The amount of the Special Past Service Benefit shall be \$280.00 per calendar month.

Section 3.15. Eligibility for a Vested Service Pension. Beginning June 1, 1976, a Participant shall upon retirement be eligible for a Vested Service Pension if he meets the following requirements:

- (a) He has attained age 65; and

- (b) He meets the service requirements for vesting under Section 6.05(a) of the Plan.

Section 3.16. Amount of Vested Service Pension. The monthly amount of the Vested Service Pension shall, subject to the provisions of Section 3.19, be calculated in the same manner as the Regular Pension.

Section 3.17. Eligibility for Special Normal Retirement Age Vested Pension. Beginning June 1, 1976, a Participant shall, upon retirement, be eligible for a Special Normal Retirement Age Vested Pension if he has attained Normal Retirement Age as defined in Section 1.10 of the Plan.

Section 3.18. Amount of Special Normal Retirement Age Vested Pension. The monthly amount of the Special Normal Retirement Age Vested Pension shall, subject to the provisions of Section 3.19, be equal to the amount payable for each full year (and proportionately less for fractions of years) of Future Service Credit under Section 3.03. No amounts are paid under the Special Normal Retirement Age Vested Pension for Past Service Credit.

Section 3.19. Separation from Covered Employment.

- (a) Generally. A Participant (1) who incurs five consecutive One-Year Breaks in Covered Employment, as defined in Article VI, and (2) who during such break years engaged in activity as an employee, a self-employed person, or as a contractor for as much as 1,600 hours in any work of the type covered by the Collective Bargaining Agreement, regardless wherever such employment or activity may have been performed, shall be deemed to be Separated from Covered Employment at the beginning of the break period. For purposes of this subsection only, employment for a public employer such as a city, school district, university, state, or federal government or employment as a salaried supervisor in Arizona by an employer who is a contributing national contractor, if such employment concluded on or before May 31, 1994, shall not be considered work of the type covered by the Collective Bargaining Agreement. However, any person who secures or continues employment for a public employer, as described in this subsection or as a salaried supervisor for a contributing national contractor on or after June 1, 1994, shall be deemed to have commenced work of the type covered under the collective bargaining agreement, and such person shall be subject to the separation from covered employment rules contained in this subsection.

Notwithstanding the foregoing, effective January 1, 1988, a Participant who becomes employed in Arizona by any non-contributing contractor or other business entity which competes with contributing Employers for work of the types for which any of the contributing Employers makes contributions to this Fund, will be deemed separated from Covered Employment on the last day of the Plan Year following the date of such employment. Likewise, any Participant engaging in self-employment or as a contractor in competition for such work who does not first become a contributing Employer shall also be deemed separated from Covered Employment as of the first day of the Plan Year next following the date of such activity.

For purposes of this subsection, an individual who leaves Covered Employment and within 30 days thereafter takes a position with a contributing employer as an officer, manager or member of a corporation or limited liability company, and who does not perform bargaining unit work, shall not be deemed to be separated from Covered Employment during the time the individual continues his employment with the contributing employer. If, at any time, the individual's employer ceases to be party to a

collective bargaining agreement that requires contributions to this Fund, the individual shall be deemed to have commenced work of the type covered under the collective bargaining agreement, and such individual shall be subject to the Separation from Covered Employment rules contained in this subsection.

- (b) Effect of a Separation from Covered Employment. The amount of the pension, if any, payable to a Participant who has incurred a Separation from Covered Employment shall be determined under the terms of the Plan as in effect on the first day of the first Plan Year of the period during which he incurred the Separation. Notwithstanding the foregoing, the factors used to determine the monthly amount of such pension shall not be less than \$22.00 for each full year of Past Service Credit and \$25.00 for each full year (and proportionately less for fractions of years) of Future Service Credit. The benefit factors as in effect since January 1, 1979 are as follows:

<u>Effective Date</u>	<u>Past Service</u>	<u>Future Service</u>
January 1, 1979	\$22.00	\$25.00
January 1, 1981	\$25.00	\$30.00
July 1, 1982	\$28.00	\$35.00
January 1, 1984	\$28.00	\$40.00
July 1, 1985	\$28.00	\$45.00
July 1, 1986	\$28.00	\$48.00
January 1, 1987	\$28.00	\$53.00
October 1, 1989	\$28.00	\$55.00
September 1, 1990	\$28.00	\$58.50
January 1, 1992	\$28.00	\$59.50
January 1, 1993	\$28.00	\$61.50
September 1, 1993	\$28.00	\$62.50
June 1, 1994	\$28.00	\$63.00
June 1, 1995	\$28.00	\$65.50
June 1, 1997	\$28.00	\$68.00
June 1, 1998	\$28.00	\$71.50
September 1, 2000	\$40.00	\$71.50
On and after June 1, 2016	Refer to Section 3.03	

- (c) Return to Covered Employment. If, following a Separation from Covered Employment, a Participant returns to Covered Employment and earns additional Pension Credit, then the monthly benefit attributable to such additional Pension Credit shall be calculated based on the benefit factor in effect under the appropriate provision of Article III as of his subsequent Separation from Covered Employment, if any, or, if none, as of his Annuity Starting Date.
- (d) If a Participant who has incurred a Separation from Covered Employment returns to Covered Employment and, prior to retirement, earns three (3) full years of Future Service Credit in a period of three (3) consecutive Plan Years beginning on or after June 1, 1996, but not later than June 1, 2000, then his Separation from Covered Employment shall be cured and the amount of the pension, if any, payable to him shall be determined in accordance with the terms of the Plan as in effect on his Annuity Starting Date or, if earlier, the date as of which he incurs a subsequent Separation from Covered Employment.



Section 3.20. Non-Duplication with Other Benefits. If a Pensioner receives Weekly Accident and Sickness Benefits from the Arizona Pipe Trades Trust Fund for any period in which he is entitled to a pension benefit from this Fund, then the amount of such benefits shall be deducted from the monthly pension otherwise payable under this Pension Plan.

Section 3.21. Eligibility for Service Pension. Upon application, an Active Participant shall be entitled to retire on a Service Pension provided all of the following requirements are met:

- (a) the initial Annuity Starting Date is on or after June 1, 1998; and
- (b) the sum of the Active Participant's full years of attained age and his full years of Pension Credit is at least eighty (80); and
- (c) the Active Participant has never incurred a Separation From Covered Employment, including a Separation From Covered Employment that was cured in accordance with Section 3.19(d) of the Plan.

Section 3.22. Amount of Service Pension. The monthly amount of the Service Pension shall be calculated in the same manner as the Regular Pension. Notwithstanding the foregoing, the monthly benefit payable to a Pensioner who previously qualified for and received benefits under the Service Pension but whose benefits were suspended for any reason shall, upon reinstatement following suspension, be calculated in the same manner as the Early Retirement Pension, taking into account the age reduction that is applicable as of such reinstatement date.

Section 3.23. Ad hoc Payments.

- (a) Generally. From time to time, based on the growth and development of the Fund, the Trustees may, in their sole discretion, direct the Administrative Office to distribute supplemental pension benefits to qualifying Pensioners, Beneficiaries, and alternate payees under a QDRO.
- (b) December 2006. At the Trustees' direction, a one time payment of \$1,223.48 was made, in December 2006, to all eligible recipients. The class of eligible recipients was defined as follows. All Pensioners (other than Pro Rata Pensioners, who were not eligible) with an Annuity Starting Date prior to June 1, 2006, were eligible. If a QDRO was in effect, this benefit was apportioned between the Pensioner and the alternate payee in accordance with the terms under which retirement benefits were assigned by the QDRO. Surviving spouses receiving benefits under the Plan's qualified pre-retirement survivor annuity, or under the Plan's qualified joint and survivor annuity, or under one of the Plan's optional joint and survivor annuity forms of payment, were eligible provided the Annuity Starting Date was prior to June 1, 2006.
- (c) December 2007. At the Trustees' direction, a one time payment of \$1,250.00 was made, in December 2007, to all eligible recipients. The class of eligible recipients was defined as follows. All Pensioners (other than Pro Rata Pensioners, who were not eligible) with an Annuity Starting Date on or before June 1, 2007, were eligible. If a QDRO was in effect, this benefit was apportioned between the Pensioner and the alternate payee in accordance with the terms under which retirement benefits were assigned by the QDRO. Surviving spouses receiving benefits under the Plan's qualified pre-retirement survivor annuity, or under the Plan's qualified joint and survivor annuity, or under one of the

Plan's optional joint and survivor annuity forms of payment, were eligible provided the Annuity Starting Date was on or before June 1, 2007.

- (d) December 2014. At the Trustees' direction, a one-time payment of \$1,256.00 was made in December 2014 to all eligible recipients. The class of eligible recipients was defined as follows. All Pensioners with an Annuity Starting Date on or before October 1, 2014 were eligible, except Pro-Rata Pensioners, who were not eligible. If a QDRO was in effect, this benefit was apportioned between the Pensioner and the alternate payee in accordance with the terms under which retirement benefits were assigned by the QDRO. Surviving spouses receiving benefits under the Plan's qualified pre-retirement survivor annuity, or under the Plan's qualified joint and survivor annuity, or under one of the Plan's optional joint and survivor annuity forms of payment, were eligible provided the Annuity Starting Date was on or before October 1, 2014.
- (e) December 2014. At the Trustees' direction, a one-time payment was made in December 2014 to all eligible Pro-Rata Pensioners. The amount of the one-time payment was equal to the monthly Pro-Rata Pension the eligible Pro-Rata Pensioner was otherwise receiving. The class of eligible recipients was defined as all Pro-Rata Pensioners with an Annuity Starting Date on or before October 1, 2014. If a QDRO was in effect, this benefit was apportioned between the Pensioner and the alternate payee in accordance with the terms under which retirement benefits were assigned by the QDRO. Surviving spouses receiving benefits under the Plan's qualified pre-retirement survivor annuity, or under the Plan's qualified joint and survivor annuity, or under one of the Plan's optional joint and survivor annuity forms of payment, were eligible provided the Annuity Starting Date was on or before October 1, 2014.
- (f) June 2016. At the Trustees' direction, a 6% increase shall be applied to the monthly benefit amount otherwise payable to eligible recipients. The class of eligible recipients is limited to individuals who (1) are a Pensioner, beneficiary, or alternate payee under the Plan, and (2) have an Annuity Starting Date on or before May 1, 2016 or are receiving death benefits payable on behalf of a Participant whose Annuity Starting Date was on or before May 1, 2016. This 6% increase in the monthly benefit otherwise payable shall take effect on June 1, 2016.
- (g)
  - (1) At the Trustees' direction, a one-time payment, in a base amount of \$1,272.00 except as noted otherwise, was made in December 2015 to all eligible recipients. The class of eligible recipients was defined as follows. All Pensioners and Beneficiaries with an Annuity Starting Date on or before October 1, 2015 (or who were eligible for an auxiliary disability benefit for the month of October 2015) were eligible to receive the base amount, except Pro-Rata Pensioners and their Beneficiaries, who received the lesser of the base amount or an amount equal to the monthly benefit to which they were entitled for the month of October 2015.
  - (2) If a QDRO was in effect, the applicable benefit (either the base amount or, if applicable, a lesser payment to a Pro-Rata Pensioner) was apportioned between the Participant and the alternate payee in accordance with the percentage each has of the total monthly payment. If only one party to the QDRO was eligible to receive the one-time payment, that party received a share of the base amount in

proportion to the terms of the QDRO, and the remainder of the base amount was not payable to either of those parties.

### **ARTICLE III-A PRO RATA PENSION**

Section 3A.01. Purpose. Pro Rata Pensions are provided under this Plan for Employees who would otherwise be ineligible for a pension because their years of employment have been divided between employment creditable under this Plan and employment creditable under another pension plan or plans.

Section 3A.02. Related Plans. By resolution duly adopted, the Board of Trustees may recognize another pension plan as a Related Plan.

Section 3A.03. Related Hours. The term "Related Hours" means hours of employment which are creditable under a Related Plan.

Section 3A.04. Related Credit. The term "Related Credit" means years of service, or portions thereof, creditable to an Employee under a Related Plan. The Trustees shall compute Related Credits on the basis on which that credit has been earned and credited under the Related Plan and certified by the Related Plan to the Board of Trustees of this Plan.

Section 3A.05. Combined Pension Credit. The term "Combined Pension Credit" means the total of an Employee's Related Credit plus the Pension Credit accumulated under this Plan. Not more than one year of Combined Pension Credit shall be counted in any calendar year or Plan crediting year.

Section 3A.06. Non-Duplication of Credits. An Employee shall not receive double credit for the same period of employment.

Section 3A.07. Eligibility for a Pro-Rata Pension.

- (a) A Participant who is retired and has filed an application for benefits in accordance with Article III, Section 8.01, shall be eligible for benefits if he meets the following requirements:
  - (1) He would be eligible for a Regular, Early Retirement, Disability, or Vested Service Pension under this Plan were his Combined Pension Credits treated as Arizona Pipe Trades Pension Credit; and
  - (2)
    - (A) He has, after January 1, 1991, earned one year of Arizona Pipe Trades Pension Credit or Related Credit for which contributions were made or required to be made by a collective bargaining agreement, to this Pension Plan or to a Related Plan; or
    - (B) He has met the eligibility requirements for coverage under the National Pension Fund addendum to pension fund reciprocal agreement for pro rata/partial pension, notwithstanding the fact that he has not earned a pension credit in this plan or the National Plan after January 1, 1991.
- (b) Related Hours shall be considered in determining whether a Participant has earned Future Service Credit, as required by Section 6.06, in order to prevent the cancellation of accumulated Pension Credits.

Section 3A.08. Amount of the Pro Rata Pension. The monthly amount of the Pro Rata Pension shall be determined in the same way as the Regular, Early Retirement, Disability, or Vested Service Pension for which the Employee would qualify if his Combined Pension Credits were treated as Pension Credits earned entirely under this Plan.

Section 3A.09. Payment. The payment of a Pro Rata Pension shall be subject to all conditions applicable to the payment of other types of pensions under this Plan, including, but not limited to, retirement as herein defined and timely application.

**ARTICLE III-B**  
**ALLOCATION OF INCOMING RECIPROCAL CONTRIBUTIONS**

Section 1      Purpose

This Article explains procedures for allocating incoming reciprocal contributions received from Participating Funds and allocated to the Arizona Pipe Trades pension Trust Fund ("Pension Fund") and Arizona Pipe Trades Defined Contributions Trust Fund ("DC Fund").

Section 2      Definitions

- (a) The terms "Temporary Employee" or "traveler" shall mean individuals whose Home Fund are the Arizona Pipe Trades Pension Trust Fund and Arizona Pipe Trades Defined Contribution Fund and who are working temporarily in the jurisdiction of a Participating Fund.
- (b) The term "Home Fund" shall mean the Arizona Pipe Trades Pension and Defined Contribution Funds.
- (c) The term "Participating Fund" shall mean a pension fund signatory to the United Association Reciprocity Agreement or a fund signatory to a Reciprocal Agreement with the Pension and/or DC Funds that receives contributions on behalf of Travelers and forwards those contributions to the Home Fund(s).
- (d) For purposes of this Article, the term "Excess Contributions" shall mean those contributions sent by Participating Funds which are in excess of the contributions required to earn a full pension credit in the Pension Fund.

Section 3      Method of Allocation

- (a) In order to ensure that participants receive a full pension credit in the Pension Fund, all contributions from Participating Funds will first be deposited in the Pension Fund.
- (b) Once a participant has worked sufficient hours, for in-state contractors and/or in the jurisdiction of Participating Funds, in excess of those required to earn a full pension credit, the Excess Contributions will be allocated to the Pension and Defined Contribution Funds based upon a formula developed by the bargaining parties. Excess Contributions will be allocated based upon the percentage each fund bears to the total hourly contribution to both Funds. For example, as of July 1, 2015, the total hourly contribution to both fund is \$7.05 consisting of a contribution of \$3.55 to the Pension Fund and \$3.50 to the DC Fund. Under the formula, the allocation to the Pension Fund is 50.4% and 49.6% to the DC Fund. Those percentages will change when new contribution rates are negotiated by the bargaining parties.
- (c) The administrative office shall determine the amount of Excess Contributions, if any, for each Participant and shall transfer such Contributions and earnings to the DC Fund. During the period beginning on January 1, 2016 and ending on February 28, 2018, such determination and transfer of Contributions and earnings shall be done twice per year.

During the period on and after March 1, 2018, such determination and transfer of Contributions shall be done each calendar month.

- (d) Each participant who has worked in the jurisdiction of a Participating Fund will receive a statement twice per year showing the reciprocal contributions received and the amount of contributions credited during the Plan Year and the year they are being credited.
- (e) In the event the hourly contribution rate of the Participating Fund is less than the hourly contribution rate for the Pension Fund, the Participants' pension credits will be prorated. For example, if the current contribution rate were \$2.00 per hour and \$1.00 is reciprocated, the participant would receive credit for  $\frac{1}{2}$  hour. The total for the year would be prorated so that the participant would receive an increment of credit in the Pension Plan equal to  $\frac{1}{2}$  credit.

## ARTICLE IV

### HUSBAND AND WIFE PENSION

Section 4.01. Effective Date. The provisions of this Article apply only to pensions where the entitlement to benefit payment commences on or after June 1, 1976.

Section 4.02. Generally.

- (a) The Husband and Wife Pension provides a lifetime benefit for the Participant, plus a lifetime benefit, starting after the death of the Participant, for his or her surviving Spouse, if any. The monthly amount to be paid to the eligible surviving Spouse is one-half of the monthly amount payable to the Pensioner at the time of his death, or, if applicable, one-half of the monthly amount which would have been payable under this Article to an Active Participant or Vested Participant if his Annuity Starting Date had been the day before he died, and if the Husband and Wife Pension had been in effect.
- (b) The monthly amount of the Husband and Wife Pension, once it has become payable, shall not be increased if the Spouse is subsequently divorced from the Pensioner. Notwithstanding the foregoing, if the Spouse predeceases (or has predeceased) the Pensioner, then, effective on the later of:
  - (1) April 1, 1994, or
  - (2) the first day of the month following the month in which such death occurs,the monthly amount payable to the Pensioner shall be increased so as to equal the monthly benefit which would have been payable had the Participant and Spouse rejected the Husband and Wife Pension.

Section 4.03. Upon Retirement.

- (a) A pension shall be paid in the form of a Husband and Wife Pension to a married Participant unless the Participant and Spouse have filed with the Trustees, in writing, a timely rejection of that form of pension, subject to all the conditions of this Article.
- (b) Subject to the provisions of Section 4.07, a married Participant and Spouse may reject the Husband and Wife Pension (or revoke a previous rejection) at any time within the period not more than 90 days before the Annuity Starting Date nor less than 30 days after the Participant is provided a detailed explanation of the amount payable under the available forms of payment.

Section 4.04. Before Retirement.

- (a) If a married Vested Participant dies before his Annuity Starting Date, then his surviving Spouse shall be entitled to a Husband and Wife Pension. Such surviving Spouse may apply for and receive the pre-retirement surviving spouse benefit to which he or she is entitled on or after the earliest date on which the Participant could have retired and begun receiving pension benefits. Subject to (b) and (c) below, payments shall begin as of the surviving Spouse's Annuity Starting Date, as determined under Section 1.24 of the Plan.



- (b) Payment of the pre-retirement surviving spouse benefit shall begin no later than December 1 of the calendar year in which the Participant would have reached age 70½ or, if later, December 31 of the calendar year following the calendar year in which the Participant died. If the Trustees confirm the identity and whereabouts of a surviving Spouse who has not applied for benefits at that time, then payments to such surviving Spouse in the form of a single life annuity (subject to the provisions of Section 8.14 on small benefit cashouts) shall begin as of that date.
- (c)
  - (1) If the married Vested Participant's death occurs after his attainment of age 55, then the surviving Spouse shall be entitled to a Husband and Wife Pension commencing with the month following the month in which the Participant died. The amount of such Husband and Wife Pension shall be equal to one-half the monthly benefit that would have been payable to the Participant under the Husband and Wife Pension had he retired on the day before he died. If the surviving Spouse's Annuity Starting Date is after the date on which the Participant attained (or would have attained) Normal Retirement Age, then the calculation of the survivor annuity payable to the Spouse shall take account of actuarial adjustments, if any, to the Participant's accrued benefit which would have been applicable as of the Spouse's Annuity Starting Date.
  - (2) If the married Vested Participant's death occurs prior to his attainment of age 55, then the surviving Spouse shall be entitled to a Husband and Wife Pension commencing with the month following the month in which the Participant would have attained age 55 had he lived. The amount of the Husband and Wife Pension shall be equal to one-half the monthly benefit that would have been payable to the Participant under the Husband and Wife Pension had he left Covered Employment on the earlier of the date he last worked in Covered Employment or the date of death, and then retired on a Husband and Wife Pension on the first day of the month following his 55th birthday.
- (d) If a surviving Spouse dies before the Annuity Starting Date of the pre-retirement surviving spouse benefit, then that benefit shall be forfeited and no payment under this Article shall be made.

Section 4.05. Retirement Before Age 55. If the Annuity Starting Date of a married Active Participant's Disability Pension occurs before he attains age 55, then payment shall be made in the form of a Husband and Wife Pension unless the Participant and his Spouse have rejected such form of payment in writing in a rejection filed with the Trustees before the first pension payment has been made to him. The Husband and Wife Pension shall provide payment to the surviving Spouse, if any, starting on the later of (a) the first of the month following the death of the Participant or (b) the first of the month following the date on which the Participant would have attained age 55 had he lived.

Section 4.06. Adjustment of Pension Amount. When a Husband and Wife Pension becomes effective, the amount of the Active Participant's or Vested Participant's monthly pension shall be reduced in accordance with the following:

- (a) Non-Disability Pensions. If payment of a pension other than a Disability Pension is to be made in the form of a Husband and Wife Pension, then the pension amount shall be adjusted by multiplying it by the following percentage: 88.0 percent minus .4 percentage points for each year by which the Spouse's age is less than the Participant's age or plus .4

percentage points for each year by which the Spouse's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent. Notwithstanding the foregoing, for Annuity Starting Dates on and after June 1, 2016, if payment of a pension other than a Disability Pension is to be made in the form of a Husband and Wife Pension, then the pension amount shall be adjusted by multiplying it by the following percentage: 89.0 percent minus .4 percentage points for each year by which the Spouse's age is less than the Participant's age or plus .4 percentage points for each year by which the Spouse's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent.

- (b) Disability Pensions. If payment of a Disability Pension is to be made in the form of a Husband and Wife Pension, then the pension amount shall be adjusted by multiplying it by the following percentage: 77.0 percent minus .4 percentage points for each year by which the Spouse's age is less than the Participant's age or plus .4 percentage points for each year by which the Spouse's age is greater than the Participant's age. Notwithstanding the foregoing, for Annuity Starting Dates on and after June 1, 2016, if payment of a Disability Pension is to be made in the form of a Husband and Wife Pension, then the pension amount shall be adjusted by multiplying it by the following percentage: 80.0 percent minus .4 percentage points for each year by which the Spouse's age is less than the Participant's age or plus .4 percentage points for each year by which the Spouse's age is greater than the Participant's age. For all Disability Annuity Starting Dates, the Participant is younger than age 55 on the Annuity Starting Date of his Disability Pension, then an additional .5 percentage points for each year by which the Participant is younger than age 55 shall be added to the percentage determined above. For all Disability Annuity Starting Dates, in no event shall the resulting percentage be greater than 100.0 percent.

Section 4.07. Additional Conditions.

- (a) A Husband and Wife Pension shall not be effective under any of the following circumstances:
- (1) If the Participant and Spouse were not lawfully married to each other on the Participant's Annuity Starting Date;
  - (2) If the Participant and Spouse were lawfully married to each other for less than a year before the Participant died;
  - (3) If the Spouse died before the Participant's Annuity Starting Date, or predeceased the Participant if the Participant died before a pension was payable to him; or
  - (4) If the marriage of the Participant and the Spouse was legally dissolved before the Participant's Annuity Starting Date or before his death, if he died before a pension was payable to him.
- (b) The Trustees shall be entitled to rely on the written representation last filed by the Participant before his pension payments commenced as to whether he is married. This reliance shall include the right to deny benefits to a person claiming to be the Spouse of the Participant in contradiction to the aforementioned representation of the Participant. If such representation later proves to be false, the Trustees may adjust for any excess

benefits paid as the result of the misrepresentation. Any payment made in good faith pursuant to the statements contained in an election application for pension shall discharge all the obligations of the Board of Trustees to the extent of such payments. A person claiming to be the Spouse of a Pensioner or Participant which relationship is not reflected in the records of the Fund, or which is denied by the Pensioner or the Participant, is entitled to a hearing on the issue as provided by Section 8.04 of the Plan. The Trustees shall recoup, offset or recover from any sum due to the Pensioner or Participant the amount of any payments made in reliance on false statements including any legal expenses incurred for such recovery.

- (c) Any written election, rejection or revocation (including any change of a previous choice) made under Article IV shall not take effect unless:
  - (1) the Spouse of the Participant consents in writing to such election,
  - (2) such election designates a Beneficiary (or a form of benefit) which may not be changed without spousal consent (or the consent of the Spouse expressly permits designations by the Participant without any requirement of further consent by the Spouse), and
  - (3) the Spouse's consent acknowledges the effect of such election and is witnessed by a notary public.

Notwithstanding the foregoing, no spousal consent shall be required if it is established to the satisfaction of the Trustees that spousal consent may not be obtained because there is no Spouse, because the Spouse cannot be located, or because of such other circumstances as the Internal Revenue Service may by regulations prescribe.

- (d) Except as provided in Section 4.03(b), election or revocation may not be made or altered after payment of the pension has commenced. An election cannot be made or changed after the pension has commenced even if at the time of the commencement of the pension the Pensioner was not married and he subsequently marries, or if married, the marriage is later dissolved.

#### Section 4.08. Qualified Domestic Relations Order.

- (a) If a benefit becomes payable in accordance with a Qualified Domestic Relations Order (QDRO) as defined by Section 206(d)(3) of ERISA, then, provided the Participant and the Alternate Payee were married for at least one year prior to the date on which the QDRO is issued, the Alternate Payee may elect to receive payment in one of the following forms:
  - (1) Monthly payments in the amount specified by the QDRO payable for the duration of the Participant's lifetime, with all benefits to cease upon the death of the Participant; or
  - (2) Monthly payments payable for the duration of the Alternate Payee's lifetime, with all benefits to cease upon the death of the Alternate Payee. The monthly amount payable shall be the actuarial equivalent, based on the Alternate Payee's age on the date payments are to commence, of the amount specified by the QDRO.

Such election or revocation thereof shall be made in writing, on a form acceptable to the Trustees, and may not be made or altered after payments to the Alternate Payee have commenced.

- (b) If a benefit becomes payable in accordance with a Qualified Domestic Relations Order and (1) the Participant and the Alternate Payee were married for less than one year prior to the date the QDRO is issued, or (2) the Alternate Payee fails to make an election under (a) above, then payments to the Alternate Payee shall be made in accordance with (a)(1) above.
- (c) Notwithstanding the foregoing, in the event the Alternate Payee elects to receive benefits beginning prior to the commencement of benefit payments to the Participant, the amount of the monthly benefit payable to the Alternate Payee shall be the actuarial equivalent of that portion of the benefit payable to the Participant at Normal Retirement Age to which the Alternate Payee, as specified in the QDRO, is entitled.
- (d) For purposes of this Section, the term “actuarial equivalent” means of equal actuarial value using the Applicable Mortality Table and the Applicable Interest Rate.

**ARTICLE V**  
**DEATH BENEFIT**

Section 5.01. Eligibility for and Amount of Death Benefit.

(a) Death Before Retirement.

- (1) If a Participant dies before his Annuity Starting Date and, as a result of work in Covered Employment, contributions have been made on his behalf for at least 300 hours in the 60 month period immediately preceding the month in which he died, then a lump-sum payment shall be made to his designated beneficiary or the person or persons selected in accordance with Section 5.03, in an amount equal to the lesser of:
  - (A) \$25,000.00, or
  - (B) \$200.00 times the number of years of Future Service Credit accumulated prior to June 1, 1969, plus \$500.00 times the number of years of Future Service Credit accumulated subsequent to June 1, 1969 but prior to June 1, 1973, plus \$1,000.00 times the number of years of Future Service Credit accumulated subsequent to June 1, 1973.

In determining the amount of the lump-sum payment under this subsection, only Future Service Credit accumulated subsequent to the Participant's last Permanent Break in Covered Employment as defined in Section 6.06, if any, shall be counted.

- (2) If a Participant who has fulfilled the vesting requirements of Section 6.05 dies before his Annuity Starting Date, then his designated Beneficiary or the person or persons selected in accordance with Section 5.03 shall, upon application, be entitled to 36 monthly payments (60 payments for Annuity Starting Dates on and after June 1, 2016) in an amount equal to the monthly pension which the deceased Participant would have received had he been age 62 on the date of his death. The total value of the pension payments, if any, received by the deceased Participant during a previous period of retirement shall be deducted from the total value of the 36 monthly payments (or 60 payments, as applicable) otherwise due the deceased Participant's Beneficiary. The monthly payments described herein will begin with the first month following the death of the Participant. This benefit shall be payable instead of, and not in addition to, the benefit described in (a)(1) above. If, however, the amount payable under (a)(1) above is greater than the sum of such 36 monthly payments (or 60 payments, as applicable), then the greater amount shall be payable, subject to the provisions of (a)(3) and (a)(4) below. For a beneficiary who, prior to June 1, 2016, began receiving death benefits under the Plan's 36-month certain period, with such benefits payable on behalf of a Participant who died prior to his or her Annuity Starting Date, the certain period associated with such death benefits shall be extended from 36 months to 60 months, provided the 36-month certain period for that beneficiary had not yet been exhausted as of June 1, 2016.

- (3) If payments are due under the Husband and Wife Pension and the Participant's death occurred on or after his attainment of age 55, then the monthly benefit otherwise provided by (a)(2) above shall be reduced by the amount payable to the surviving Spouse under the Husband and Wife Pension.
- (4) If payments are due under the Husband and Wife Pension and the Participant's death occurred prior to his attainment of age 55, then the monthly benefit otherwise provided by (a)(2) above shall not be payable. Notwithstanding the foregoing, if the surviving Spouse is eligible for the Husband and Wife Pension, then the surviving Spouse may, within ninety (90) days after being given notice from the Board of Trustees, elect to receive the lump sum benefit provided by (a)(1) above or the 36 monthly payments (or 60 payments, as applicable) provided by (a)(2) above instead of the monthly Husband and Wife Pension. If the surviving Spouse makes such election and if the actuarial present value of the Husband and Wife Pension is greater than the amount of the lump sum benefit or the actuarial present value of the 36 monthly payments (or 60 payments, as applicable), then the amount of the lump sum benefit or the monthly amount of the 36 payments (or 60 payments, as applicable) shall be increased so that the lump sum benefit or the total of the 36 monthly payments (or 60 payments, as applicable) shall be equal to the actuarial present value of the Husband and Wife Pension. The actuarial present value of the Husband and Wife Pension shall be determined on the basis of the Applicable Mortality Table. The interest assumption shall be equal to the Applicable Interest Rate.
- (5) If a Participant dies on or after January 1, 2007 while performing qualified military service (as defined in Code §414(u)(5)), such Participant shall be deemed to have resumed Covered Employment on the day preceding death, and the deceased Participant's beneficiaries shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would have been provided under the Plan if the Participant terminated Covered Employment on account of death.
- (b) Death After Retirement. If a Pensioner, other than a Special Normal Retirement Age Vested Pensioner, dies before receiving a total of 36 monthly pension payments from the Trust (60 payments for Annuity Starting Dates on and after June 1, 2016), his monthly pension payments shall be continued until a total of 36 such payments (or 60 such payments, as applicable) have been made to such Pensioner and his designated Beneficiary, or the person or persons selected in accordance with Section 5.03, and shall thereupon cease. If a Pensioner, other than a Special Normal Retirement Age Vested Pensioner, has an Annuity Starting Date prior to June 1, 2016, received or is receiving pension payments in the form of a single life annuity with 36-month certain period, and died or dies prior to the exhaustion of the 36-month guarantee, then, provided such guarantee is not yet exhausted as of June 1, 2016, his monthly pension payments shall be continued until a total of 60 such payments have been made to the Pensioner and his designated Beneficiary. BENEFITS PROVIDED BY THIS SUBSECTION SHALL NOT BE PAYABLE IF PAYMENTS WERE DUE UNDER THE HUSBAND AND WIFE PENSION (ARTICLE IV) OR THE JOINT-AND-SURVIVOR OPTION (ARTICLE VII) AT THE TIME OF DEATH.

Section 5.02. Designation of Beneficiary. When a Husband and Wife Pension or Joint and Survivor Option is not in effect, a Participant may designate a Beneficiary to receive any benefits provided under this Article by filing such designation at the Trust Office on a form prescribed by the Board of Trustees.

A Participant who is unmarried shall have the right to change his designation of Beneficiary without the consent of the Beneficiary, but no such change shall be effective or binding on the Board unless it is received by the Board prior to the time any payment is made to the Beneficiary whose designation is on file at the Trust Office.

If a Participant's marriage to a former Spouse has been dissolved, annulled or invalidated, and the designation of Beneficiary was made prior to the date of dissolution, annulment, or invalidation, the former Spouse's Beneficiary designation shall be deemed revoked and null and void. In such cases, a Participant's death benefit shall be paid as if the Participant did not designate a Beneficiary, as provided in Section 5.03 hereof.

If the Participant is married at the time he desires to change his Beneficiary, unless such change is to designate his Spouse, no change shall be effective or binding on the Board unless such change is approved by the Spouse and in no event shall it be effective or binding on the Board unless it is received by the Board prior to the time any payment is made to the Beneficiary whose designation is on file at the Trust Office.

Section 5.03. Failure to Designate Beneficiary or Death of Beneficiary. If no Beneficiary is designated by a Participant who is not subject to the Husband and Wife Pension or the Joint and Survivor Option, if a designated Beneficiary predeceases the Participant or survives him but dies prior to receipt of any benefits under this Article, or if the Participant designated a former Spouse as Beneficiary prior to the date of dissolution, annulment or invalidation of a marriage, the benefits provided under this Article shall be paid in the following order of priority: to the surviving Spouse, or, if none, to the surviving children, or if none, to the estate of the deceased. Any such payment shall to the extent thereof be a complete discharge of all liability under the Plan with respect thereto.

Section 5.04. Survivor Benefit Limitations. Notwithstanding any other provision of the Plan, all benefits shall comply with the following:

- (a) If the distribution of the Employee's entire interest is not made in a lump sum, the distribution shall be made:
  - (1) over the life of the Employee; or
  - (2) over the lives of the Employee and designated Beneficiary; or
  - (3) over a period certain not extending beyond the life expectancy of the Employee or the life expectancy of the Employee and a designated Beneficiary.
- (b) If distribution of the Employee's benefits commenced in accordance with the Rules before the Employee's death, then the remaining interest shall be distributed at least as rapidly as under the method used as of the date of the Employee's death.
- (c) If the Employee dies before his benefits commenced, then the method of distribution shall satisfy the following requirements:

- (1) any remaining portion of the Employee's interest that is not payable to a Beneficiary designated by the Employee will be distributed within five years after the Employee's death; and
  - (2) any portion of the Employee's interest that is payable to a Beneficiary designated by the Employee will be distributed either
    - (A) within five years after the Employee's death, or
    - (B) over the life of the Beneficiary or over a period certain not extending beyond the life expectancy of the Beneficiary and commencing not later than the end of the calendar year following the calendar year in which the Employee died (or, if the designated Beneficiary is the Employee's surviving Spouse, commencing not later than the end of the calendar year following the calendar year in which the Employee would have attained age 70½).
- (d) All survivor benefits shall comply with the limits of Internal Revenue Code §401(a)(9) and the incidental benefit rule and the regulations prescribed under them, including proposed Treasury Regulation §§1.401(a)(9)-1 and 1.401(a)(9)-2.



**ARTICLE VI**  
**PENSION CREDIT AND YEARS OF VESTING SERVICE**

Section 6.01. Years of Pension Credit for Periods to June 1, 1963 (Past Service Credit).

- (a) A Participant shall be entitled to Past Service Credit for each Plan Year he was regularly employed prior to June 1, 1963, in one or more classifications included in the Collective Bargaining Agreements in the geographical territory to which the Collective Bargaining Agreements are applicable or was regularly employed by the Union, in a position included under the Plan pursuant to regulations adopted by the Board of Trustees. A Participant shall be entitled to a full year of such credit for each Plan Year in which he was so employed for at least one eight (8) hour day. Not more than ten (10) years of Past Service may be accumulated under this provision.
- (b) It is recognized that, for the periods prior to June 1, 1963, it may be difficult to establish with certainty the Past Service of a Participant in the type of employment referred to in (a) above. In making the necessary determinations as to the Past Service Credit, the Board of Trustees may consider and rely upon relevant and material evidence including, but not limited to, any or all of the following:
  - (1) A statement from the Administrator of the Arizona Pipe Trades Trust Fund certifying to the receipt of employer reports with respect to hours worked by the Participant and stating the number of hours reported for the period covered by the statement.
  - (2) A statement from an employer certifying that the Participant performed work for such employer entitling him to Past Service Credit during such period if such employer was known or reputed to be operating in the pipe trade industry, in the geographical territory to which the Collective Bargaining Agreements are applicable during such period.
  - (3) A statement from the secretary or other authorized officer of the Union certifying that the Participant was a member in good standing in such Union during such period in a position included under the Plan pursuant to action taken by the Board.
  - (4) A W-2 form or check stub furnished for work performed during the period for any employer known or reputed to have been operating in the pipe trade industry, in the geographical territory to which the Collective Bargaining Agreements are applicable during such period.
  - (5) A statement from the Social Security Administration to the effect that according to its records the Participant was employed during the period by a named employer, which employer was known or reputed to be operating in the pipe trade industry, in the geographical territory to which the Collective Bargaining Agreements are applicable during such period.

Section 6.02. Credit for Periods After June 1, 1963 (Future Service Credit).

- (a) For periods between June 1, 1963 and June 1, 1968 an Active Participant shall receive Future Service Credit for work in Covered Employment according to the following schedule:

<b>Hours Worked in Plan Year</b>	<b>Pension Credit</b>
Less than 300 hours	None
300 to 699	One Quarter
700 to 1099	Two Quarters
1100 to 1499	Three Quarters
1500 and over	One Year

- (b) For the period beginning on June 1, 1968, and ending on May 31, 2006, Future Service Credit for Work in Covered Employment shall be granted to an Active Participant according to the following schedule:

**Hours Worked in Plan Year    Future Service Credit**

Fewer than 300 hours	None
300 to 599	One Quarter
600 to 899	Two Quarters
900 to 1199	Three Quarters
1200 or more	One Credit

- (c) An Active Participant who works outside of this Fund Area and for whom contributions are actually received from a related plan pursuant to reciprocal arrangements, shall receive credit measured in hours determined by deducting from such contributions administrative costs of reciprocity and then dividing the remainder by the then current hourly contribution rate in this Fund Area.

- (d) (1) Hours Bank from June 1, 1996 through May 31, 2006. For Plan Years beginning on or after June 1, 1996, but before June 1, 2006, if an Active Participant works more than 1,200 hours in Covered Employment, then the overage of such hours above 1,200 shall accumulate in an hours bank, provided that the number of hours so accumulated shall not at any time exceed 600. The hours so accumulated shall be transferred, to the extent that such hours allow the Participant to receive additional increments of benefit accrual, to the next Plan Year in which the Participant works fewer than 1,200 hours in Covered Employment. Such transfer of hours shall only be for the purpose of determining Future Service Credit under this Section 6.02, not for the purpose of determining Vesting Service under Section 6.04. Notwithstanding the foregoing, the provisions of this subsection (d) shall not apply to any apprentice participating in the Plan.
- (2) Hours Bank on and after June 1, 2006 and Before June 1, 2014. For Plan Years beginning on or after June 1, 2006 and before June 1, 2014, if an Active Participant works more than 1,600 hours in Covered Employment, then the overage of such hours above 1,600 shall accumulate in an hours bank, together with hours so accumulated under paragraph (d)(1) above, provided that the total number of hours so accumulated shall not at any time exceed 800. The hours so accumulated shall be transferred, to the extent that such hours allow the Participant to receive additional increments of benefit accrual, to the next Plan Year in which the Participant works fewer than 1,600 hours in Covered

Employment. Such transfer of hours shall only be for the purpose of determining Future Service Credit under this Section 6.02, not for the purpose of determining Vesting Service under Section 6.04. Notwithstanding the foregoing, the provisions of this subsection (d) shall not apply to any apprentice participating in the Plan.

- (3) Hours Bank on and after June 1, 2014. Notwithstanding paragraph (2) above, for Plan Years beginning on or after June 1, 2014, if an Active Participant works more than 2,400 hours in Covered Employment, then the overage of such hours above 2,400 shall accumulate in an hours bank, together with hours so accumulated under paragraphs (d)(1) and (d)(2) above, provided that the total number of hours so accumulated shall not at any time exceed 800. The hours so accumulated shall be transferred, to the extent that such hours allow the Participant to receive additional increments of benefit accrual, to the next Plan Year in which the Participant works fewer than 2,400 hours in Covered Employment. Such transfer of hours shall only be for the purpose of determining Future Service Credit under this Section 6.02, not for the purpose of determining Vesting Service under Section 6.04. Notwithstanding the foregoing, the provisions of this subsection (d) shall not apply to any apprentice participating in the Plan, nor shall the provisions of this paragraph (d)(3) apply, prior to June 1, 2015, to a Participant who worked 1,600 or more hours in Covered Employment during the period beginning on June 1, 2014 and ending on December 31, 2014.
- (e) Future Service Credit shall be granted for periods of Qualified Military Service recognized in accordance with Section 1.30 of the Plan, on the basis of the individual's average weekly hours earned under this Plan during the twelve month period immediately preceding the period of Qualified Military Service (or, if shorter, the period of employment immediately preceding the period of Qualified Military Service). Future Service Credit will be pro-rated based on 40 hours if the period of Qualified Military Service is less than a full week. The contributions required to pay for Future Service Pension Credit granted for periods of Qualified Military Service will be allocated from general assets of the Fund, and no individual Employer will be liable to make contributions for such Credit.
- (f) If an Active Participant earns a year of Vesting Service in a Plan Year after June 1, 1976, but works less than 300 hours in Covered Employment, he shall be credited, for the purpose of computing his pension, with a pro-rated portion of a full Pension Credit in the ratio which his hours of Work bear to 2,000 hours (1,600 hours for Plan Years beginning on and after June 1, 2006).
- (g) For the Plan Years beginning on and after June 1, 2006 and before June 1, 2014, Future Service Credit for Work in Covered Employment shall be granted to an Active Participant according to the following schedule:

**Hours Worked in Plan Year    Pension Credit**

Fewer than 400 hours	None
400 to 799	One Quarter
800 to 1199	Two Quarters
1200 to 1599	Three Quarters
1600 or more	One Credit

- (h) Notwithstanding subsection (g) above, for Plan Years beginning on and after June 1, 2014, Future Service Credit for Work in Covered Employment, for purposes of determining the dollar amount of the accrued monthly benefit earned by a Participant during such Plan Years shall be granted to an Active Participant according to the following schedule. During such Plan Years, Future Service Credit for purposes of determining the units credited toward eligibility for retirement benefits under this Plan shall continue to be recognized according to the schedule in subsection (g) above, under which no more than 1.0 Credits may be earned in a given Plan Year.

**Hours Worked in Plan Year    Pension Credit**

159 or fewer hours	None
160 to 319	One Tenth (0.1)
320 to 479	Two Tenths (0.2)
480 to 639	Three Tenths (0.3)
640 to 799	Four Tenths (0.4)
800 to 959	Five Tenths (0.5)
960 to 1119	Six Tenths (0.6)
1120 to 1279	Seven Tenths (0.7)
1280 to 1439	Eight Tenths (0.8)
1440 to 1599	Nine Tenths (0.9)
1600 to 1759	Ten Tenths (1.0)
1760 to 1919	Eleven Tenths (1.1)
1920 to 2079	Twelve Tenths (1.2)
2080 to 2239	Thirteen Tenths (1.3)
2240 to 2399	Fourteen Tenths (1.4)
2400 or more	Fifteen Tenths (1.5)

- (i) Notwithstanding subsections (g) and (h) of this Section, a Participant who worked 2,240 or more but fewer than 2,400 hours of Covered Employment during the June 1, 2014 through May 31, 2015 Plan Year shall be credited with fourteen tenths (1.4) of a Future Service Credit for such Plan Year. Such Future Service Credit shall be recognized for purposes of determining the dollar amount of the accrued monthly benefit earned by a Participant during such Plan Year. However, during such Plan Year, Future Service Credit for purposes of determining the units credited toward eligibility for retirement benefits under this Plan shall continue to be recognized according to the schedule in subsection (g) above, under which no more than 1.0 Credits may be earned in a given Plan Year.

Section 6.03. Credit for Non-Working Periods after January 1, 1967. This section recognizes certain periods when a Participant is not actually at work in Covered Employment because of disability but is to receive Pension Credit just as if he were working in Covered Employment. Effective January 1, 1967, periods of absence from Covered Employment are to be credited as if they were worked in Covered Employment at the rate of 40 hours per week if they were due to disability for which Workmen's Compensation temporary disability benefits were paid, or which constituted a valid waiting period for such benefits. A maximum of 26 weeks of credit may be earned under this provision for any period or periods of disability due to the same or related causes.

In order to secure credit for a period of disability as provided in this Section, a Participant must give written notice of such disability to the Board and must furnish, in writing, such information and proof concerning such disability as the Board may, in its sole discretion, determine. A Participant shall not be granted any disability credit for periods of disability occurring more than one year prior to his filing the

written notice required by this Section, unless the Board finds that there were extenuating circumstances which prevented a timely filing.

Section 6.04. Year of Vesting Service.

- (a) General Rule. An Active Participant shall be credited with one year of Vesting Service for each Plan Year beginning on or after June 1, 1963 in which he completes at least 1,000 Hours of Service. Periods of Qualified Military Service recognized in accordance with Sections 1.30 and 6.02(e) of the Plan shall be taken into account in determining whether a Participant has earned a Year of Vesting Service in a given Plan Year.
- (b) Credit for Non-Working Periods. A Participant shall be entitled to credit toward a year of Vesting Service for certain periods when he is not actually at work but is to receive Vesting Service Credit as though he were working in Covered Employment. Periods of absence from Covered Employment are to be credited at the rate of 40 hours per week if they were due to disability for which Workmen's Compensation temporary disability benefits were paid, or which constituted a valid waiting period for such benefits. A maximum of 26 weeks of credit may be earned under this provision for any period or periods of disability due to the same or related causes.

In order to secure credit for a period of disability as provided hereunder, a Participant must give written notice of such disability to the Board and must furnish, in writing, such information and proof concerning such disability as the Board may, in its sole discretion, determine. A Participant shall not be granted any disability credit for periods of disability occurring more than one year prior to his filing the written notice required by this subsection, unless the Board finds that there were extenuating circumstances which prevented a timely filing.

- (c) Continuous Non-Covered Employment. If a Participant works for an Employer in a job not covered by this Plan and such employment immediately precedes or follows his employment with that Employer in Covered Employment, his hours of Work in such non-covered job after May 31, 1976, shall be counted toward a year of Vesting Service. HOWEVER, NOTWITHSTANDING THE FOREGOING GENERAL RULE, ALL HOURS OF WORK FOR ANY "EMPLOYER" BY INDENTURED APPRENTICES TRAINING TO BECOME BUILDING TRADES JOURNEYMEN FOR EMPLOYMENT IN "COVERED WORK" SHALL BE DEEMED "CONTIGUOUS SERVICE" AND COUNTED FOR VESTING PURPOSES IF IT PRECEDES OR FOLLOWS "COVERED EMPLOYMENT" WITHOUT AN INTERVENING EMPLOYMENT WITH ANY EMPLOYING ENTITY NOT A CONTRIBUTING "EMPLOYER" TO THIS FUND. FOR PURPOSES OF THIS SUBSECTION, "INDENTURED APPRENTICES" MEANS TRADITIONAL BUILDING TRADES APPRENTICES AND NOT SUCH A PERSON AS A "BUILDING TRADES APPRENTICE B" (FORMERLY KNOWN AS A METAL TRADES APPRENTICE) MENTIONED IN THE 1984 SOUTHERN ARIZONA PIPE TRADES AGREEMENT AS AMENDED IN 1985.
- (d) Exceptions. No Participant shall be entitled to credit toward a year of Vesting Service for the following periods:
  - (1) Years preceding a Permanent Break in Covered Employment in accordance with the rules of the Pension Plan as in effect prior to June 1, 1976.

- (2) Years preceding a Permanent Break in Covered Employment as defined in Section 6.06 of the Plan.

Section 6.05. Vesting.

(a) Pre-Normal Retirement Age Vesting.

- (1) The Pension Credit and Vesting Service accumulated pursuant to this Article shall be vested as of the earliest date on which the Participant meets, without an intervening Permanent Break in Covered Employment, one of the following requirements:
  - (A) For an Active Participant, having at least five (5) years of Vesting Service and an Hour of Service on or after June 1, 1999;
  - (B) For an individual who is not an Active Participant, having at least five (5) years of Vesting Service and, on the basis of Hours of Service on and after June 1, 1999, having reestablished Active Participant status in accordance with Article II of the Plan;
  - (C) For a Non-Bargained Participant, having at least five (5) years of Vesting Service and an Hour of Service on or after June 1, 1989;
  - (D) Beginning June 1, 1963, having at least ten (10) years of Pension Credit; or
  - (E) Beginning June 1, 1976, having at least ten (10) years of Vesting Service.
- (2) Pension Credit and Vesting Service, once vested, shall be held indefinitely, and a Vested Participant shall have a right, upon making application in accordance with these Rules, to a Pension commencing at the permitted retirement age, even if he leaves Covered Employment or earns no additional credits. Notwithstanding anything to the contrary in this Article, where a Participant or former Employee has suffered a Permanent Break in Covered Employment pursuant to the Rules in effect prior to June 1, 1976, credit for vesting purposes under this Section shall be granted only for those years of Pension Credit and Vesting Service earned after the Permanent Break.

- (b) Special Normal Retirement Age Vesting. Beginning June 1, 1976, Future Service Credit accumulated pursuant to this Article and not cancelled by a Permanent Break in Covered Employment is deemed to be vested and non-forfeitable if a Participant has attained Normal Retirement Age as defined in Section 1.10 of the Plan.

Section 6.06. Breaks in Covered Employment and Cancellation of Pension Credit and Vesting Service. The Permanent Break in Covered Employment rules do not apply to a Pensioner or to a Vested Participant.

(a) One-Year Break in Covered Employment After May 31, 1976.

- (1) An individual shall incur a One-Year Break in Covered Employment in any Plan Year beginning on or after June 1, 1976 in which he fails to complete at least 300 Hours of Service. Periods of Qualified Military Service recognized in accordance with Sections 1.30 and 6.02(e) of the Plan shall be taken into account in determining whether a Participant has incurred a One Year Break in Covered Employment in a given Plan Year..

- (2) Time of employment with an Employer in non-covered employment after May 31, 1976, if creditable under Section 6.04(c), shall be counted as if it were Covered Employment in determining whether a Break in Covered Employment has been incurred.
  - (3) For Plan Years beginning on or after June 1, 1986, Hours of Service for purposes of this Section 6.06(a) only, shall include hours during which the Participant was absent from Covered Employment on account of parental leave, up to a maximum of 300 such hours in the Plan Year of such absence. If the Participant already has 300 or more Hours of Service in such Plan Year, the credit will be given for the immediately following Plan Year. A Participant shall be deemed to be on parental leave if the Participant is absent from Covered Employment by reason of the pregnancy of the Participant, by reason of the birth of a child of the Participant, by reason of the placement of a child in connection with the adoption of a child of the Participant, or for purposes of caring for a child of the Participant during the period immediately following the birth or placement for adoption, including time involved for a trial period prior to adoption.
  - (4) Pension Credit and Vesting Service earned prior to a One-Year Break in Covered Employment shall be disregarded for purposes of determining whether an individual has attained vested status under Section 6.05(a)(1)(B) of the Plan. However, if such individual, subsequent to incurring one or more One-Year Breaks in Covered Employment, but prior to incurring a Permanent Break in Covered Employment, restores his status as an Active Participant in accordance with Article II, then the effect of such One-Year Break or Breaks under this paragraph (4) shall be eliminated and Pension Credit and Vesting Service earned prior to such One-Year Break or Breaks shall be taken into account for purposes of determining whether the individual has attained vested status under Section 6.05(a)(1)(B) of the Plan. Notwithstanding the foregoing, nothing in this paragraph (4) shall alter the effect of a Permanent Break in Covered Employment or the effect of a Separation from Covered Employment.
- (b) Permanent Break in Covered Employment.
- (1) On and After June 1, 1986.
    - (A) An individual shall have incurred a Permanent Break in Covered Employment if he has incurred a number of consecutive One-Year Breaks in Covered Employment that is at least five (5), and that equals or exceeds the greater of the number of full years of Pension Credit or the number of years of Vesting Service which he had previously accumulated. A succession of one or more consecutive One-Year Breaks in Covered Employment shall be ended by a Plan Year in which an individual has at least 300 Hours of Service. If an individual incurs a Permanent Break in Covered Employment, then his previously accumulated Pension Credit and years of Vesting Service are cancelled.
    - (B) Notwithstanding (A) above, if an individual who has incurred a Permanent Break in Covered Employment returns to Covered Employment on or after June 1, 1996, but not later than June 1, 2000, and earns five (5) full years of Future Service Credit in a period of seven (7) Plan Years, then his prior Permanent Break (or Breaks) shall be waived, and all Pension Credits and years of Vesting Service canceled as a consequence of such Permanent Break (or Breaks) shall be restored, provided that at no time after the first date on which the individual

returned to Covered Employment shall the participant have engaged in any kind of activity or work in Arizona or elsewhere, whether for profit, wages or any other reason, for a non-contributing employer in work covered under the collective bargaining agreement or work in the “plumbing and pipe fitting industry,” as that term is defined in Sec. 8.07.

- (2) On and After June 1, 1980 but Prior to June 1, 1986. An individual shall have incurred a Permanent Break in Covered Employment if the number of his consecutive One-Year Breaks in Service, without an intervening year of Vesting Service or a year in which he earned at least one quarter Pension Credit, equals or exceeds the greater number of full years of Pension Credit or Vesting Service which he had previously accumulated. An individual incurring a Permanent Break shall have his previously accumulated Pension Credit and Vesting Service cancelled and his status as a Participant is cancelled.
  - (3) On and After June 1, 1976 but Prior to June 1, 1980. An individual shall have incurred a Permanent Break in Covered Employment if he has at least five consecutive One-Year Breaks, and the number of such consecutive One-Year Breaks, without an intervening year of Vesting Service or a year in which he earned at least one quarter Pension Credit, equals or exceeds the greater number of full years of Pension Credit or Vesting Service which he had previously accumulated. An individual incurring a Permanent Break shall have his previously accumulated Pension Credit and Vesting Service cancelled and his status as a Participant is cancelled.
  - (4) Prior to June 1, 1976. Between June 1, 1963 and May 31, 1976, an Employee shall have incurred a Permanent Break in Covered Employment and his previously accumulated Pension Credit and accrued benefits cancelled if he failed to earn at least one-quarter of Future Service Credit in five consecutive Plan Years. As to those employees who prior to January 17, 1974 were denied pension benefits due to the two-year break-in-employment rule then in effect, pension benefits shall be payable the first of the month following the date of re-application filed after March 1, 1974.
- (c) Grace Periods. Notwithstanding (a) and (b) above, a Participant may be allowed grace periods under certain circumstances. Grace periods are not Pension Credit for the Participant; instead, they are periods which are to be disregarded in determining whether a Permanent Break in Covered Employment has been incurred.
- (1) Grace Period on Account of Disability. A Participant shall be allowed a grace period of up to three consecutive Plan Years (up to five consecutive Plan Years for Annuity Starting Dates on and after June 1, 2017) if his failure to earn Future Service Credit was due to disability. Disability for the purpose of this Section 6.06(c)(1) is to be determined to the satisfaction of the Board of Trustees. In order to secure the benefits of this grace period a Participant must give written notice to the Board and must present such written evidence and/or submit to such examinations as the Board may deem necessary. A Participant shall not be granted any such grace period for periods which commenced more than one year prior to his filing such written notice, unless the Board finds that there were extenuating circumstances which prevented a timely filing.



- (2) Grace Period on Account of Service in the Armed Forces. A Participant whose failure to earn Future Service Credit is due to service in the Armed Forces of the United States shall be allowed a grace period for the period that he retains reemployment rights under Federal law, provided he makes himself available for Covered Employment within 90 days after release from active duty, or within 90 days after recovery from a disability continuing after his release from active duty. In order to secure a grace period for service in the Armed Forces of the United States, the Participant must give written notice to the Board of his availability for Covered Employment and must furnish, in writing, such information and proof concerning such service as the Board may deem necessary. A Participant must file such written notice and proof within 90 days after release from active duty or 90 days after recovery from a disability continuing after his release from active duty, unless the Board finds that there were extenuating circumstances which prevented a timely filing.

**ARTICLE VII**  
**OPTIONAL FORM OF PENSION**

Section 7.01. Joint and Survivor Option. Instead of the pension otherwise payable to him, a Participant who (1) is not subject to the Husband and Wife Pension or has rejected the Husband and Wife Pension in accordance with Section 4.07(c) of the Plan, and (2) is entitled to a Regular Pension, Service Pension, or Early Retirement Pension, may elect to receive payment in the form of a Joint and Survivor Option, under which he will receive a lower monthly amount, but with 100%, 66 2/3% or 50% of that lower amount (whichever the Participant elects) continuing after his death for the lifetime of a Co-annuitant named by him. In no event shall the Joint and Survivor Option be effective if the actuarial value of the benefit payable to the Co-annuitant is greater than the actuarial value of the reduced benefit payable to the Participant. If an eligible applicant who has elected the Joint and Survivor Option dies during the month immediately preceding the month in which his Annuity Starting Date would have occurred, then such death shall be deemed to be a post-retirement death; accordingly, the named Co-Annuitant shall receive the applicable survivor annuity under the 50%, 66-2/3%, or 100% Joint and Survivor Option, whichever was elected, and no benefits shall be payable under Section 5.01 of the Plan. For pensions that are paid in the form of a Joint and Survivor Option and that have an Annuity Starting Date on or after June 1, 2001, if the Co-Annuitant predeceases (or has predeceased) the Pensioner, then, effective on the first day of the month immediately following the month in which the Co-Annuitant died, the monthly amount payable to the Pensioner shall be increased so as to equal the monthly benefit that would have been payable if the pension had been payable in the form of a single life annuity with a 36-month certain period (or, for Annuity Starting Dates on and after June 1, 2016, in the form of a single life annuity with a 60-month certain period).

- (a) For pensions with an Annuity Starting Date prior to June 1, 2001, election of the Joint and Survivor Option shall be subject to the following:
  - (1) The Option shall take effect with the first pension payment, provided that a Participant naming a non-spouse Co-annuitant (or a Co-annuitant to whom the Participant has not been married throughout the 12 month period preceding the Annuity Starting Date) must file with the Trustees a written election of the Option at least 12 months before the Pensioner's Annuity Starting Date.
  - (2) If written election of the Option was filed fewer than 12 months prior to the Annuity Starting Date, and the Participant has designated a non-spouse Co-annuitant (or a Co-annuitant to whom the Participant has not been married throughout the 12 month period preceding the Annuity Starting Date), then the Option shall not take effect until 12 months have elapsed after such filing, and the Option shall then be effective with respect to all subsequent months.
  - (3) Unless and until the option takes effect, the benefit shall be payable in the regular form only, as if the option had not been elected, and benefits so paid shall not be retroactively adjusted when the option is put into effect.
- (b) Revocation of the Joint and Survivor Option must be in writing in a form prescribed by the Trustees and filed with the Trustees before the end of the first calendar month for which a pension benefit will be paid to the Pensioner. In addition, for pensions with an Annuity Starting Date prior to June 1, 2001, the Joint and Survivor Option may not be revoked except under the following conditions:

- (1) If the Participant has designated a non-spouse Co-annuitant (or a Co-annuitant to whom the Participant has not been married throughout the 12 month period preceding the Annuity Starting Date), then revocation of the Option shall not become effective until 12 months after such revocation has been filed, and until then any benefits payable shall be paid in the amount determined under the Option, without retroactive adjustment of such payments once revocation takes effect.
  - (2) The option shall automatically be revoked if the Co-annuitant dies before a pension in the optional form has become effective. In such event, the Participant may continue the option if, within 90 days of such an event, he makes a choice of another Co-annuitant and communicates it to the Trustees in writing.
- (c) When a Joint and Survivor Option becomes effective, the amount of the Participant's monthly pension will be reduced in accordance with the following:
- (1) 50% Joint and Survivor Option. If the Joint and Survivor Option elected provides for a 50% continuation to the Co-annuitant, the pension amount shall be adjusted by multiplying it by the following percentage: 88.0 percent minus .4 percentage points for each year the Co-annuitant's age is less than the Participant's age or plus .4 percentage points for each year the Co-annuitant's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent. Notwithstanding the foregoing, for Annuity Starting Dates on and after June 1, 2016, if payment of a pension is to be made in the form of a 50% Joint and Survivor Pension, then the pension amount shall be adjusted by multiplying it by the following percentage: 89.0 percent minus .4 percentage points for each year by which the Co-annuitant's age is less than the Participant's age or plus .4 percentage points for each year by which the Co-annuitant's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent.
  - (2) 66 2/3% Joint and Survivor Option. If the Joint and Survivor Option elected provides for a 66 2/3% continuation to the Co-annuitant, the pension amount shall be adjusted by multiplying it by the following percentage: 85.0 percent minus .5 percentage points for each year the Co-annuitant's age is less than the Participant's age or plus .5 percentage points for each year the Co-annuitant's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent. Notwithstanding the foregoing, for Annuity Starting Dates on and after June 1, 2016, if payment of a pension is to be made in the form of a 66 2/3% Joint and Survivor Pension, then the pension amount shall be adjusted by multiplying it by the following percentage: 86.0 percent minus .5 percentage points for each year by which the Co-annuitant's age is less than the Participant's age or plus .5 percentage points for each year by which the Co-annuitant's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent.
  - (3) 100% Joint and Survivor Option. If the Joint and Survivor Option elected provides for a 100% continuation to the Co-annuitant, the pension amount shall be adjusted by multiplying it by the following percentage: 79.0 percent minus .6 percentage points for each year the Co-annuitant's age is less than the Participant's age or plus .6 percentage points for each year the Co-annuitant's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent. Notwithstanding the foregoing, for Annuity Starting Dates on and after June 1, 2016, if

payment of a pension is to be made in the form of a 100% Joint and Survivor Pension, then the pension amount shall be adjusted by multiplying it by the following percentage: 80.0 percent minus .7 percentage points for each year by which the Co-annuitant's age is less than the Participant's age or plus .7 percentage points for each year by which the Co-annuitant's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent.

- (d) The Joint and Survivor Option shall not be payable if it would result in a monthly benefit of less than \$20 to the Pensioner or to the Co-annuitant.

Section 7.02. Qualified Optional 75% Joint and Survivor Annuity.

- (a) For Annuity Starting Dates on and after June 1, 2009, instead of the pension otherwise payable to him, a Participant who is not subject to the Husband and Wife Pension, or has rejected the Husband and Wife Pension in accordance with Section 4.07(c) of the Plan, may elect to receive payment in the form of a Qualified Optional 75% Joint and Survivor Annuity, under which he will receive a lower monthly amount, but with 75% of that lower amount continuing after his death for the lifetime of a co-annuitant named by him. The availability of the Qualified Optional 75% Joint and Survivor Annuity with a non-spouse co-annuitant is subject to the limitations of section 401(a)(9) of the Internal Revenue Code and the related Treasury Regulations.
- (b) When a Qualified Optional 75% Joint and Survivor Annuity becomes effective, the amount of the Participant's Pension otherwise payable will be reduced in accordance with the following:
  - (1) Non-Disability Pensions. The Pension amount otherwise payable shall be adjusted by multiplying it by the following percentage: 84.0 percent minus 0.5 of a percentage point for each year by which the surviving co-annuitant's age is less than the Participant's age or plus 0.5 of a percentage point for each year by which the surviving Co-Annuitant's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent. Notwithstanding the foregoing, for Annuity Starting Dates on and after June 1, 2016, if payment of a pension other than a Disability Pension is to be made in the form of a Qualified Optional 75% Joint and Survivor Annuity, then the pension amount shall be adjusted by multiplying it by the following percentage: 85.0 percent minus .6 percentage points for each year by which the Co-annuitant's age is less than the Participant's age or plus .6 percentage points for each year by which the Co-annuitant's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent.
  - (2) Disability Pensions. The Pension amount otherwise payable shall be adjusted by multiplying it by the following percentage: 70.0 percent minus 0.5 of a percentage point for each year by which the surviving co-annuitant's age is less than the Participant's age or plus 0.5 of a percentage point for each year by which the surviving co-annuitant's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent. Notwithstanding the foregoing, for Annuity Starting Dates on and after June 1, 2016, if payment of a Disability Pension is to be made in the form of a Qualified Optional 75% Joint and Survivor Annuity, then the pension amount shall be adjusted by multiplying it by the following percentage: 73.0 percent minus .5 percentage points for each year by which the Co-annuitant's age is less than the Participant's age or plus .5 percentage points for each year by which the Co-annuitant's age is greater than the Participant's age; provided, however, that in no

event shall the resulting percentage be greater than 100.0 percent. For all Annuity Starting Dates, if the Participant is younger than age 55 on the Annuity Starting Date of his Disability Pension, then an additional 0.5 of a percentage point for each year by which the Participant is younger than age 55 shall be added to the percentage determined above, provided that in no event shall the resulting percentage be greater than 100.0%.

- (c) Pop-Up. If payment has commenced in the form of a Qualified Optional 75% Joint and Survivor Annuity and the designated co-annuitant predeceases the Participant, the monthly amount payable to the Participant shall be increased so as to equal the Participant's benefit payable in the form of a single life annuity with a 36-month certain period (or, for Annuity Starting Dates on and after June 1, 2016, in the form of a single life annuity with a 60-month certain period), which is the normal form of payment for Participants who are not married when they retire.
- (d) Retirement Before Age 55. If a pension is paid in the form of the Qualified Optional 75% Joint and Survivor Annuity to a Disability Pensioner, and the Disability Pensioner's death occurs prior to age 55, then the survivor annuity to the co-annuitant shall commence as of the later of (a) the first day of the month following the death of the Participant or (b) the first day of the month following the date on which the Participant would have attained age 55 had he lived.

## **ARTICLE VIII**

### **APPLICATION, BENEFIT PAYMENTS AND RETIREMENT**

Section 8.01. Application for and Commencement of Benefits. An application for a pension shall be made in writing on a form and in the manner prescribed by the Board of Trustees, and shall contain such information as the Trustees may deem necessary. Such application shall be a condition for payment of a pension and must be filed with the Board prior to the first month for which benefits are payable.

Section 8.02. Information and Proof. Every Participant shall furnish, at the request of the Trustees, any information or proof reasonably required to determine his benefit rights. If a person willfully makes a false statement material to an application or furnishes fraudulent information or proof, or fails to provide the notifications required, benefits under this Plan may be denied, suspended, or discontinued. The Trustees shall have the right to recover (by recoupment, offset or other lawful means) any benefit payments made in reliance on any false or fraudulent statement, information or proof submitted by a Participant or Pensioner prior to the receipt of the required notifications.

Section 8.03. Action of Trustees. The Trustees shall, when exercising discretionary powers, exercise such powers in a uniform and non-discriminatory manner, and be the sole judge of the standard of proof required in any case and the application and interpretation of this Plan, and decisions of the Trustees shall be final and binding on all parties.

Section 8.04. Claims and Appeals. The Trustees shall establish and make available to Participants and Beneficiaries rules and procedures for the filing of benefit claims and the review of denied claims. Such rules and procedures shall comply with ERISA and regulations promulgated thereunder.

All benefits will be paid upon receipt of written proof, satisfactory to the Trustees, covering the occurrence, character, and extent of the event for which the claim is made and subject to the provisions of this Plan. A claim for benefits does not include a casual inquiry.

Each Participant or Beneficiary whose claim for benefits under the Plan has been denied shall be provided adequate notice in writing setting forth the specific reasons for such denial, written in a manner calculated to be understood by the Participant or Beneficiary. A Participant or Beneficiary aggrieved by such decision may request review.

Claims may not be split and filed under several requests. If the Participant or Beneficiary has an issue, the full basis for such issue, together with all the relief requested, shall be set forth in the request. A Participant or Beneficiary may not file separate requests for benefits each month the benefits are alleged to be in arrears. This section applies to and includes any and every claim to benefits from the Plan regardless of the basis asserted for the claim and regardless of when the act or omission upon which the claim is based occurred.

A failure to file timely a request for review shall not preclude the Participant or Beneficiary from establishing entitlement at a later date based on additional information and evidence which was not available at the time the decision was made; provided, however, a subsequent request is not a means to reconsider and re-argue matters already reviewed, and such subsequent request may be dismissed without action if the Trustees conclude that it sets forth no newly discovered information or evidence.

A decision on a request for review shall be final and binding upon all parties concerned, except that a Participant or Beneficiary may pursue such remedies provided, if any, under the Internal Revenue Code and ERISA.

Section 8.05. Benefit Payments Generally.

- (a) Commencement of Benefits. A Participant who is eligible to receive benefits under this Plan and makes application in accordance with the rules of this Pension Plan shall be entitled upon retirement to receive the monthly benefits provided for the remainder of his life, subject to the provisions of this Plan. Benefit payments shall be payable commencing with the first day of the month following the month in which the Participant has fulfilled all the conditions of entitlement to benefits, including the filing of an application. However, in no event, unless the Participant elects otherwise, shall the payment of benefits begin later than the 60th day after the later of the close of the Plan Year in which:

- (1) the Participant attains Normal Retirement Age; or
- (2) the Participant terminates his Covered Employment and retires as that term is defined in Section 8.07,

provided, however, that no such election may postpone the commencement of benefits to a date later than the Required Beginning Date.

Except as provided in accordance with a Husband and Wife Pension or the Joint and Survivor Option, pension payments shall end with the payment for the month in which the death of the Pensioner occurs, or, if applicable, upon the completion guaranteed payments under Section 5.01 of the Plan.

- (b) Required Beginning Date.

- (1) A Participant's Required Beginning Date is April 1 of the calendar year following the calendar year in which the Participant reaches 70½.
- (2) Notwithstanding (1) above, for a Participant (other than a 5% owner) who reaches 70½ before 1988, the Required Beginning Date is April 1 of the calendar year following the calendar year in which the Participant ceases work in Covered Employment if that is later.
- (3) Notwithstanding (1) above, for a Participant who reaches 70½ on or after January 1, 2001, other than a 5% owner, the Required Beginning Date is April 1 of the calendar year following the later of:
  - (A) the calendar year in which he or she attains age 70½; or
  - (B) the calendar year in which he or she retires. For this purpose, a participant shall be deemed retired upon having one calendar month with no hours worked in Covered Employment.

(c) Delayed Retirement.

- (1) If the Annuity Starting Date is after the Participant's Normal Retirement Age, but not later than April 1 following the calendar year in which the Participant attained age 70½, then the monthly benefit shall be the greater of:
  - (A) the total Pension Credit accrued at his Annuity Starting Date, multiplied by the applicable amounts in Section 3.03; or
  - (B) the accrued benefit at Normal Retirement Age actuarially increased for each complete calendar month for which benefits were not suspended during the period beginning at Normal Retirement Age, and ending on the earlier of the last day of the month immediately preceding the Annuity Starting Date, or March 31 of the calendar year following the calendar year in which the Participant attained age 70½;

converted as of the Annuity Starting Date to the benefit payment form elected in the pension application or to the automatic form of Husband-and-Wife Pension if no other form is elected. The actuarial increase described in subparagraph (B) shall, to the extent applicable, be 1% per month for the first 60 calendar months after Normal Retirement Age and 1.5% per month for each month thereafter.

- (d) If the Annuity Starting Date is after the April 1 following the calendar year in which the Participant attained age 70½, then the monthly benefit shall be determined as follows:
  - (1) The first step shall be to determine, in accordance with subsection (a) above, the monthly benefit (without adjustment for form of payment) that would have been payable as of the April 1 following the calendar year in which the Participant attained age 70½.
  - (2) The second step shall be to redetermine, as of each Redetermination Date, the monthly amount determined in (1) above. The initial Redetermination Date shall be the December 31 of the Plan Year which includes the April 1 following the calendar year in which the Participant attained age 70½. The subsequent Redetermination Dates shall be each December 31 which follows such April 1 but precedes the Annuity Starting Date, provided that the final Redetermination Date shall be the last day of the month immediately preceding the month which includes the Annuity Starting Date. The redetermined amount for any given Redetermination Date shall be the greater of:
    - (A) the monthly benefit to which the Participant was entitled as of the preceding Redetermination Date (or, with respect to the initial Redetermination Date, the monthly benefit to which the Participant was entitled as of the April 1 following the calendar year in which the Participant attained age 70½), plus the monthly benefit attributable to accruals earned between such preceding Redetermination Date (or, if applicable, such April 1) and the Redetermination Date for which the benefit is being calculated; or
    - (B) the monthly benefit to which the Participant was entitled as of the preceding Redetermination Date (or, with respect to the initial Redetermination Date, the monthly benefit to which the Participant was entitled as of the April 1 following the



calendar year in which the Participant attained age 70½), increased by 1.5% for each month between such preceding Redetermination Date (or, if applicable, such April 1) and the Redetermination Date for which the benefit is being calculated.

- (3) The third and final step shall be to take the monthly amount to which the Participant is entitled as of the final Redetermination Date and convert it, as of the Annuity Starting Date, to the benefit payment form elected in the pension application, or to the automatic form of Husband-and-Wife Pension if no other form is elected.
- (e) Payment of Benefits Accrued After Retirement.
- (1) Any additional benefits earned by a Pensioner in Covered Employment after Retirement shall be determined at the end of each Plan Year and will be payable as of the July 1 next following the end of the Plan Year in which it accrued, provided payment of benefits at that time is not suspended pursuant to Section 8.08.
  - (2) In the case of a Participant who retired at or after Normal Retirement Age who is reemployed and earns additional benefits, the original Annuity Starting Date and the benefit payment elections made at that time shall apply when benefit payments begin again at a later date.
  - (3) In the case of a Participant who retired at any age and had benefit payments suspended on account of work in covered or covered-type employment, the original Annuity Starting Date and the benefit payment elections made at that time shall apply to benefits accrued prior to the original Annuity Starting Date when benefit payments begin again at a later date.
  - (4) In the case of a Participant 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 Participant's renewed employment after early retirement) when the Participant again retires. The benefits earned during that period of reemployment will be paid in the applicable form based on the Participant's marital status on the new Annuity Starting Date.
- (f) If the present value of a Participant's vested accrued benefit exceeds \$5,000.00, and the accrued benefit is immediately distributable, then no distribution of such accrued benefit shall be made without the consent of the Participant and, if any, the Participant's Spouse (or, where either the Participant or the Spouse has died, the survivor). An accrued benefit is immediately distributable if any part of the accrued benefit could be distributed to the Participant (or surviving Spouse) before the Participant attains (or would have attained if not deceased) Normal Retirement Age.
- (g) Unless otherwise provided by the Plan, the form of payment shall not be changed once the Annuity Starting Date has been established and payment has commenced.

Section 8.06. Duplication of Pensions. A Pensioner shall not be entitled to the payment under this Plan of more than one type of pension at any one time.

#### Section 8.07. Retirement.

- (a) Before Normal Retirement Age. Subject to (d) below, to be considered retired and entitled to a pension under this Plan before he has attained Normal Retirement Age, a person must completely withdraw from and refrain from any kind of activity or work in Arizona or elsewhere, whether for profit, wages or any other reason, in the plumbing and pipefitting industry. The term “plumbing and pipefitting industry” means business activities of the types engaged in by any of the Employers maintaining the Plan. By way of example, work in the “plumbing and pipefitting industry” includes, but is not limited to plumbing, pipefitting, steamfitting, refrigeration, refrigeration service, computer assisted drawings (CAD), and welding. An individual who becomes employed with, or otherwise active on behalf of, an employer engaged in any such types of business activities, regardless whether the employer contributes to the Plan, or he becomes engaged in such activities on a self-employed basis, shall be considered active or working in the “plumbing and pipefitting industry.”

Further, except as provided at subparagraph (d), such a person employed in Arizona, other than in the plumbing and pipefitting industry, must refrain from any work of the types covered by the Collective Bargaining Agreement wherever such employment or activity may be performed, provided, however, that this restriction shall not apply to persons working as public employees for cities, towns, public schools, or agencies of the states, counties or federal government; nor shall it be deemed applicable to work of such types where performed for such other non-public employers (for example, industrial plants, commercial buildings, hotels, motels, and hospitals) if done merely as part of routine operational repair and maintenance — as opposed, for example, to plant or equipment or building modification, retrofit or major overhaul, or to new construction. Also beginning June 1, 2002, and subject to annual review by the Board of Trustees, this restriction shall not apply to persons working as part-time instructors for the apprenticeship committees affiliated with Plumbers and Pipefitters Locals 469 and 741. The intent of this paragraph is to protect the contributing Employers’ customary contracting and subcontracting opportunities — and hence the contribution base — from being lessened by retirees making available to such other employers their plumbing, pipefitting, and refrigeration skills to do work often contracted out to the plumbing and pipefitting industries. It is also the intent of this paragraph to ensure that qualified instructors are available to train new apprentices in the plumbing and pipefitting industry in order to enhance work opportunities for participants and to increase the contribution base.

- (b) After Normal Retirement Age but Before Required Beginning Date. Subject to (d) below, to be considered retired and entitled to a pension under this Plan after he has attained Normal Retirement Age but has not yet reached Required Beginning Date, a person must withdraw from and refrain from employment for wages or profit in excess of 40 hours in a calendar month, including hours paid but not worked, in the same industry, in the same trade or craft, and in the same geographic area covered by the Plan. For the purposes of this subsection:
- (1) The term “industry” means the business activities of the types engaged in by any of the Employers maintaining the Plan at the time of the commencement of pension benefits to the Retired Participant. If he becomes employed with an employer engaged in such types of business activities, regardless whether the employer contributes to the Plan, or if he becomes engaged in such activities on a self-employed basis, he shall be considered employed in the “same industry.”

- (2) The “same trade or craft” means an occupation in which the Participant was employed at any time under the coverage of the Plan, any occupation utilizing the same skill(s), and any self-employment or supervisory employment related to the same skill(s) as were involved in such occupation(s).
- (3) The “same geographic area” means the State of Arizona.
- (c) No Suspension After Applicable April 1 Date. Notwithstanding (a) and (b) above, benefits shall not be suspended under this Article for any months beginning on or after April 1 of the calendar year following the calendar year in which a Participant attained age 70½.
- (d) Exceptions.
  - (1) Notwithstanding (a) and (b) of this Section 8.07, a Pensioner who, on or after November 1, 1977, returns to employment under the Collective Bargaining Agreement shall not be subject to a suspension of benefits until he has earned in excess of the Maximum Annual Earnings, in any one calendar year.
  - (2) Notwithstanding (a) and (b) of this Section 8.07, a Pensioner who, on or after September 1, 2000, returns to employment with a contributing employer as an officer, manager or member of a corporation or limited liability company that is required under the terms of a collective bargaining agreement to contribute to the Arizona Pipe Trades Pension Trust Fund, shall not be subject to a suspension of benefits until he has earned in excess of the Maximum Annual Earnings in any one calendar year.
  - (3) A Pensioner who earns in excess of the Maximum Annual Earnings in a calendar year shall not be entitled to benefits for the month in which his earnings for the year exceeded said amount and for each calendar month that he thereafter continues to work, provided that in any such month his employment was also prohibited employment for a Pensioner under the standard set forth in (a) or (b) of this Section 8.07, as applicable.
  - (4) For Pensioners age 65 and older, the term “Maximum Annual Earnings” means an unlimited dollar amount if earned while working in Covered Employment. With respect to Pensioners younger than 65, the term “Maximum Annual Earnings” means a dollar amount, if earned while working in Covered Employment, that is established from time to time by the Board of Trustees. For calendar years beginning on or after January 1, 2000, the Maximum Annual Earnings for Pensioners aged at least 55 but younger than 65 is \$17,500.00. For calendar years beginning on or after January 1, 2011, the Maximum Annual Earnings for Pensioners younger than 65 is \$17,500.00. For calendar years beginning on or after January 1, 2015, the Maximum Annual Earnings for Pensioners younger than 65 is \$25,000.00.
  - (5) Effective January 1, 2003, an individual who is employed outside the state of Arizona for an employer who contributes to a related pension plan, and whose contributions are reciprocated to this Plan, shall not be subject to the Maximum Annual Earnings, as provided by paragraph (4) above.
  - (6) Effective June 1, 2007, an individual who works outside the state of Arizona for an employer obligated to contribute to a pension plan sponsored by the United Association

of Plumbers and Pipefitters of the United States and Canada or any of its affiliated Local Unions shall not be subject to the earnings limitation.

- (7) Moratorium. Notwithstanding the other provisions of this subsection (d), during the period beginning on June 1, 2006 and ending on December 31, 2006, the “Maximum Annual Earnings” shall not be imposed, and, during that period, a Pensioner who engages in Covered Employment under the Collective Bargaining Agreement shall not be subject to a suspension of benefits, provided the Pensioner refrains from other employment that is outside the scope of the exception provided by this subsection (d) and would be prohibited employment for a Pensioner under subsection (a) or (b) above, as applicable. Effective January 1, 2007, the exceptions, as provided by paragraphs (1) and (2) of this subsection (d), to the suspension rules that are otherwise in effect under the Plan, shall again be subject to the “Maximum Annual Earnings” as set forth in paragraph (4) of this subsection (d).

- (8) Earnings Limit for Special Classifications of Post-Retirement Employment.

- (A) Generally. Notwithstanding the other provisions of this Section 8.07, a Pensioner who returns to work with a contributing employer in one of the special classifications of post-retirement employment listed in subparagraph (C) below, provided such return to work begins on or after the applicable effective date as provided by subparagraph (C) below, shall not be subject to a suspension of benefits until he has exceeded the permitted annual earnings limit for such special classifications, as set forth in subparagraph (B) below.
- (B) Annual Earnings Limit for Special Classifications. For calendar years beginning on and after January 1, 2003, but prior to January 1, 2006, the annual earnings limit for special classifications of post-retirement employment is \$55,000 in any one calendar year. For calendar years beginning on and after January 1, 2006 but prior to January 1, 2008, this limit on earnings is increased to \$65,000. For calendar years beginning on and after January 1, 2008, this limit on earnings is increased to \$70,000. Effective December 1, 2009, this calendar year limit on earnings is increased to \$75,000. For calendar years beginning on or after January 1, 2015, this limit on earnings is increased to \$90,000.00.
- (C) Special Classifications Defined. The Employer must pay hourly contributions to all of the Arizona Pipe Trades Trust Funds (pension, defined contribution, health & welfare, apprenticeship, and PIPE) on his behalf as a non bargaining unit employee at non-bargaining unit rates (172 hours per month for the full calendar year unless the employee terminates his employment and is not re-employed by the same employer for a period of 12 months).

The special classifications of post-retirement employment shall include the following employment, provided the Employer has agreed to make contributions as described in the preceding paragraph:

- (1) effective January 1, 2003, employment as a project manager, area manager, estimator, inspector, quality control employee, or similar type of employee not working within the bargaining unit; and

- (2) effective January 1, 2007, employment as a full time Training Director or Apprentice Coordinator for the Phoenix or Tucson Pipe Joint Apprenticeship and Training Fund and/or the Arizona Pipe Trades Joint Apprenticeship Trust, or as a full time employee of the Tucson, Phoenix and/or Arizona Piping Industry Progress and Education Fund ("PIPE"); and
- (3) effective January 1, 2008, employment as a full-time corporate officer not working within the bargaining unit, or as a full-time working member of a limited liability company not working within the bargaining unit.

Section 8.08. Suspension of Benefits.

- (a) Before Normal Retirement Age. If a Pensioner who is younger than Normal Retirement age subsequently becomes employed in work of the type described in Section 8.07(a), then his pension payments shall be suspended for any calendar month in which he is so employed, and for an additional six (6) calendar months after ceasing such employment, but not beyond Normal Retirement Age. After that period, his pension shall again become payable, subject to Sections 8.07(b) and (c). This subsection (a) shall not apply to a Pensioner who returns to Covered Employment during an applicable Suspension Moratorium Period, as defined by subsection (i) of this Section 8.08, provided such Pensioner refrains from employment that would otherwise be suspendible.
- (b) After Normal Retirement Age but Before Required Beginning Date. If a Participant who has attained Normal Retirement Age subsequently becomes employed in work of the type and for the duration set forth in Section 8.07(b), then, in addition to the other remedies available to the Board, his pension payments shall be suspended for any calendar month in which he is so employed. After that period, his pension shall again become payable. This subsection (b) shall not apply to a Pensioner who returns to Covered Employment during an applicable Suspension Moratorium Period, as defined by subsection (i) of this Section 8.08, provided such Pensioner refrains from employment that would otherwise be suspendible.
- (c) Notice of Return to or Cessation of Prohibited Employment. If a Participant becomes employed in work of the type described in either Section 8.07(a) or (b), then he must notify the Trustees, in writing, within 21 days following the commencement of such employment. If a Participant who has not attained Normal Retirement Age fails to give such written notice within such 21-day period, then his pension shall be suspended for an additional period of six months over and above the suspension period specified in (a) above, but not beyond Normal Retirement Age. If a Participant who has attained Normal Retirement Age but not Required Beginning Date fails to give such written notice within such 21-day period and the Board becomes aware that he may be employed in work of the type described in Section 8.07(b), then unless and until the Participant provides credible evidence to the contrary, the Trustees shall presume that he was employed in excess of 40 hours for that month, and, if such employment is at a construction site, that he was employed for as long as the employer for whom he is employed has been engaged at that site. A Participant whose pension has been suspended shall advise the Trustees in writing when disqualifying employment has ended. Benefit payments shall be suspended until such notice is filed with the Trustees.
- (d) Certification. A Participant shall provide the Trustees with such information as they may request in order to establish the nature and extent of any employment by the Participant after the date of

commencement of his benefits. In addition, at least once each year a Pensioner shall be required to certify on a form acceptable to the Trustees that he is retired within the meaning of the Plan. Any pension payments otherwise due shall be withheld pending adequate response by the Pensioner to the informational and /or certification requests.

- (e) Right to Advice. A Participant may, in writing, request of the Trustees a determination whether contemplated employment will be disqualifying and the Trustees shall provide the Participant with their determination.
- (f) Notice of Suspension. The Trustees shall inform a Participant of any suspension of benefits by notice given by personal delivery or first class mail during the first calendar month in which his benefits are withheld. Such notice shall include a description of the specific reasons for the suspension, a description and a copy of the relevant plan provisions, reference to the applicable regulations of the U.S. Department of Labor, a statement of the procedure for securing a review of the suspension, and a description of the procedures with any necessary forms that must be filed before benefits can be resumed.
- (g) Review. A Pensioner shall be entitled to a review of a determination suspending his benefits by written request filed with the Board within 60 days of the notice of suspension of benefit. The same right of review shall apply, under the same terms, to a determination by or on behalf of the Trustees that contemplated employment will be disqualifying.
- (h) Voluntary Suspension. A Pensioner may at any time voluntarily request the suspension of his pension benefits. Such suspension shall be for a period of not less than six (6) months. Such request shall be submitted to the Trustees in writing. Notwithstanding the foregoing, suspension of benefits under this Section 8.08(h) shall be subject to the provisions of IRC §401(a)(9), and in no event shall extend beyond Normal Retirement Age or reduce the value of the Participant's accrued benefit at Normal Retirement Age.
- (i) Historical Overview of Suspension Moratorium Periods. The Trustees have declared the following Suspension Moratorium Periods. Unless specified otherwise, each Suspension Moratorium Period is applicable to Pensioners younger than Normal Retirement Age at the time of their return to Covered Employment, and to Pensioners who have attained Normal Retirement Age at the time of their return to Covered Employment. Unless specified otherwise, the earnings limits for Pensioners, as provided by Section 8.07(d) of the Plan, remain in effect during a Suspension Moratorium Period.
  - (1) The period beginning on August 1, 1994, and ending on May 31, 1998.
  - (2) The period beginning on September 1, 2000, and ending on March 31, 2001. This Suspension Moratorium Period is only applicable to Pensioners who have attained Normal Retirement Age at the time of their return to Covered Employment.
  - (3) The period beginning on April 1, 2001, and ending on August 31, 2001.
  - (4) The period beginning on September 1, 2001 and ending on February 28, 2002.
  - (5) The period beginning on March 1, 2004 and ending on August 31, 2004.
  - (6) The period beginning on September 1, 2004 and ending on February 28, 2005.

- (7) The period beginning on March 1, 2005 and ending on August 31, 2005.
- (8) The period beginning on September 1, 2005 and ending on December 31, 2005.
- (9) The period beginning on January 1, 2006 and ending on May 31, 2006.
- (10) The period beginning on June 1, 2006 and ending on December 31, 2006. The earnings limits for Pensioners, as provided by Section 8.07(d) of the Plan, shall be waived with respect to Covered Employment performed during the seven month period in which this Moratorium is in effect.
- (11) The period beginning on March 1, 2007 and ending on December 31, 2007. The earnings limits for Pensioners, as provided by Section 8.07(d) of the Plan, shall be waived with respect to Covered Employment performed during the ten month period in which this Moratorium is in effect.
- (12) The period beginning on September 1, 2010 and ending on December 31, 2011. The \$17,500 Maximum Annual Earnings limit for Pensioners, as provided by Section 8.07(d)(4) of the Plan, shall be waived with respect to Covered Employment performed during the period in which this Moratorium is in effect.
- (13) The \$75,000 annual earnings limit for Pensioners working in special classifications of post-retirement employment, as provided by Section 8.07(d)(8) of the Plan, shall be waived during the period beginning on September 1, 2010 and ending on December 31, 2011.
- (14) The \$17,500 Maximum Annual Earnings limit for Pensioners, as provided by Section 8.07(d)(4) of the Plan, shall be suspended with respect to Covered Employment performed during the period beginning on January 1, 2012 and ending on December 31, 2012.
- (15) The \$75,000 annual earnings limit for Pensioners working in special classifications of post-retirement employment, as provided by Section 8.07(d)(8) of the Plan, shall be suspended during the period beginning on January 1, 2012 and ending on December 31, 2012.
- (16) The \$17,500 Maximum Annual Earnings limit for Pensioners, as provided by Section 8.07(d)(4) of the Plan, shall be suspended with respect to Covered Employment performed during the period beginning on January 1, 2013 and ending on December 31, 2013.
- (17) The \$75,000 annual earnings limit for Pensioners working in special classifications of post-retirement employment, as provided by Section 8.07(d)(8) of the Plan, shall be suspended during the period beginning on January 1, 2013 and ending on December 31, 2013.
- (18) The \$17,500 Maximum Annual Earnings limit for Pensioners younger than age 65, as provided by Section 8.07(d)(4) of the Plan, shall be suspended with respect to Covered Employment performed during the period beginning on January 1, 2014 and ending on December 31, 2014.

- (19) The \$75,000 annual earnings limit for Pensioners working in special classifications of post-retirement employment, as provided by Section 8.07(d)(8) of the Plan, shall be suspended during the period beginning on January 1, 2014 and ending on December 31, 2014.
- (20) Provided notice to the Plan is deemed timely, as prescribed below in this paragraph (20), the Trustees will waive the imposition in 2015 (or later) of the six additional months of suspension that would otherwise apply under Section 8.08(a) of the Plan, and will waive the imposition in 2015 (or later) of the six additional months of suspension under Section 8.08(c) of the Plan if otherwise applicable. For purposes of this paragraph (20), notice to the Plan of a Pensioner's return to employment shall be considered timely if given in writing prior to the earlier of April 1, 2015, or the date on which the Pensioner exceeds the Maximum Annual Earnings for 2015 (or, if applicable, exceeds the Annual Earnings Limit for Special Classifications for 2015). For Pensioners who return to work on or after April 1, 2015, any months of suspension under Section 8.08(a) or 8.08(c) of the Plan shall be imposed to the extent they are applicable.
- (21) The \$25,000 Maximum Annual Earnings limit for Pensioners younger than age 65, as provided by Section 8.07(d)(4) of the Plan, shall be suspended with respect to Covered Employment performed during the period beginning on January 1, 2017 and ending on December 31, 2017.
- (22) The \$90,000 annual earnings limit for Pensioners working in special classifications of post-retirement employment, as provided by Section 8.07(d)(8)(B) of the Plan, shall be suspended during the period beginning on January 1, 2017 and ending on December 31, 2017.
- (23) Effective for the period beginning on June 1, 2017 and ending on May 31, 2018, provided a Participant's written request to the Plan is deemed timely as prescribed below in this paragraph (23), the Trustees will grant such Participant relief under this paragraph (23) from the effect of the following provisions, to the extent they would otherwise apply to such Participant:
  - (A) suspension under Section 8.08(a) for return to Covered Employment prior to Normal Retirement Age;
  - (B) the six additional months of suspension that would otherwise apply under Section 8.08(a);
  - (C) the six additional months of suspension under Section 8.08(c);
  - (D) Reserved.
  - (E) the offset method provided under Section 8.09(b) for reinstatement following suspension. To the extent that the application of such offset under Section 8.09(b) is waived for a given Participant pursuant to relief granted under this paragraph (23), the monthly benefit attributable to additional accrual shall be calculated and shall become payable in accordance with the Plan provisions otherwise applicable, including, but not limited to, the provisions of Article III, and Sections 8.05(e), and 8.09(a).



For purposes of this paragraph (23), a Participant's request for relief shall be considered timely if given in writing on or before May 31, 2018. In the absence of such timely written request for relief, the provisions otherwise waived shall be imposed to the extent they are applicable.

- (24) The \$25,000 Maximum Annual Earnings limit for Pensioners younger than age 65, as provided by Section 8.07(d)(4) of the Plan, shall be suspended with respect to Covered Employment performed during the period beginning on January 1, 2018 and ending on December 31, 2018.
- (25) The \$90,000 annual earnings limit for Pensioners working in special classifications of post-retirement employment, as provided by Section 8.07(d)(8)(B) of the Plan, shall be suspended during the period beginning on January 1, 2018 and ending on December 31, 2018.

Section 8.09. Pension Payment Following Suspension.

- (a) Pension payments to a Pensioner who has ended his disqualifying employment shall be resumed beginning no later than the third month after the last calendar month for which his benefit was suspended, provided the Participant has complied with the notification requirements of this Plan.
- (b) A Pensioner who returns to Covered Employment before Normal Retirement Age shall, upon his subsequent retirement, be entitled to receive an increased pension based on his age and Pension Credit accumulated during his subsequent period(s) of work in Covered Employment, except that the pension payable upon his subsequent retirement(s) shall be reduced by the product of 1.0 percent and the total of the Early Retirement Pension payments received during his previous period(s) of retirement and prior to Normal Retirement Age. Notwithstanding the foregoing, in no event shall the monthly amount be less than the amount paid to him at the time he returned to Covered Employment. Upon the subsequent retirement of an Early Retirement Pensioner who returned to Covered Employment on or after August 1, 1994, but on or before May 31, 1998, the 1% adjustment shall not apply to such pensioner, provided however, that if the pensioner returns to work at a time when a moratorium, declared by the Trustees because of a shortage of skilled workers, is not in effect, the 1% adjustment will apply.
- (c) Suspension before Normal Retirement Age in accordance with Section 8.08(a) because of employment of a type or of a duration for which benefits could not be suspended after Normal Retirement Age shall not have the effect of reducing the value of the Participant's pension for payment at his Normal Retirement Age and, to the extent necessary to avoid such reduction, the monthly amount of the pension shall be adjusted so as not to deprive the Pensioner of the value of his benefits which became payable following Normal Retirement Age.
- (d) If a Pensioner received pension payment(s) to which he was not entitled in accordance with Section 8.08, then the Trustees may recover the amount of such payments by deducting the amount of the overpayments from the Participant's future monthly payments until such overpayment is fully recovered. If a Pensioner has attained Normal Retirement Age, then the amount of such offset shall be limited to 100% of the amount due to the Participant for the first payment upon resumption of benefits and 25% of the monthly pension benefit amount thereafter, until all overpayments are fully recovered. This provision shall not limit the right of the Trustees to recover an overpayment by means other than deduction from pension payments.

- (e) A Disability Pensioner who recovers from his total disability and returns to Covered Employment shall be entitled, upon his subsequent retirement, to a pension in an amount calculated at the amount payable under the applicable provision of Article III at the time of his subsequent retirement, including any additional Pension Credit earned during his period of subsequent employment.

Section 8.10. Nonforfeitability and Vested Status. A pension benefit to which an Active Participant or Vested Participant is entitled under this Plan upon his attainment of Normal Retirement Age is nonforfeitable subject, however, to retroactive amendment made within the limitation of Section 411(a)(3)(C) of the Internal Revenue Code and Section 302(c) (8) of ERISA. The benefits to which a surviving Spouse is entitled shall likewise be nonforfeitable. Participants and Beneficiaries shall be entitled to any of the other benefits of this Plan subject to all of the applicable terms and conditions.

An Active Participant attains status as a Vested Participant when he has fulfilled the age and service requirements for receipt after retirement of a nonforfeitable pension.

Section 8.11. Incompetence or Incapacity of a Pensioner or Beneficiary. In the event it is determined to the satisfaction of the Trustees that a Pensioner or Beneficiary is unable to care for his affairs because of mental or physical incapacity, any payment due may be suspended until a guardian or conservator is appointed for the person and estate of such Pensioner or Beneficiary and thereafter all payments, including those suspended, shall be made to the duly appointed guardian or conservator.

Section 8.12. Non-Assignment of Benefits. No Employee or Participant entitled to any benefits under this Pension Plan shall have the right to assign, alienate, transfer, encumber, pledge, mortgage, hypothecate, anticipate, or impair in any manner his legal or beneficial interest, or any interest in assets of the Pension Trust, or benefits of this Pension Plan, except as provided by Section 206(D) of ERISA to allow self-pay contributions for welfare benefits. Neither the Pension Trust nor any of the assets thereof, shall be liable for the debts of any Participant entitled to any benefits under this Plan, nor be subject to attachment or execution or process in any court of action or proceeding.

However, notwithstanding the foregoing, any Pensioner may make an arrangement whereby he directs the Pension Trust to pay a portion or all of each plan benefit payment to the Arizona Pipe Trades Health and Welfare Trust Fund in an amount equal to the self-pay premiums required of Pensioners by that Fund, provided that (1) such arrangement is revocable at any time by the Pensioner; and (2) said Health and Welfare Fund files a written acknowledgement with the Pension Trust stating that it has no enforceable right in or to any plan benefit payment or portion thereof except to the extent of payments actually received pursuant to the terms of this arrangement.

Notwithstanding the foregoing, benefits shall be paid in accordance with the applicable requirements of any "qualified domestic relations order" as defined by Section 206(d)(3) of ERISA.

Section 8.13. No Right to Assets. No person other than the Trustees of the Pension Trust shall have any right, title or interest in any of the income, or property of any funds received or held by or for the account of the Pension Trust, and no person shall have any vested right to benefits provided by the Pension Plan except as expressly provided herein.

Section 8.14. Lump Sum Payment in Lieu of Monthly Pension.

- (a) If at the time a monthly pension is payable to a Participant or a Beneficiary, the actuarial present value of such pension is \$5,000 or less, the Trustees shall pay to the Participant or Beneficiary the

lump-sum amount of such actuarial present value in lieu of the monthly pension otherwise payable. When a lump sum has been paid by the Fund, the Fund shall have no liability for the payment of any additional benefit with respect to the Pension Credit for which the lump sum was made.

- (b) The amount of the lump sum payment under this Section shall be determined on the basis of the 1971 Group Annuity Mortality Table for males for Employees and the 1971 Group Annuity Mortality Table for females for spouses and beneficiaries. The interest assumption shall be 7% per annum. However, in no event shall the actuarial present value be less than that determined using the Applicable Mortality Table and the Applicable Interest Rate.
- (c) Exception: Notwithstanding the foregoing provisions for lump sum payments, if a Pensioner has begun receiving payments in the form of the Husband and Wife Pension, then the surviving spouse shall receive monthly payments after the Pensioner's death unless the surviving spouse consents, in writing, in a form prescribed by the Trustees, to a lump-sum payment.
- (d) Notwithstanding other provisions of the Plan, if the monthly benefit payable to a Pensioner or Beneficiary represents an amount of monthly income which, under the laws of the state of which he or she is a legal resident, is sufficient to disqualify him or her from being admitted to and receiving care from a nursing home or similar institution which is publicly financed or subsidized, then, subject to Section 4.07(c) of the Plan, such Pensioner or Beneficiary may request the Trustees to pay the actuarial present value of his or her lifetime pension, not to exceed \$25,000, in a lump sum. The Trustees' decision to grant or deny such request shall be made solely on the basis of the objective evidence, as provided by the Pensioner or Beneficiary making such request, of denial of admission or care due to a disqualifying level of monthly income. The amount of the lump sum payment under this subsection shall be determined on the basis of the Applicable Mortality Table and the Applicable Interest Rate.

Section 8.15. Notice to Participants. Within a period of no more than 90 days and no less than 30 days before the Annuity Starting Date (and consistent with Treasury regulations, as they may be amended from time to time), each Participant and Spouse, if any, shall be provided a written explanation of:

- (a) The terms and conditions of the qualified joint and survivor annuity and the available optional forms of payment, including the qualified 75% optional survivor annuity,
- (b) The Participant's right to make, and the effect of, an election to waive the Joint and Survivor Annuity form of benefit,
- (c) The rights of the Participant's spouse, regarding his/her consent to such an election,
- (d) The right to make, and the effect of, a revocation of such an election,
- (e) The relative values of the various optional forms of benefit under the Plan, and
- (f) The right to defer any distribution and the consequences of failing to defer distribution of benefits including a description of how much larger benefits will be if the commencement of distributions is deferred.

## **ARTICLE IX MISCELLANEOUS**

Section 9.01. Non-Reversion. It is expressly understood that in no event shall any of the corpus or assets of the Pension Trust revert to the Employers or Association or the Union, nor cause or result in the diversion of any portion of the Fund to any purpose other than the exclusive benefit of Employees and Participants under the Plan and the payment of the administrative expenses of the Fund and the Plan, nor be subject to any claims of any kind or nature by Employers, or the Union, except for the return of erroneous contributions to the extent and in the manner permitted by applicable law.

Section 9.02. Gender. Wherever any words are used in this Pension Plan in the masculine gender, they should be construed as though they were also used in the feminine gender in all situations where they would so apply, and vice versa; wherever any words are used in this Pension Plan in the singular form they should be construed as though they were also in the plural form in all situations where they would so apply, and vice versa.

Section 9.03. Limitation of Liability and Benefits. This Pension Plan has been adopted on the basis of an actuarial calculation which has established, to the extent possible, that the contributions will, if continued, be sufficient to maintain the Plan on a permanent basis, fulfilling the funding requirements of ERISA. Nothing in this Plan shall be construed to impose any obligation to contribute beyond the obligation of the Employer to make contributions as stipulated in its Collective Bargaining Agreement with the Union and all benefits prescribed under this Plan are limited to those benefits which can be based actuarially on the Employer contributions as so stipulated.

There shall be no liability upon the Trustees individually, or collectively, or upon the Union to provide the benefits established by this Pension Plan, if the Pension Trust does not have assets to make such payments.

Section 9.04. New Employers. If an Employer is sold, merged, or otherwise undergoes a change of company identity, the successor company shall participate as to its employees theretofore covered in the Pension Plan just as if it were the original company, provided it remains an Employer as defined in Section 1.07.

Section 9.05. Laws Applicable. This Plan is intended to comply with the Employee Retirement Income Security Act of 1974 and with the requirements for tax qualification under the Code and all regulations thereunder, and is to be interpreted and applied consistent with that intent.

**ARTICLE X**  
**AMENDMENT AND TERMINATION**

Section 10.01. Amendment. This Plan may be amended at any time by the Trustees, consistent with the provisions of the Trust Agreement. However, no amendment may decrease the accrued benefit of any Participant, except:

- (a) As necessary to establish or maintain the qualification of the Plan or the Trust under the Internal Revenue Code and to maintain compliance of the Plan with the requirements of ERISA; or
- (b) If the amendment meets the requirements of Section 302(c)(8) of ERISA and Section 412(c)(8) of the Internal Revenue Code, and the Secretary of Labor has been notified of such amendment and has either approved of it or, within 90 days after the date on which such notice was filed, he failed to disapprove.

Section 10.02. Termination of Plan.

- (a) Right to Terminate. The Trustees shall have the right to discontinue or terminate this Plan in whole or in part.
- (b) Procedure on Termination. In the event of a termination or partial termination of this Plan, the rights of all affected Participants to benefits then accrued, to the extent then funded, shall thereupon become one hundred percent (100%) vested and nonforfeitable. Upon a termination of the Plan, the Trustees shall take such steps as they deem necessary or desirable to comply with Sections 4041A and 4281 of ERISA.

## ARTICLE XI MAXIMUM LIMITATIONS

Section 11.01. Limitations on Benefits Under Section 415. In addition to any other limitations set forth in the Plan and notwithstanding any other provisions of the Plan, effective for Limitation Years beginning on and after January 1, 2008, benefits under the Plan shall be limited in accordance with section 415 of the Code and the Treasury Regulations thereunder, in accordance with this Section. This Section 11.01 is intended to incorporate the requirements of section 415 of the Code by reference except as otherwise specified herein.

- (a) Definitions. For purposes of this Section 11.01, the following terms shall have the following meanings.
  - (1) 415 Compensation. "Compensation" for purposes of this Section is as defined in Section 1.27 of the Plan.
  - (2) Limitation Year. "Limitation Year" means the calendar year.
  - (3) Plan Benefit. "Plan Benefit" means, as of any date, the amount of a Participant's benefit as determined under the applicable provisions of the Plan before the application of the limits in this Section 11.01.
  - (4) Severance From Employment. "Severance From Employment" has occurred when a Participant is no longer an employee of any Employer maintaining the Plan.
- (b) Limit on Accrued Benefits. For Limitation Years beginning on or after January 1, 2008, in no event shall a Participant's benefit accrued under the Plan for a Limitation Year exceed the annual dollar limit determined in accordance with section 415 of the Code and the Treasury Regulations thereunder (the "annual dollar limit") for that Limitation Year. If a Participant's Plan Benefit for a Limitation Year beginning on or after January 1, 2008 would exceed the annual dollar limit for that Limitation Year, the accrued benefit, but not the Plan Benefit, shall be frozen or reduced so that the accrued benefit does not exceed the annual dollar limit for that Limitation Year.
- (c) Limits on Benefits Distributed or Paid. For Limitation Years beginning on or after January 1, 2008, in no event shall the annual amount of benefit distributed or otherwise payable to or with respect to a Participant under the Plan in a Limitation Year exceed the annual dollar limit for that Limitation Year. If the benefit distributable or otherwise payable in a Limitation Year would exceed the annual dollar limit for that Limitation Year, the benefit shall be reduced so that the benefit distributed or otherwise payable does not exceed the annual dollar limit for that Limitation Year.
- (d) Protection of Prior Benefits.
  - (1) To the extent permitted by law, the application of the provisions of this Section 11.01 shall not cause the benefit that is accrued, distributed or otherwise payable for any Participant, including the Participant's annual benefit accrued under the Plan as separately determined for each Contributing Employer, to be less than the Participant's accrued benefit as of December 31, 2007 under the provisions of the Plan that were both adopted and in effect before April 5, 2007 and that satisfied the limitations under section

415 of the Code and the Treasury Regulations thereunder as in effect as of December 31, 2007.

- (2) For any year before 1983, the limitations prescribed by Internal Revenue Code section 415 as in effect before enactment of the Tax Equity and Fiscal Responsibility Act of 1982 shall apply, and no benefit earned under this Plan shall be reduced on account of the provisions of this Section 11.01 if it would have satisfied those limitations under the prior law.
  - (3) For any year before 1992, the limitations prescribed by Internal Revenue Code section 415 as in effect before enactment of the Tax Reform Act of 1986 shall apply, and no benefit earned under this Plan as of the close of the last Limitation Year beginning before January 1, 1987 shall be reduced on account of the provisions of this Section 11.01 if it would have satisfied those limitations under the prior law.
- (e) Section 415 Cost of Living Adjustments. To the extent permitted by law, benefits accrued, distributed or otherwise payable with respect to any Participant while in Covered Employment and after such Participant's Severance From Employment or the Participant's Annuity Starting Date, if earlier, that are limited by this Section 11.01 shall be increased annually pursuant to cost of living increases in the annual dollar limit under section 415(d)(1)(A) of the Code and the Treasury Regulations thereunder; provided, however, that in no event shall any increase under this Section 11.01(e) cause the amount of a Participant's accrued, distributed or otherwise payable benefit to exceed the amount of the Participant's Plan Benefit.
- (f) Order in Which Limits Are Applied.
  - (1) Joint and survivor annuities. To the extent permitted by law, a Participant's qualified joint and survivor annuity form of payment and the survivor annuity portion of such form of payment are computed by applying a reduction factor or factors to a Participant's Plan Benefit before the limits under this Section 11.01 are applied; provided however that the survivor annuity may not exceed the benefit that would have been payable to the Participant after application of the limits in this Section 11.01.
- (g) Aggregation of Plans.
  - (1) For purposes of applying the limits of this Section 11.01, if a Participant also participates in another tax-qualified defined benefit plan of the Employer that is not a multiemployer plan, only the benefits under this Plan that are provided by the Employer are aggregated with the benefits under the other plan.
  - (2) In the event that the aggregate benefit accrued in any Plan Year by a Participant exceeds the limits under section 415 of the Code and the Treasury Regulations thereunder as a result of the mandatory aggregation of the benefits under this Plan with the benefits under another plan maintained by the Employer, the benefits of such other plan shall be reduced to the extent necessary to comply with section 415 of the Code and the Treasury Regulations thereunder.

(h) General.

- (1) To the extent that a Participant's benefit is subject to provisions of section 415 of the Code and the Treasury Regulations thereunder that have not been set forth in the Plan, such provisions are hereby incorporated by reference into this plan and for all purposes shall be deemed a part of the Plan.
- (2) This Section 11.01 is intended to satisfy the requirements imposed by section 415 of the Code and the Treasury Regulations thereunder and shall be construed in a manner that will effectuate this intent. This Section 11.01 shall not be construed in a manner that would impose limitations that are more stringent than those required by section 415 of the Code and the Treasury Regulations thereunder.
- (3) If and to the extent that the rules set forth in this Section 11.01 are no longer required for qualification of the Plan under section 401(a) and related provisions of the Code and the Treasury Regulations thereunder, they shall cease to apply without the necessity of an amendment to the Plan.

(i) Interpretation or Definition of Other Terms. The terms used in this Section 11.01 that are not otherwise expressly defined for this Section, shall be defined as provided in the Plan, or if not defined in the Plan, shall be defined interpreted and applied for purposes of this Section 11.01 as prescribed in section 415 of the Code and the Treasury Regulations thereunder.



## ARTICLE XII DIRECT ROLLOVERS

Section 12.01. Election of Direct Rollover. This section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the plan to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Trustees, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

Section 12.02. Definitions. The following definitions shall apply for purposes of this Article:

- (a) Eligible Rollover Distribution. An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
- (b) Eligible Retirement Plan. An Eligible Retirement Plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified defined contribution plan described in section 401(a) of the Code, that accepts the Distributee's Eligible Rollover Distribution. Effective for distributions made after December 31, 2001, an Eligible Retirement Plan also includes an annuity contract described in section 403(b) of the Code and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. Effective for distributions made after December 31, 2007, an Eligible Retirement Plan shall also include a Roth IRA described in Code section 408A, subject to the restrictions that currently apply to rollovers from a traditional IRA into a Roth IRA.
- (c) Distributee. A Distributee includes any Participant or former Participant. In addition, the surviving spouse of a Participant or former Participant and a former spouse of a Participant or former Participant who is the alternate payee under a Qualified Domestic Relations Order, as defined in section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse. Effective for distributions after December 31, 2008, a Distributee also includes the Participant's nonspouse designated beneficiary under Section 5.02. In the case of a nonspouse beneficiary, the direct rollover may be made only to an individual retirement account or annuity described in Code § 408(a) or § 408(b) ("IRA") or a Roth individual retirement account or annuity ("Roth IRA") that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code § 402(c)(11).
- (d) Direct rollover. A Direct Rollover is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

## ARTICLE XIII -- MINIMUM DISTRIBUTION REQUIREMENTS

### Section 13.01. General Rules.

- (a) Effective Date. The provisions of this Article will apply for purposes of determining required minimum distributions for calendar years beginning after December 31, 2005. For purposes of determining minimum required distributions for calendar years 2003, 2004, and 2005, a good faith interpretation of the requirements of section 401(a)(9) of the Code shall apply.
- (b) Precedence.
  - (1) The requirements of this Article will take precedence over any inconsistent provisions of the Plan.
  - (2) Except to the extent inconsistent with this Article, all distribution options provided under the Plan are preserved.
  - (3) This Article does not authorize any distribution options not otherwise provided under the Plan.
- (c) Requirements of Treasury Regulations Incorporated. All distributions required under this Article will be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Internal Revenue Code, as they may be amended from time to time.
- (d) TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Article, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

### Section 13.02. Time and Manner of Distribution.

- (a) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (b) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (1) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, then the surviving Spouse may elect to have distributions begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.
  - (2) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

- (3) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (4) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section 13.02(b), other than Section 13.02(b)(1), will apply as if the surviving Spouse were the Participant.

For purposes of this Section 13.02(b) and Section 13.05, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 13.02(b)(4) applies, the date distributions are required to begin to the surviving Spouse under Section 13.02(b)(1)). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section 13.02(b)(1)), the date distributions are considered to begin is the date distributions actually commence.

- (c) Form of Distribution. Unless the Participant's interest is distributed in a single sum on or before the Participant's Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with Sections 13.03, 13.04 and 13.05.

Section 13.03. Determination of Amount to be Distributed Each Year.

- (a) General Annuity Requirements. If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
  - (1) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;
  - (2) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Sections 13.04 or 13.05;
  - (3) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
  - (4) payments will either be nonincreasing or increase only as follows:
    - (A) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
    - (B) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Designated Beneficiary whose life was being used to determine the distribution period described in Section 13.04 dies or is no longer the Participant's Designated Beneficiary pursuant to a qualified domestic relations order within the meaning of section 414(p) of the Internal Revenue Code;
    - (C) to provide cash refunds of Employee contributions upon the Participant's death;  
or

(D) to pay increased benefits that result from a Plan amendment.

- (b) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 13.02(b)(1) or (2)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.
- (c) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Participant in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

Section 13.04. Requirements for Annuity Distributions that Commence During Participant's Lifetime.

- (a) Joint Life Annuities Where the Beneficiary is Not the Participant's Spouse. If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and non-spouse Designated Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the Treasury regulations as adjusted in the manner set forth in Q&A-2(c) of that regulation. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-spouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.
- (b) Period Certain Annuities. Unless the Participant's Spouse is the sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the Annuity Starting Date. If the Participant's Spouse is the Participant's sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section 13.04(b) or the joint life and last survivor expectancy of the Participant and the Participant's Spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, as they may be amended from time to time, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the calendar year that contains the Annuity Starting Date.

Section 13.05. Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin.

- (a) Participant Survived by Designated Beneficiary. If the Participant dies before the date distribution of his or her interest begins and there is a Designated Beneficiary, the Participant's entire interest will be distributed beginning no later than the time described in Section 13.02(b)(1) or (2), over the life of the Designated Beneficiary or over a period certain not exceeding:
  - (1) unless the Annuity Starting Date is before the first Distribution Calendar Year, the Life Expectancy of the Designated Beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or
  - (2) if the Annuity Starting Date is before the first Distribution Calendar Year, the Life Expectancy of the Designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year that contains the Annuity Starting Date.
- (b) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (c) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving Spouse is the participant's sole Designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section 13.05 will apply as if the surviving Spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 13.02(b)(1).

Section 13.06. Definitions. For purposes of this Article, the following definitions shall apply:

- (a) Designated Beneficiary. The individual who is designated as the beneficiary under section 401(a)(9) of the Internal Revenue Code and Section 1.401(a)(9)-4 of the Treasury regulations, as they may be amended from time to time.
- (b) Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 13.02(b).
- (c) Life expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.
- (d) Required Beginning Date. The date specified in Section 8.05(b) of the Plan.

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