

**ARIZONA  
PIPE  
TRADES**

# **Pipe Trades Pension Trust Fund**



## **Summary Plan Description**

April 1, 2024

**PENSION PLAN  
FOR THE  
ARIZONA PIPE TRADES PENSION TRUST FUND**

**SUMMARY PLAN DESCRIPTION**

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**APRIL 1, 2024**

## ABOUT THIS SUMMARY

This Summary is your Pension Plan for the Arizona Pipe Trades Pension Trust Fund “summary plan description.” It describes in summary fashion the terms of the Pension Plan for the Arizona Pipe Trades Pension Trust Fund, as in effect on April 1, 2024. This Summary summarizes the key features of the Plan, and the benefits it provides, and includes information about the unique features of the Plan, particularly about:

- How you accrue benefits under the Plan;
- How you “vest” in your accrued benefits (that is, how your benefits become nonforfeitable when you ultimately retire or leave the bargaining unit);
- How you apply for pension benefits;
- How your pension benefits are paid, and the various forms in which your pension may be paid;
- What happens to your benefits if you die before retiring; and
- Other important information which you should know about the Plan.

***Because this Summary contains important information about your benefits under the Pension Plan, you should read this Summary carefully.***

The formal document under which this defined benefit pension plan is administered is the Pension Plan for the Arizona Pipe Trades Pension Trust Fund. You are welcome to examine the formal Plan document. Requests to do so and any questions you have about benefits should be directed to the Plan Administrator at the Administrative Office (see the address and telephone number listed at the end of this Summary).

Every effort has been made to make sure that this Summary is accurate and is consistent with the terms of the formal Plan document. ***However, please note this important point: In the event there is a discrepancy between the terms of this Summary and that formal document, the formal document will govern. A copy of the full Plan and Trust Agreement will be made available for your review at any mutually convenient time within regular business hours.***

We change the terms of the Plan from time to time, to modify, add, or eliminate certain Plan provisions. These amendments are made in writing and are consecutively numbered. This Summary reflects changes made through Amendment Number 25 to the Plan, as restated January 1, 2015. Later Amendments will be summarized for you in letters we will send to you after the Amendments are adopted. **You should keep all such letters with this Summary.**

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## DEFINITIONS

***There are a number of capitalized terms in this Summary.***

There are a number of important terms used throughout this Summary. Terms which are defined in this Summary appear as capitalized terms. Some of those terms are defined, often in a general way, in this Section. Other terms are defined in the Sections of this Summary which deal most directly with those terms. The formal Plan document contains the complete and formal definitions of terms used in the administration of the Plan. *The terms as defined in the formal Plan document control over anything reflected in this or other Sections of this Summary.*

Here are some of the defined terms used in this Summary:

***Annuity Starting Date...***

means the date as of which your pension becomes effective. Generally, pensions are effective on the first day of the month following the month in which the Administrative Office receives a completed application for pension benefits. However, see pages 44 through 47 of this Summary and Section 1.24 of the Plan regarding the procedures for establishing your Annuity Starting Date.

***Collective Bargaining Agreements...***

means the following:

- (1) The Collective Bargaining Agreement dated June 1, 1963, by and between the Union and the Plumbing and Air Conditioning Contractors of Arizona;
- (2) 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;
- (3) Any other Collective Bargaining Agreements between the Trustors of the Trust, which are labor organizations, and any other Employer which specifically provide for the making of contributions to the Fund, subject to the approval of the Board of Trustees; and
- (4) 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
- (5) Any extension or renewal of any of the Collective Bargaining Agreements described in (1), (2), (3), or (4) above, which specifically provides for the making of contributions to the Fund.

***Covered Employment...***

means work for which a signatory Employer is required to contribute to the Fund on the Employee's behalf.

**Employee...**

means:

- (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 or her performance of covered work or because of his or her employment in the bargaining unit prior to June 1, 1963; and
- (6) Any individual regularly employed by the Arizona Building and Construction Trades Council and its predecessor, 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.

The phrase "regularly employed" shall mean any Employee who performs at least 1,000 Hours of Service in Covered Employment in a Plan Year.

**Employer...**

means, generally speaking, 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 the Fund.

<b>ERISA...</b>	means the Employee Retirement Income Security Act of 1974, as amended.
<b>Fund or Trust Fund...</b>	means the trust fund constituted under 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.
<b>Hours of Service...</b>	<p>generally means hours for which you work in Covered Employment. When applicable, the term “Hours of Service” also includes hours paid but not worked. However, no more than 301 Hours of Service will be credited for hours paid but not worked in any continuous period. Two periods of paid non-work time will be considered continuous for this purpose if they are paid for the same reason and are separated by no more than 90 days.</p> <p>“Continuous Non-Covered Employment”—which refers to employment for an Employer in a job not covered by the Plan which is continuous with Covered Employment with the same Employer—will also be counted as Hours of Service. A period of non-covered employment will be considered “continuous” with Covered Employment only if there is no quit, discharge or other termination of employment between the period of Covered Employment and the non-covered employment.</p> <p>Any time compensated under worker’s compensation, unemployment compensation, or disability insurance law does not count toward your Hours of Service.</p>
<b>Normal Retirement Age...</b>	<p>means the later of:</p> <ul style="list-style-type: none"> <li>• your 65th birthday, or</li> <li>• the earlier of (1) the 10th anniversary of your participation in the Plan, or (2) the 5th anniversary of your participation in the Plan counting only service on and after January 1, 1988.</li> </ul>
<b>One-Year Break in Covered Employment...</b>	<p>means, for Plan Years beginning on and after June 1, 1976, a Plan Year in which you have fewer than 300 Hours of Service.</p> <p>For Plan Years beginning on and after June 1, 1986, Hours of Service may also include periods of parental leave. You should contact the Administrative Office if you have any questions about parental leave. Qualified Military Service (see Appendix A of this Summary titled <i>Detailed Service Rules</i>) will be recognized for purposes of determining whether you incurred a One-Year Break in Covered Employment in a given Plan Year.</p> <p>If an Employee has at least 300 Hours of Service in a Plan Year, but fewer than 1,000 Hours of Service, then he or she will not incur a</p>



***Pension Board or Board of Trustees...***

One-Year Break, but he or she will not earn a Year of Vesting Service (see page 14). The Employee may, however, earn a quarter or more of Pension Credit or, on and after June 1, 2014, a tenth or more of a Pension Credit (see pages 7 and 8).

means the board of trustees constituted under the terms of the Plan and Trust. There are eight members of the Pension Board, four appointed on behalf of the Employers and four appointed on behalf of the Union. Members appointed on behalf of the Employers are called Employer Trustees, and members appointed on behalf of the Union are called Union Trustees.

***Pension Credits and Years of Vesting Service...***

means the units used to measure the amount of time an Employee has worked in Covered Employment. See pages 7 through 16. Note that Pension Credit and Vesting Service may also be earned during certain nonworking periods, under conditions specified in the Plan Document.

***Plan...***

means the Pension Plan for the Arizona Pipe Trades Pension Trust Fund, as amended from time to time.

***Plan Administrator...***

as the term is defined by ERISA §3(16), means the Board of Trustees. The Board of Trustees has engaged a third party administrator to manage the day-to-day operations of the Plan (see page 54 of this Summary). In this Summary, the term "Plan Administrator" means the third party administrator unless specifically noted otherwise.

***Plan Year...***

means the period of twelve consecutive months beginning on June 1 and ending on May 31 of any particular year.

***Required Beginning Date...***

generally means the April 1 of the calendar year after the calendar year in which you reach age

- (1) 70½, if you were born prior to July 1, 1949;
- (2) 72, if you were born after July 1, 1949, and before January 1, 1951; and
- (3) 73, if you were born after December 31, 1950.

However, if you are still working in Covered Employment at that time, then your Required Beginning Date will be deferred until April 1 of the calendar year after the calendar year in which you retire. For this purpose, you will be considered "retired" when you have one calendar month with no hours worked in Covered Employment.

***Separation from Covered Employment...***

means a failure to earn a required minimum of Pension Credit or Vesting Service over specified periods of time. A Separation from Covered Employment means that an Employee's previously-earned Pension Credit may, upon retirement, be frozen at the benefit rate in

effect at the time of the Separation. For a detailed explanation of what causes a Separation from Covered Employment, see Appendix A of this Summary titled *Detailed Service Rules*.

***Special One-Time  
Payment to Retirees...***

means a benefit that the Board of Trustees enacts based on current circumstances that is payable only one time in that Plan Year based on conditions established by the Board of Trustees.

***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.

***Union...***

means Local Union 469 and Local Union 741 of the United Association of Journeymen and Apprentices of the United States and Canada (the "UA"). Effective July 1, 2007, Local Union 469 and Local 741 were consolidated and, for purposes of the Plan and this Summary Plan Description, the term "Union" means Local Union 469, which, on and after July 1, 2007, covers the State of Arizona.

**PARTICIPATION**

***You will become an “Active Participant” on the earliest June 1 or December 1 immediately following a 12 consecutive month period during which you have at least 300 Hours of Service.***

**ACTIVE PARTICIPANT.** You will become an “Active Participant” in the Plan on the earliest June 1 or December 1 immediately following a 12-consecutive-month period during which you have at least 300 Hours of Service. Initially, the period during which this requirement must be met is the 12-month period immediately following the month in which you first worked in Covered Employment. After that, the period is the Plan Year, beginning with the Plan Year that includes the first anniversary of the date on which you first worked in Covered Employment.

**Example**

Michelle Thomas begins working in April 2024 and completes 300 hours of work before May 31, 2024. Michelle will become an Active Participant June 1, 2024.

Jim Anderson begins working in April 2024 but does not complete 300 hours as of May 31, 2024. Jim thereafter completes 300 hours of work before November 30, 2024. Jim will become an Active Participant December 1, 2024.

You will lose your status as an “Active Participant” if you have a One-Year Break in Covered Employment (see Appendix A of this Summary titled *Detailed Service Rules*). Your Active Participant status would be reestablished by meeting the requirements of the preceding paragraph.

***Your benefits will be nonforfeitable once you are a “Vested Participant.”***

**VESTED PARTICIPANT.** The term “Vested Participant” means a Participant whose benefits are not forfeitable even if he or she performs no further Covered Employment. See the Section of this Summary titled *Vesting* for a description of how an Employee attains vested status.

## CALCULATING YOUR PENSION CREDITS

***Your benefit is calculated based on your Pension Credits.***

***Calculating your Pension Credits based on Hours of Service earned before June 1, 1963...***

***Calculating your Pension Credits based on Hours of Service earned after June 1, 1963...***

**HOW YOUR PENSION CREDITS ARE DETERMINED.** Your Pension Credits are a measure of your amount of service in Covered Employment. Pension Credits are used in determining both your eligibility for a pension, and the amount of your monthly pension payment.

There are two basic types of Pension Credit — Past Service Credit earned for periods before June 1, 1963, and Future Service Credit for periods on and after June 1, 1963.

**PAST SERVICE CREDIT.** For work before June 1, 1963, you received one Pension Credit for each Plan Year in which you worked at least one eight-hour day for a signatory Employer in any classification included in the Collective Bargaining Agreements in the geographical jurisdiction of the Union, up to a maximum of 10 years.

**FUTURE SERVICE CREDIT.** The schedules for calculating Pension Credit, based on Covered Employment after June 1, 1963, are as follows:

### **For periods from June 1, 1963, through May 31, 1968**

<u>Hours Worked in Plan Year</u>	<u>Future Service Credit</u>
Fewer than 300 hours	None
300 to 699	One Quarter
700 to 1099	Two Quarters
1100 to 1499	Three Quarters
1500 or more	One Credit

### **For periods from June 1, 1968, through May 31, 2006**

<u>Hours Worked in Plan Year</u>	<u>Future Service Credit</u>
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

### **For periods from June 1, 2006, through May 31, 2014**

<u>Hours Worked in Plan Year</u>	<u>Future Service Credit</u>
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

In rare instances, a fraction of a credit may be earned under the circumstances described in Section 6.02(f) of the Plan Document.

**For periods on and after June 1, 2014**

On and after June 1, 2014, subject to limitations described below, Participants earn Future Service Credit for Work in Covered Employment under the following schedule:

<u>Hours Worked in Plan Year</u>	<u>Pension Credit</u>
Fewer than 159 hours	None
160 to 319	0.1
320 to 479	0.2
480 to 639	0.3
640 to 799	0.4
800 to 959	0.5
960 to 1119	0.6
1120 to 1279	0.7
1280 to 1439	0.8
1440 to 1599	0.9
1600 to 1759	1.0
1760 to 1919	1.1
1920 to 2079	1.2
2080 to 2239	1.3
2240 to 2399	1.4
2400 or more	1.5

Under this increased accrual scale, the Plan recognizes up to 1.5 Future Service Credits in a given Plan Year. Please note that this is only for purposes of determining the amount of a Participant's benefit accrual.

The Plan also uses Future Service Credit for other purposes. For all purposes other than determining the amount of a Participant's benefit accrual, no more than 1.0 Future Service Credit will be recognized in a given Plan Year. For example, Future Service Credit for eligibility purposes has been earned and continues to be earned under the scale shown below, which is unchanged.

<u>Hours Worked in Plan Year</u>	<u>Future Service Credit</u>
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

***When you work more hours than are needed to earn a full Pension Credit in a given Plan Year, you will***

**HOURS BANK.** For Plan Years beginning on and after June 1, 1996, the Plan has an "Hours Bank" provision.

When you work more hours than are needed to earn a full Pension Credit in a given Plan Year, then you may accumulate the extra hours

**accumulate the extra hours in the Hours Bank.**

in the Hours Bank. Then, in a later Plan Year in which you do not work enough hours to earn a full Pension Credit, the Hours Bank can be used—if you have accumulated enough hours—to earn additional Future Service Credit. This transfer of hours is only for purposes of benefit accrual and pension eligibility. The Hours Bank is not used for attaining vested status. The use of the Hours Bank, together with your actual hours worked in a given Plan Year, can never result in more than 1.5 Credits in a Plan Year for accrual purposes (1.0 Credits prior to June 1, 2014), and can never result in more than 1.0 Credits in a Plan Year for pension eligibility purposes.

**Example**

Jeff Smith works 2,800 hours in one Plan Year and has not previously accumulated any Credits in his Hours Bank. He earns 1.5 Future Service Credits for that Plan Year (2,400 hours = 1.5 Future Service Credits) and “banks” 400 hours.

The next Plan Year, Jeff works 1,400 hours. The 400 hours in his Hours Bank are applied with Jeff being credited for a total of 1,800 hours. Jeff accrues 1.1 Future Service Credits for this Plan Year.

As shown in the Future Service Credit schedules on pages 7 and 8, for Plan Years from June 1, 1996 (when the Hours Bank provision became effective) through May 31, 2006, the Plan required 1,200 hours in Covered Employment to earn one Future Service Credit. During that period, the maximum number of hours that a Participant could accumulate in his or her Hours Bank was 600 hours.

For Plan Years beginning on and after June 1, 2006, the Plan requires 1,600 hours in Covered Employment to earn one Future Service Credit. Therefore, for Plan Years on and after June 1, 2006, but before June 1, 2014, only hours in excess of 1,600 in a Plan Year may be added to the Hours Bank. Also, effective June 1, 2006, the maximum number of hours that a Participant may accumulate in his or her Hours Bank is increased to 800 hours. For Plan Years on and after June 1, 2014, no hours will be added to your Hours Bank unless (1) you have fewer than 800 hours in your Hours Bank, and (2) you are credited with more than 2,400 hours of work in Covered Employment during a given Plan Year.

**Example**

Jose Martinez has previously accumulated 600 hours in his Hours Bank. He works 2,800 hours in one Plan Year and earns 1.5 Future Service Credits for that Plan Year (2,400 hours = 1.5 Future Service Credits). Because Jose’s Hour Bank may not exceed 800 hours, he “banks” 200 hours.

The next Plan Year, Jose works 1,400 hours. 200 hours in his Hours Bank are applied with Jose being credited for a total of 1,600 hours.

Jose accrues 1.0 Future Service Credit for this Plan Year and has 600 hours remaining in his Hours Bank.

The Hours Bank is subject to the following limitations:

- The Hours Bank cannot be used by Apprentices.
- You may not use the Hours Bank to attain vested status.
- The use of the hours in your Hours Bank, together with your actual hours worked in a given Plan Year, can never result in more than 1.5 Credits in a Plan Year for accrual purposes (1.0 Credits prior to June 1, 2014).
- The use of the hours in your Hours bank, together with your actual hours worked in a given Plan Year, can never result in more than 1.0 Credits in a Plan Year for pension eligibility purposes.

***You may receive Pension Credits for a period of disability during which you are receiving Workmen's Compensation temporary disability benefits.***

**PENSION CREDIT DURING PERIODS OF DISABILITY.** Pension Credit is granted for periods of disability incurred after January 1, 1967, at the rate of 40 hours per week if the period is one for which Workmen's Compensation temporary disability benefits are paid or one which constitutes the waiting period for such benefits. Credit can be allowed for a maximum of 26 weeks for each disability.

NOTE: The Administrative Office must be notified in writing within one year of the beginning of the disability in order for an Employee to receive Pension Credit for his or her period of disability. Notwithstanding the foregoing, for Annuity Starting Dates on and after June 1, 2019, the Plan will no longer require notice to be given within one year of the beginning of the disability. See Section 6.03 of the Plan Document.

**MILITARY SERVICE.** If you served in the Armed Forces, then you may be entitled to additional Pension Credit based on your time in the military. You should advise the Administrative Office of your military service, if any. See Appendix A of this Summary titled *Detailed Service Rules*.

**SOCIAL SECURITY.** Your pension benefits under the Plan are in addition to the benefits to which you are entitled under Social Security. They are not reduced on account of your entitlement to Social Security benefits.

***The Plan has reciprocity with other pension plans.***

**RECIPROCITY.** The Plan has entered into the United Association Pension Fund Reciprocal Agreement along with a number of other Pipe Trades local union pension plans. That Agreement provides for the "money-follows-the-man" reciprocity rule. When working temporarily within the jurisdiction of another Pipe Trades local union,

pension contributions made on your behalf will automatically be forwarded to your Home Pension Fund. This is true when both your Home Pension Fund and the pension fund covering the area where you are working are both Participating Funds.

To understand how Reciprocity works, you should first become familiar with a few technical terms. These include:

***If your Home Pension Fund is the Arizona Pipe Trades Pension Plan, when you work in another UA jurisdiction Employer contributions will be sent back to this Fund.***

***If your Home Pension Fund is not the Arizona Pipe Trades Pension Plan, when you work in this UA jurisdiction Employer contributions will be sent back to your Home Pension Fund.***

***Contributions for work in other UA jurisdictions may be allocated between this Fund and the DC Fund.***

- (1) **Home Pension Fund.** If you are a United Association member, your Home Pension Fund is the pension fund (or funds) sponsored by the local union to which you belong. If you are not a United Association member, your Home Pension Fund is the Participating Fund in which you first became eligible to have contributions made on your behalf to a local union pension fund.
- (2) **Participating Fund.** A local pipe trades union fund which has signed the Reciprocal Agreement and covers employment within the jurisdiction of a pipe trades local union. The Arizona Pipe Trades Pension Plan is a "Participating Fund." Many, but not all, pension funds sponsored by Pipe Trades unions are Participating Funds.
- (3) **Temporary Employee or Traveler.** An Employee who is temporarily employed outside the jurisdiction of his or her Home Pension Fund, and within the jurisdiction of a Participating Fund.
- (4) **Excess Contributions.** Contributions received from Participating Funds which are in excess of the contributions required to earn a full pension credit in the Arizona Pipe Trades Pension Plan in each Plan Year.

**Application.** If you are a Local 469 member or your Home Pension Fund is the Arizona Pipe Trades Pension Plan, the following rules apply to contributions received for your work outside of Arizona as a Temporary Employee or Traveler. The collective bargaining parties developed, and the Board of Trustees of the Arizona Pipe Trades Pension Trust Fund ("Pension Fund") and the Arizona Pipe Trades Defined Contribution Trust Fund ("DC Fund") adopted, procedures for the allocation of incoming reciprocal contributions received from Participating Funds. Under those procedures, contributions received from other Participating Funds are first applied to the Pension Fund so that the participant may, wherever possible, earn a full 1.0 pension credit. The remaining sums, known as Excess Contributions, will be divided between the Pension Fund and the DC Fund under the formula created by the collective bargaining parties. The Excess Contributions will be allocated between the Pension and the Defined Contribution Fund in the same proportion as the current contribution rates in the current Collective Bargaining Agreement for a



Commercial I Journeyman. For example, as of July 1, 2017, the Commercial I Journeyman contribution rate for the Pension Fund is \$3.65 and the rate for the Defined Contribution Fund is \$4.25. Thus, approximately 46% of an Excess Contribution will be allocated to the Pension Fund and approximately 54% will be allocated to the Defined Contribution Fund. If a subsequent Collective Bargaining Agreement changes that proportion, the allocation of Excess Contributions will change with it.

The Excess Contributions retained in the Pension Fund may be used to earn increments of credit for benefit accrual purposes, up to 1.5 credits per year for Plan Years beginning on and after June 1, 2014. You should note, however, that under no circumstances will more than 1.0 Credit in a Plan Year be recognized for pension eligibility purposes.

If you are a Temporary Employee or Traveler working in Arizona, contributions received by the Arizona Pipe Trades Pension Plan for your work performed in Arizona will be transferred to your Home Pension Fund if it is a Participating Fund.

On receiving these contributions, the Home Pension Fund credits the Employer contributions and hours received in accordance with the Home Pension Fund's plan provisions, and the applicable collective bargaining agreements. In addition, the following guidelines must be met:

- **Vesting Service:** Each hour for which a contribution is received by the Home Pension Fund from a Participating Fund on an Employee's behalf will be credited as Vesting Service Credit by the Home Pension Fund on an hour-for-hour basis as required by ERISA (the federal law which governs private pension plans, such as the Plan). However, if the same hours are reported by more than one Participating Fund, the Home Pension Fund will only be required to credit the hours once. A year of Vesting Service will be whatever each Home Pension Fund decides, so long as the requirements of ERISA are met.
- **Benefit Accrual:** Each hour for which a contribution is received by the Home Pension Fund from a Participating Fund on an Employee's behalf will be credited for benefit accrual purposes in accordance with the rules of the Home Pension Fund. Where benefit accrual is not based on hours, but rather on actual contributions, Employer Contributions so transferred shall be credited to the Employee's account as provided by the Home Pension Fund's plan provisions and the applicable collective bargaining agreements.

If the total contributions received from a Participating Fund together with any contributions received during the plan year for your work in Arizona are less than the amount required to earn a full 1.0 pension credit, the total reciprocal contributions will be applied to the Pension Fund and you will receive a fraction of a full 1.0 credit based on the total contributions received.

Excess Contributions will be transferred to the DC Plan and credited to Individual Accounts each month. Individual statements will be provided periodically to each Employee who has worked within the jurisdiction of a Participating Fund or Funds. Those statements will show the reciprocal contributions on your behalf, the amount of contributions credited to the DC Fund, and the Plan Year for which the contributions were being credited.

For more information about Reciprocity, please refer to the Plan Document. If you would like to find out if a particular pipe trades local union's plan is party to the Reciprocal Agreement, please contact the Administrative Office.

## VESTING

***You earn one year of Vesting Service for each Plan Year in which you complete 1,000 or more Hours of Service.***

**VESTING SERVICE.** Vesting Service is another measure of your work in Covered Employment. However, Vesting Service differs from Pension Credit in these respects:

- It is earned only for service on and after June 1, 1963;
- It is calculated by a different formula; and
- Only Vesting Service is used to establish your right to a Vested Service Pension (see pages 24 and 25).

Vesting Service is not used to determine the amount of your monthly pension, only your eligibility for a Vested Service Pension. The amount of your pension is calculated on the basis of your Past and Future Service Pension Credits. Note, however, that either Vesting Service or Pension Credit may be used to avoid incurring a Permanent Break in Covered Employment (see pages 14 and 15, as well as Appendix A of this Summary titled *Detailed Service Rules*).

You earn one year of Vesting Service for each Plan Year following June 1, 1963, in which you complete 1,000 or more Hours of Service in that Plan Year. If you complete fewer than 1,000 Hours of Service in a Plan Year, you will not earn any Vesting Service for that Plan Year.

***A special rule applies to indentured apprentices who fail to earn one year of Vesting Service during the Plan Years ending May 31, 2023, and May 31, 2024.***

**Vesting Service for Indentured Apprentices.** If you are an indentured apprentice who fails to earn one year of Vesting Service during the Plan Year ending May 31, 2023, or the Plan Year ending May 31, 2024, you will be credited with the number of hours you actually attended, not to exceed 40 hours in any week, day-time training administered by the Arizona Pipe Trades Joint Apprenticeship during the applicable Plan Year for purposes of accrued Vesting Service, but only toward earning one year of Vesting Service for the applicable Plan Year.

***You will receive Vesting Service for a period of disability during which you are receiving Workmen's Compensation temporary disability benefits.***

**Vesting Service During Periods of Disability.** Vesting Service is granted for periods of disability at the rate of 40 hours per week if the period is one for which Workmen's Compensation temporary disability benefits are paid or one which constitutes the waiting period for such benefits. Vesting Credit can be allowed for a maximum of 26 weeks for each disability.

***Once you are vested, you cannot lose your accumulated Pension Credits or Vesting Service through a Break***

**VESTING OF CREDITS.** Once you are vested, you cannot lose your accumulated Pension Credits or Vesting Service through a Break in Covered Employment. If you are vested, you will be entitled to receive a pension starting at the permitted retirement age even if you

***in Covered Employment.***

subsequently leave Covered Employment or if, for any reason, you earn no additional Pension Credit or Vesting Service.

An Employee attains vested status as of the earliest date on which he or she meets one of the following without an intervening Permanent Break in Covered Employment:

- (1) For an Active Participant, having at least five years of Vesting Service and an Hour of Service on or after June 1, 1999.
- (2) For a collectively bargained Employee who is not an Active Participant, having at least five years of Vesting Service and having reestablished Active Participant status based on Hours of Service on and after June 1, 1999.
- (3) For a non-bargained Employee, having at least five years of Vesting Service and an Hour of Service on or after June 1, 1989.
- (4) Beginning June 1, 1976, having at least 10 years of Vesting Service.
- (5) Beginning June 1, 1963, having at least 10 years of Pension Credit.
- (6) During the period from June 1, 1963, through May 31, 1976, an Employee was vested after he or she had accumulated at least 10 years of Pension Credit not interrupted by a Permanent Break in Covered Employment, provided he or she made a timely application to the Board of Trustees and received a favorable determination.
- (7) Also beginning June 1, 1976, a Participant's Future Service Credit will be vested once he or she attains Normal Retirement Age (generally age 65, but see the definition of "Normal Retirement Age" on page 3 of this Summary). An Employee who becomes vested by attaining Normal Retirement Age will be eligible for a Special Normal Retirement Age Vested Pension (see page 25).

See page 6 for an explanation of Active Participant status, page 14 regarding Years of Vesting Service, page 3 regarding Hours of Service, pages 7 through 13 regarding Pension Credit, and pages 60 and 61 regarding Breaks in Covered Employment.

**MILITARY SERVICE.** If you served in the Armed Forces, then you may be entitled to additional Vesting Service based on your time in the

military. You should advise the Administrative Office of your military service, if any. See the Qualified Military Service provisions in Appendix A of this Summary titled *Detailed Service Rules*.

## **WHEN PENSION BENEFITS BEGIN**

***Generally, you must terminate Covered Employment before you will be eligible to begin receiving a benefit.***

**TYPES OF PENSIONS.** Several pension options are available to Employees under the Plan. Requirements for the different types of pensions vary and so do rates of payment. The Administrative Office can tell you about your eligibility status for each of the different types of pensions and explain various factors which should be considered when you are ready to think about retirement.

This Section describes the types and amounts of pensions and the service, age, and other requirements for each. The amount of monthly pension payment with each type will vary according to a number of factors, including when your Pension Credits were earned, when you apply for pension, the options you select, etc.

The types of pensions available under the Plan, each of which is described in detail in the following pages, are:

- Regular Pension (pages 17 through 19);
- Early Retirement Pension (pages 19 and 20);
- Disability Pension (pages 20 through 23);
- Service Pension (pages 23 and 24);
- Vested Service Pension (pages 24 and 25);
- Special Normal Retirement Age Vested Pension (page 25); and
- Pro Rata Pension (pages 25 and 26).

***Generally, you may elect a Regular Pension if you are vested and you retire on or after age 62.***

**REGULAR PENSION.** You may elect to receive a Regular Pension if you have attained vested status and you:

- Are at least age 62;
- Have at least five Pension Credits (10 Pension Credits for Regular Pensions with Annuity Starting dates before June 1, 1999); and
- Have at least one Future Service Credit earned after June 1, 1963.

For Annuity Starting Dates on and after June 1, 2016, the benefit formula for eligible Participants who do not have a Separation from Covered Employment is shown below. Under the increased benefit formula, the Regular Pension is 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, 2024; 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, 2024.

The pension amount described above is based on the single-life annuity with 60-month certain period form of payment. The monthly pension payable to a married Employee, regardless of the type of pension, will be reduced as described under the Qualified 50% Joint and Survivor Annuity unless the Employee and Spouse decide they want the pension paid in another available form. If they do not want the Qualified 50% Joint and Survivor Annuity form of payment, they must so inform the Administrative Office in writing (See page 44).

***Benefits are increased if payment begins after your Normal Retirement Age. Generally, that is age 65.***

**Delayed Retirement.** You may continue to accrue Pension Credits, and therefore a larger pension benefit, if you continue working in Covered Employment after age 62.

The Plan's "Delayed Retirement" provisions apply if the Annuity Starting Date of your pension is after your Normal Retirement Age (generally, age 65, but see the definition of "Normal Retirement Age" on page 3 of this Summary).

If you delay your retirement, you will receive the greater of (1) the benefit calculated as of the Annuity Starting Date (see page 44), or (2) the benefit you would have received if you had retired at Normal Retirement Age (based on his or her Pension Credits at that time and the benefit rates in effect at that time) actuarially increased for each month after that date in which you did not work in "disqualifying employment." The increase will be 1% per month for the first 60 months after Normal Retirement Age and 1.5% per month for each month thereafter. Benefits will be considered formally suspended for all months after Normal Retirement Age in which a Participant works in "disqualifying employment" after Normal Retirement Age. See pages 26 through 31 of this Summary. You will not receive the actuarial increase for months of delayed retirement in which you worked in such "disqualifying employment."

If you are still working in Covered Employment past the April 1 following your attainment of age 70½, then the method described above will apply to the period between your Normal Retirement Age and the April 1 following your attainment of age 70½. Any periods of delay on and after April 1 following your attainment of age 70½ will not be subject to the Plan's suspension rules. Your monthly benefit will be determined on an annual basis thereafter, without regard to whether you are working in "disqualifying employment," as of each December 31 that follows the April 1 following your attainment of age

70½, until your monthly benefit is finally redetermined on the last day of the month immediately preceding your Annuity Starting Date.

If the effective date of your benefits will be delayed beyond the first month following Normal Retirement Age and you have any questions about how these provisions of the Plan will affect the calculation of your benefits, you should contact the Administrative Office.

**Generally, the Plan may pay an Early Retirement Pension if you have attained age 55 and earned at least 10 Pension Credits.**

**EARLY RETIREMENT PENSION.** You may elect to receive an Early Retirement Pension if you have attained vested status and you:

- Are at least age 55;
- Have at least 10 Pension Credits; and
- Have earned at least one Future Service Credit after June 1, 1963.

**Your Early Retirement Pension will be actuarially reduced.**

Your Early Retirement Pension is the actuarial equivalent of your Regular Pension, but the monthly benefits payable to you will be smaller because your Regular Pension is calculated as a monthly benefit beginning at your age 62. If you begin to receive your benefit prior to age 62, the Plan can expect to pay benefits to you for a longer time than anticipated, hence the amount of your monthly payments is reduced to take into account the value of the extra payments the Plan expects to pay you. The Early Retirement Pension is reduced .25% for each month by which you are younger than age 62 when your Early Retirement Pension is effective. The table below shows the percentage of the Regular Pension amount which would be payable at various ages.

<u>Age on Effective Date of Early Retirement Pension</u>	<u>Percentage of Regular Pension</u>
55	79%
56	82%
57	85%
58	88%
59	91%
60	94%
61	97%

If you are somewhere between yearly age levels on your effective date, the percentage will be adjusted according to the number of months since your last birthday, including the month in which your birthday occurred.

To determine what your monthly payment under the Early Retirement Pension would be, multiply the amount you would receive under the Regular Pension by the percentage which corresponds to your age when you retire.



### Example

Steve Williams has four Past Service Credits and 12 Future Service Credits. He reaches age 59 and elects an Early Retirement Pension. His Regular Pension at age 62 is calculated as follows:

\$40.00 x 4 years	= \$160.00 (Past Service)
\$75.80 x 12 years	= <u>\$909.60</u> (Future Service)
Total	= \$1,069.60

Since Steve has elected an Early Retirement Pension with payments beginning at age 59, his monthly payment will be 91% of his Regular Pension amount, calculated as follows:

$$\$1,069.60 \times 91\% = \$973.34$$

Steve's monthly Early Retirement Pension will be rounded to \$973.50.

**Generally, the Plan may pay a Disability Pension if you are fully vested and you are totally disabled prior to attaining age 62.**

Note that the monthly amount shown in the above example is based on the single-life annuity with 60-month certain form of payment, and would be reduced for the Qualified 50% Joint and Survivor Annuity form of payment, if applicable. See pages 37 through 39.

**DISABILITY PENSION.** You may elect to receive a Disability Pension if you have attained vested status and you:

- Are totally disabled prior to attaining age 62,
- Have at least five Pension Credits (10 Pension Credits for Disability Pensions with Annuity Starting Dates before June 1, 2001),
- Have at least one Future Service Credit, and
- Have worked at least 300 hours in Covered Employment during the 24-month period before the month in which you became totally disabled. Effective January 1, 1996, this requirement will be satisfied if you worked 300 hours in Covered Employment during the 60-month period before the month in which you became totally disabled; however, this extended qualification period is only applicable if you did not work during that period for a non-contributing employer in employment of the type covered by the Collective Bargaining Agreement.

**Amount.** Your Disability Pension is computed in the same manner in which we compute your Regular Pension, except that there is no actuarial reduction on account of your commencement of payments prior to attaining age 62.

The amount of the monthly payment will be reduced for the Qualified 50% Joint and Survivor Annuity form of payment, if applicable. See pages 37 through 39.

**Payment of the Disability Pension.** Payment of the Disability Pension will commence as of the Annuity Starting Date (see page 44 of this Summary). The Annuity Starting Date cannot be earlier than the first day of the month following the month in which you applied for benefits from the Plan. Also, the Annuity Starting Date cannot be earlier than the date of entitlement to disability benefits from the Social Security Administration. (See the paragraph below titled *Proof of Total Disability*).

If you are receiving a Disability Pension when you reach age 62 your Disability Pension stops, but your Regular Pension automatically begins, in the same form in which you were receiving Disability Pension benefits.

Your Disability Pension payments will also stop if you cease to be totally disabled while receiving a Disability Pension.

#### **Example**

Bill Murray, an unmarried man, is 50 years old and has accrued 15 Future Service Credits. He is injured on June 1, 2022, and applies for a Disability Pension on November 1, 2022. Bill applies for Social Security benefits and is deemed totally disabled by the federal Social Security Administration on December 1, 2022. Bill's Annuity Starting Date can be no earlier than January 1, 2023. Bill's Disability Pension would equal a monthly payment of:

$$\$75.80 \times 15 \text{ years} = \$1,137.00$$

Note that the monthly amount shown in the above example is based on the single-life annuity with 60-month certain form of payment, and would be reduced for the Qualified 50% Joint and Survivor Annuity form of payment, if applicable. See pages 37 through 39.

***You must submit evidence of an award of Social Security Disability Benefits as proof of total disability.***

***You may be entitled to a lump sum payment of certain benefits for the period between your date of entitlement to Social Security***

**Proof of Total Disability.** As part of your proof of total disability, you must submit to the Board of Trustees the official determination by the federal Social Security Administration that you are entitled to a Social Security Disability Benefit. The Social Security "entitlement date" cannot be earlier than the first day of the sixth calendar month following the onset of total disability.

**Auxiliary Disability Benefit.** Once you provide proof of total disability, and the Annuity Starting Date for your Disability Pension has been established, then, if the Plan's requirements are met, auxiliary disability benefits may be payable for certain months prior to the Annuity Starting Date.

***Disability Benefits and the Annuity Starting Date of your Disability Pension.***

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

In order to qualify for the Auxiliary Disability Benefit, you must (1) have a date of entitlement to Social Security Disability Benefits that is prior to the Annuity Starting Date of your Disability Pension, and (2) must file both your application for a Disability Pension and your notice of entitlement to Social Security Disability Benefits with the Administrative Office within 60 days after the date on which the Social Security Administration mailed the notice.

**If either the notice of entitlement or the application for a Disability Pension is filed after the end of this 60-day period, then the Auxiliary Disability Benefit will not be payable.**

Upon receiving your notice of entitlement from the Social Security Administration, you should promptly submit it to the Administrative Office. This will ensure that disability benefits from the Plan become payable as early as possible.

***If you meet the requirements for a Disability Pension other than entitlement to Social Security Disability Benefits, you may be eligible for Provisional Auxiliary Disability Benefits for up to 12 months, or, if you have applied for or are appealing a denial of a Social Security Disability Award, for up to 30 months.***

**Provisional Auxiliary Disability Benefit.** If you meet all of the eligibility requirements for a Disability Pension other than entitlement to Social Security Disability Benefits, and you provide medical evidence of your disability that the Board of Trustees finds to be satisfactory, then Provisional Auxiliary Disability Benefits may still be payable to you from the Plan for up to 12 months, or, if you have also applied for and are actively pursuing a Social Security Disability Award, or are appealing a denial of the Award but have not yet received it, for up to 30 months. The monthly amount of this benefit is the same as would be payable if you had established eligibility for a Disability Pension. Payment of the provisional auxiliary disability benefit may extend beyond 30 months only if the Board of Trustees in its sole discretion finds that the participant 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.

The Plan provides that if the evidence shows that an applicant's injury or disease is self-inflicted, or is the result of felonious activity, alcohol abuse, or other substance abuse, then no benefit will be paid. See Section 3.07(b) of the Plan.

The Board of Trustees requires that you submit proof of continued disability every June and December. You must also keep the Administrative Office informed of the status of your application for Disability Benefits from Social Security.

***You must notify the Administrative Office if you lose your entitlement to Social Security Disability Benefits.***

***In certain circumstances, you may convert an Early Retirement Pension to a Disability Pension.***

***Generally, the Plan may pay a Service Pension if the sum of your age and Pension Credits is at least 80.***

**Recovery of a Disability Pensioner.** If you are receiving a Disability Pension and you lose your entitlement to Social Security Disability Benefits or if you recover from your disability, you must report this to the Administrative Office. This must be done within 21 days after the date of the notice of discontinuance or date of your return to employment. If you do not give this notice to the Administrative Office, it will cause a delay and a possible reduction in your pension when you re-retire.

If, after giving proper notice to the Administrative Office, you return to work in Covered Employment after you recover, you can earn additional Pension Credit and Vesting Service, which will be added to the credits earned before you became disabled. If you do not give the required notice, then upon your re-retirement, you will be subject to a six-month suspension before your pension is reinstated. However, this suspension for failure to notify will not extend beyond Normal Retirement Age. See Section 3.11 of the Plan Document.

**Changing an Early Retirement Pension to a Disability Pension.** If you are applying for a Disability Pension and have not yet been granted a Social Security Disability award, but you meet the Plan's requirements for Early Retirement (see pages 19 and 20), then you may be eligible to elect an Early Retirement Pension, and, upon receiving your notice of entitlement to Social Security Disability Benefits, convert your Early Retirement Pension to a Disability Pension.

For the conversion to be permitted, your date of entitlement to Social Security Disability Benefits must be on or before the date you applied for your Early Retirement Pension. The election to convert must be sent to the Administrative Office, in writing, along with a copy of your notice of entitlement to Social Security Disability Benefits, within 60 days of the date on which the Social Security Administration mailed the notice.

If the requirements of the above paragraph are met, disability benefits will be payable as of the later of (1) the date of entitlement to Social Security Disability Benefits or (2) the effective date of the Early Retirement Pension originally payable.

If an election to convert an Early Retirement Pension to a Disability Pension is not made within the 60-day period specified above, then the conversion will only be effective as of the month following the month in which the election is made.

**SERVICE PENSION.** You may elect to receive a Service Pension if you have attained vested status and:

- The Annuity Starting Date of your pension is on or after June 1, 1998;

- The sum of your full years of attained age and your full years of Pension Credit is at least 80;
- You are an Active Participant (see page 6) on your Annuity Starting Date; and
- You have never incurred a Separation From Covered Employment, including a Separation From Covered Employment that was cured. See Appendix A of this Summary titled *Detailed Service Rules*.

**Pension Amount.** The monthly amount of the Service Pension is calculated in the same manner as the Regular Pension (see pages 17 through 19).

The amount of the monthly payment will be reduced for the Qualified 50% Joint and Survivor Annuity form of payment, if applicable. See pages 37 through 39.

However, if payments under the Service Pension are suspended for any reason (see pages 26 through 30), then upon reinstatement following suspension, the monthly amount will be calculated in the same manner as the Early Retirement Pension (see pages 19 and 20), taking into account the age reduction that is applicable as of the reinstatement date. If the suspended Pensioner has reached age 62 before being reinstated, then no age reduction will be applied.

Pensioners who return to Covered Employment under the protection of a “moratorium period” declared by the Board of Trustees are not suspended. Therefore, employment which conforms to the requirements of the moratorium will not affect a Service Pensioner’s ongoing entitlement to benefits. See the Section on *Moratorium Periods* (page 29).

***Generally, the Plan may pay a Vested Service Pension if you have attained age 65 and meet the service requirements.***

**VESTED SERVICE PENSION.** You may elect to receive a Vested Service Pension if you meet both of the following requirements:

- You have attained age 65; and
- You meet the Plan’s service requirement for vesting (see pages 14 through 16). If you do not meet this requirement but are vested based on having attained Normal Retirement Age, see the paragraph below titled *Special Normal Retirement Age Vested Pension*.

**Pension Amount.** The monthly amount of the Vested Service Pension is determined in the same manner as the Regular Pension (see pages 17 through 19).

**Generally, the Plan may pay a Special Normal Retirement Age Vested Pension if you were an Active Participant on the date you attained age 65.**

**If you are not otherwise eligible for a pension under the Plan, you may still qualify for a Pro Rata Pension if you have service under both the Plan and a Related Plan.**

The amount of the monthly payment will be reduced for the Qualified 50% Joint and Survivor Annuity form of payment, if applicable. See pages 37 through 39.

**SPECIAL NORMAL RETIREMENT AGE VESTED PENSION.** You may elect to receive a Special Normal Retirement Age Vested Pension if you meet both of the following requirements:

- You have attained Normal Retirement Age. Normal Retirement Age means age 65 or, if later, an applicable anniversary date. The anniversary date is the earlier of (1) your 10th anniversary of participation in the Plan, or (2) the 5th anniversary of your participation in the Plan counting only service on and after January 1, 1988.
- You were an Active Participant on the date you reached Normal Retirement Age. If you have incurred a One-Year Break in Covered Employment (see Appendix A of this Summary titled *Detailed Service Rules*) after the most recent Plan Year in which you had 300 or more Hours of Service, then you will not be considered an Active Participant. See Sections 1.01 and 2.03 of the Plan.

**Pension Amount.** The monthly amount of the Special Normal Retirement Age Vested Pension is determined in the same manner as the Regular Pension (see pages 17 through 19), except that no amount is paid for Past Service Credit.

The amount of the monthly payment will be reduced for the Qualified 50% Joint and Survivor Annuity form of payment, if applicable. See pages 37 through 39.

**PRO RATA PENSION.** The Pro Rata Pension is provided for Participants whose years of employment have been divided between the Plan and other Related Plans, and who therefore do not have enough service under the Plan to otherwise qualify for a pension. The term "Related Plans" refers to other plans in the industry which are signatory to a Reciprocal Agreement with the Plan. You may elect to receive a Pro Rata Pension if you meet all of the following requirements:

- You are not otherwise eligible for a pension from the Plan; but if your Pension Credit under the Plan were combined with your Related Credit (credit earned under Related Plans), then you would be entitled to a Regular Pension, Early Retirement Pension, Disability Pension, or Vested Service Pension under the Plan.
- You have either:

- earned, on and after January 1, 1991, at least one Future Service Credit under the Plan or at least one credit under a Related Plan, or
- met the eligibility requirements for coverage under the National Pension Fund addendum to the pension fund reciprocal agreement for pro rata/partial pensions.

If you have worked in the industry under the jurisdiction of other plans and have questions about the Pro Rata Pension, please contact the Administrative Office.

**Pension Amount.** The monthly amount of the Pro Rata Pension is determined in the same way as the Regular, Early Retirement, Disability or Vested Service Pension, depending on which type of Pro Rata Pension you are eligible to receive. The Pro Rata Pension from the Plan is calculated only on the basis of your Pension Credit under the Plan; Related Credit is only used to help you establish your eligibility. Your benefits (if you are eligible) under a Related Plan or Plans will be based on your credit earned under those plans.

The Pro Rata Pension will be reduced for the Qualified 50% Joint and Survivor Annuity form of payment, if applicable (see pages 37 through 39).

**SPECIAL ONE-TIME PAYMENTS TO RETIREES.** From time to time, based on the growth and development of the Fund, the Board of Trustees may, in its sole discretion, direct the Administrative Office to distribute supplemental pension benefits (known as a Special One-Time Payment to Retirees) to qualifying Pensioners, beneficiaries, and alternate payees under a QDRO (qualified domestic relations order; see page 49). A Special One-Time Payment to Retirees is subject to the rules established by the Board of Trustees. Distribution of a Special One-Time Payment to Retirees in any given Plan Year does not guarantee or create an expectation of payment of a like benefit in any future Plan Year.

***If you are reemployed, or if you remain employed after your Regular Retirement Date, your pension benefits may be suspended.***

**SUSPENSION OF BENEFIT RULES.** To receive monthly pension payments from the Plan, you must retire and refrain from work which, for Pensioners, is prohibited by the Plan. If you take work which is prohibited by the Plan, then you must notify the Plan, in writing, within 21 days after you start work. Your monthly pension will be suspended while you are in prohibited employment and possibly longer, as described later in this Section.

**Prohibited Employment Before Normal Retirement Age.** Generally, to be considered retired before Normal Retirement Age (generally, age 65, but see the definition of “Normal Retirement Age” on page 3 of this Summary), you must meet the requirements of both (1) and (2) below:

- (1) You must completely withdraw from and refrain from any kind of activity or work in the plumbing and pipefitting industry (see below), whether for wages, profit, or other reasons, wherever such employment or activity may be performed (in Arizona or elsewhere).

The term “plumbing and pipefitting industry” means business activities of the types engaged in by any of the Employers maintaining the Plan. For 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 (a) becomes engaged in such activities through self-employment, or (b) becomes employed with, or acts on behalf of, an employer engaged in any such business activities, whether or not the employer contributes to the Plan, shall be considered active or working in the “plumbing and pipefitting industry.”

- (2) You must completely withdraw from and refrain from any work of a type covered by the Collective Bargaining Agreement wherever such employment or activity may be performed (in Arizona or elsewhere).

The Plan, however, provides certain exceptions to the general rule described above. This rule does not apply to routine operational repair and maintenance work performed for public employers, whether city, county, state, or federal.

This rule also does not apply to work performed for certain 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.

Beginning June 1, 2002, work as a part-time instructor for the apprenticeship committees affiliated with the Union (as defined on page 5 of this Summary) will not be considered prohibited employment before Normal Retirement Age; however, this exception to the rules on prohibited employment is subject to annual review and extension by the Board of Trustees.

Also, see the Sections on *Maximum Annual Earnings and Suspension of Benefits* (below) and *Moratorium Periods* (on page 29).



**Prohibited Employment After Normal Retirement Age but Before Year After Age 70½.** To be considered retired after Normal Retirement Age (generally, age 65, but see the definition of “Normal Retirement Age” on page 3 of this Summary), but before the calendar year after you attain age 70½, you must withdraw from and refrain from employment as an employee or contractor in the same industry, in the same trade or craft, in the State of Arizona, in excess of 40 hours in a calendar month. However, see the Sections on *Maximum Annual Earnings and Suspension of Benefits* (below) and *Moratorium Periods* (on page 29).

**Maximum Annual Earnings and Suspension of Benefits.** On and after November 1, 1977, the Board of Trustees has permitted an exception to the Prohibited Employment rules described on pages 26 through 28. Employment which is covered by the Collective Bargaining Agreement will not be considered prohibited employment until and unless a Pensioner has earned more, in a given calendar year, than a specified annual earnings limit. The Plan’s definition of the annual earnings limit has been amended at various times. On and after September 1, 2000, certain non-bargained employment will also qualify for this exception to the Plan’s suspension rules. Contact the Administrative Office if you have any questions about whether specific employment will qualify.

Effective August 1, 2008, for Pensioners who have attained age 65, there is no annual maximum on permitted earnings from Covered Employment.

For Pensioners who have not yet attained age 65, the annual earnings limit under this exception is established by the Board of Trustees, and is currently \$25,000.00.

Effective January 1, 2003, higher earnings limits will be permitted for work with a contributing Employer as a project manager, area manager estimator, or quality control inspector. The earnings limit for these “special classifications” has been increased by the Board of Trustees at various times. Contact the Administrative Office if you have any questions about whether specific employment will qualify for the higher earnings limit, or if you have any questions about the earnings limit for any given calendar year.

If a Pensioner continues to work after he or she has reached this annual earnings limit, then his or her employment, beginning with the month in which he or she exceeded the limit, will be subject to the Plan’s rules on prohibited employment and suspension of benefits. If a Pensioner engages in employment that does not qualify for the “maximum annual earnings” exception to the prohibited employment and suspension rules, then such employment will be subject to the prohibited employment and suspension rules.

Effective January 1, 2003, work in a Related Plan outside Arizona that has “money follows the man” reciprocity (also called “transfer of

contributions" reciprocity) with the Plan will not be subject to the maximum annual earnings limit described in this Section.

**Moratorium Periods.** Due to a manpower shortage in the industry, the Board of Trustees has, at various times, amended the Plan to provide, for Pensioners who return to work in Covered Employment, a "moratorium period" with regard to the application of the Plan's suspension rules. During some (but not all) moratorium periods, the earnings limits described on the preceding page, and above on this page, remained in effect. The Board of Trustees, during various periods specified in the Plan Document, has also suspended the applicability of the earnings limits for Pensioners. Establishment of a moratorium or earnings-limit suspension in any given Plan Year does not guarantee or create an expectation of a moratorium or earnings-limit suspension in any future Plan Year.

For the dates and other details of these moratorium periods and periods during which the earnings limits were suspended, please refer to Section 8.08(i) of the Plan Document. You should contact the Administrative Office if you have any questions about how certain employment would be administered under this provision of the Plan.

**No Prohibited Employment Year After Age 70½.** Beginning on and after April 1 of the calendar year after you attain age 70½, there are no restrictions on the type, duration, or location of the work you may perform while receiving pension benefits from the Plan.

**Suspension of Pension Payments.** If you are retired and take work that the Plan prohibits for Pensioners, then you must notify the Administrative Office, in writing, within 21 days after you start work. Your pension payments will be suspended for each month you are working in prohibited employment.

If you are younger than Normal Retirement Age, then your pension payments will be suspended for an additional period of six months after the end of your prohibited employment. If you fail to notify the Administrative Office within 21 days of your employment and you are younger than Normal Retirement Age, then your pension payments will be suspended for an additional period of six months, for a possible 12 months of suspension following the end of your prohibited employment. However, in no event will these additional periods of suspension extend beyond your Normal Retirement Age.

If your pension benefits are suspended, you have the right to appeal to the Board of Trustees by written request filed with the Board of Trustees within specified time periods. The appeal will be considered by the Board of Trustees and its decision will be furnished in writing and will include the specific reasons for the decision and specific reference to the Plan provisions on which the decision was based.

The Board of Trustees will recover the amount of any pension payment made which should have been suspended. This recovery

will be done either by a request for an immediate refund of the total amount of the overpayment or through offset against future monthly pension payments.

The Board of Trustees has adopted a rule which requires the retired Employee who returns to work to file a Benefits Resumption Notice before pension checks can resume. To meet this notice requirement, the retired Employee can simply advise the Board of Trustees in writing as to when he or she stopped or will stop working in prohibited employment and the first month for which he or she would like his or her benefits to begin again. At that time, the Administrative Office will examine the circumstances of the employment and advise the retired Employee how the recovery of any improperly made payments will be scheduled.

If you have any questions as to whether a job you plan to take will cause a suspension, please write the Administrative Office, name the employer for whom you intend to work, describe the job you propose to perform, and you will be advised if the job will cause a suspension of benefits.

For the full text of the Plan rules concerning prohibited employment for Pensioners and suspension of benefits, please refer to Sections 8.07 and 8.08 of the Plan Document.

**Reinstatement of Pension Payments following Suspension.** A Pensioner who returns to Covered Employment shall, upon his or her subsequent retirement, be entitled to receive an increased pension based on his or her age and Pension Credit accumulated during his or her subsequent period(s) of work in Covered Employment.

After a Pensioner has ended his or her disqualifying (prohibited) employment, pension payments will resume after any additional months of suspension which are applicable, and after administrative processing of his or her recalculated benefit. Provided the Pensioner has complied with the Plan's notification requirements (see page 29 and above on this page), once the processing of this reinstatement is complete, benefits will be payable retroactive to the first month after the later of (1) the last month of prohibited employment, or (2) if applicable, the last month of additional suspension.

For Early Retirement Pensioners who return to work, the monthly pension payable upon re-retirement will be (1) recalculated based on age and service as of the date benefits are being reinstated, and (2) reduced by 1% percent of the total dollar amount of Early Retirement Pension payments previously received prior to Normal Retirement Age. However, in no event will the monthly amount upon reinstatement be less than the amount payable at the time a Pensioner returned to work.

Also see the Section titled *Moratorium Periods* on page 29 of this Summary. Early Retirement Pensioners who returned to Covered

Employment on or after August 1, 1994, but no later than May 31, 1998, will not be subject to the 1% adjustment described above.

**Additional Benefits Accrued After Retirement.** If you return to work in Covered Employment after your retirement, your hours worked may earn additional benefit accrual, increasing the amount of your Pension. A Pensioner's return to work is subject to rules on prohibited employment and suspension, as explained on pages 26 through 31.

Provided you are not in suspendible employment, your Pension will be recalculated, as of the July 1 following the end of the Plan Year in which you earned the new accrual. However, if you earn post-retirement accrual after your attainment of your Required Beginning Date (as defined on page 4 of this Summary), that new accrual will be calculated at the end of the calendar year, not the Plan Year.

If you have not reached your Normal Retirement Age, you may elect a different form of payment for the new accruals, but in no event can you change the form of payment for benefits based on work performed before you returned to Covered Employment.

Once you and your Spouse, if any, have made a form of payment election at Normal Retirement Age or later, that election also controls the form of payment in which your future accruals, if any, will be paid.

## DEATH BENEFITS

Your Spouse or other beneficiary may be entitled to a death benefit from the Plan if you die before you begin to receive pension payments (including Disability Pension payments) from the Plan.

**MARRIED EMPLOYEES.** If you are married and you die before you elect to begin receiving pension payments from the Plan, your surviving Spouse may be eligible for one of the following death benefits:

- A Qualified Pre-Retirement Survivor Annuity;
- A lump-sum death benefit; or
- 60 monthly payments.

As described below, the nature and amount of the death benefit payable to your surviving Spouse depends on whether you are vested at the time of your death.

***If you are vested at the time of your death, your Spouse will be eligible for a Qualified Pre-Retirement Survivor Annuity.***

**Qualified Pre-Retirement Survivor Annuity.** If you are vested at the time of your death, then your surviving Spouse will be entitled to a Qualified Pre-Retirement Survivor Annuity, subject to the following:

- **Employees Whose Deaths Occur Prior to Age 55.** If your death occurs before you attain age 55, then your surviving Spouse is entitled to a Qualified Pre-Retirement Survivor Annuity equal to 50% of the monthly amount that would have been payable to you had you retired on a Qualified 50% Joint and Survivor Annuity at age 55. The Qualified Pre-Retirement Survivor Annuity may commence with the month following the month in which you would have attained age 55 had you lived.

However, your surviving Spouse may elect within 90 days to receive, instead of the Qualified Pre-Retirement Survivor Annuity, either the lump-sum death benefit or the 60 monthly payments. (See the sections below on *Lump Sum Death Benefit* and *60 Monthly Payments*.) If the surviving Spouse elects to receive one of these alternate benefits, and the actuarial present value of the Qualified Pre-Retirement Survivor Annuity is greater than the lump sum amount or the total of the 60 monthly payments (whichever the surviving Spouse elects), then the alternate benefit will be increased so that it equals the actuarial present value of the Qualified Pre-Retirement Survivor Annuity.

- **Employees Whose Deaths Occur After Attaining Age 55.** If your death occurs after you attain age 55, your surviving Spouse is entitled to a Qualified Pre-Retirement Survivor Annuity equal to 50% of the monthly benefit

which would have been payable to you had you retired on a Qualified 50% Joint and Survivor Annuity on the effective date of the Qualified Pre-Retirement Survivor Annuity payable to your surviving Spouse. The Qualified Pre-Retirement Survivor Annuity may commence with the month following the month in which your surviving Spouse applies for death benefits.

In addition to the Qualified Pre-Retirement Survivor Annuity described in the previous paragraph, your Spouse or other designated beneficiary will receive 60 monthly payments equal to the difference between (1) the monthly benefit which you would have received if you had retired at age 62 on the day before your death, and (2) the monthly benefit payable to your Spouse under the Qualified Pre-Retirement Survivor Annuity. Note that you may not name a beneficiary other than your Spouse to receive this benefit without the written, notarized consent of your Spouse to that designation.

***Your surviving Spouse may elect to delay receiving the Qualified Pre-Retirement Survivor Annuity.***

Your surviving Spouse may elect to delay the commencement of the Qualified Pre-Retirement Survivor Annuity until the later of (1) the end of the year in which you would have reached your Required Beginning Date had you lived or, (2) the end of the year following the year in which your death occurred.

***If you are vested, your surviving Spouse may waive the Qualified Pre-Retirement Survivor Annuity and elect a death benefit consisting of 60 monthly payments instead.***

**60 Monthly Payments.** If you are vested at the time of your death, then your surviving Spouse may elect to receive 60 monthly payments equal to the monthly benefit which you would have received if you had retired at age 62 on the day before your death in lieu of the Qualified Pre-Retirement Survivor Annuity. The election to waive the Qualified Pre-Retirement Survivor Annuity must be made within 90 days of your death. This benefit is paid instead of — not in addition to — the Qualified Pre-Retirement Survivor Annuity and the lump-sum death benefit. (See the section above on *Qualified Pre-Retirement Survivor Annuity*.) However, if the actuarial present value of the Qualified Pre-Retirement Survivor Annuity is greater than the total of the 60 monthly payments, then the 60 monthly payments will be increased so that the benefit equals the actuarial present value of the Qualified Pre-Retirement Survivor Annuity.

***If you are not vested, your surviving Spouse (or beneficiary) may be entitled to a lump sum death benefit.***

**Lump Sum Death Benefit.** If you are not vested at the time of your death, then your surviving Spouse or other designated beneficiary may be entitled to a lump sum death benefit. To qualify for this benefit, you must have worked at least 300 hours in Covered Employment during the 60-month period immediately preceding the month in which your death occurred. No lump sum death benefit is payable on behalf of a non-vested Employee who does not meet this 300-hour requirement.

The amount of this lump-sum death benefit is based on the number of Future Service Credits you had accumulated. Subject to a

maximum of \$25,000, the amount of the lump-sum death benefit is determined as follows:

- Future Service Credits accumulated prior to June 1, 1969, multiplied by \$200.00; plus
- Future Service Credits accumulated from June 1, 1969, through May 31, 1973, multiplied by \$500.00; plus
- Future Service Credits accumulated on and after June 1, 1973, multiplied by \$1,000.00.

Note that no designation of a beneficiary other than your Spouse will be effective without the written, notarized consent of your Spouse to that designation.

***If you are vested, your surviving Spouse may waive the Qualified Pre-Retirement Survivor Annuity and elect the lump sum death benefit instead.***

In addition, if you are vested at the time of your death, your surviving Spouse may elect within 90 days to receive the lump sum death benefit instead of the Qualified Pre-Retirement Survivor Annuity. (See the section above on *Qualified Pre-Retirement Survivor Annuity*.) If the surviving Spouse elects to receive the lump sum death benefit, and the actuarial present value of the Qualified Pre-Retirement Survivor Annuity is greater than the lump sum amount, then the lump sum amount will be increased so that it equals the actuarial present value of the Qualified Pre-Retirement Survivor Annuity.

**UNMARRIED EMPLOYEES.** If you are not married and you die before you elect to begin receiving pension payments from the Plan, your designated beneficiary may be eligible for one of the following death benefits:

- 60 monthly payments; or
- A lump sum death benefit.

As described below, the nature and amount of the death benefit payable to your designated beneficiary depends on whether you are vested at the time of your death.

***If you are vested, your beneficiary may be entitled to a death benefit consisting of 60 monthly payments.***

**60 Monthly Payments.** If you are vested at the time of your death and you are unmarried, then your designated beneficiary will receive 60 monthly payments equal to the monthly benefit which you would have received if you had retired at age 62 on the day before your death. This benefit is paid instead of — not in addition to — the lump-sum death benefit paid to the beneficiary of a non-vested Employee. However, if the lump-sum death benefit would be greater than the sum of the 60 monthly payments, then your beneficiary will receive that greater amount.

***If you are not vested, your beneficiary may be***

**Lump Sum Death Benefit.** If you are not vested at the time of your death and you are unmarried, then your designated beneficiary may be entitled to a lump sum death benefit. To qualify for this benefit,

**entitled to a lump sum death benefit.**

you must have worked at least 300 hours in Covered Employment during the 60-month period immediately preceding the month in which your death occurred. No lump sum death benefit is payable on behalf of a non-vested Employee who does not meet this 300-hour requirement.

The amount of this lump-sum death benefit is based on the number of Future Service Credits you had accumulated. Subject to a maximum of \$25,000, the amount of the lump-sum death benefit is determined as follows:

- Future Service Credits accumulated prior to June 1, 1969, multiplied by \$200.00; plus
- Future Service Credits accumulated from June 1, 1969, through May 31, 1973, multiplied by \$500.00; plus
- Future Service Credits accumulated on and after June 1, 1973, multiplied by \$1,000.00.

**Generally, if you die after you begin receiving benefits from the Plan, survivor benefits will only be payable if the form of benefit you elected provided for such benefits.**

**POST-RETIREMENT DEATH BENEFITS.** Generally, if you die after monthly payments to you from the Plan have begun, survivor benefits are payable only if the form of benefit you elected provided for survivor benefits. But if on the date of your death the Plan was making monthly payments to you in the form of a Single Life Pension, the Plan guarantees payment of 60 monthly payments. There's more information about this "60-month guarantee" in the Section of this Summary titled *Forms of Benefit*, beginning on page 37.

**Special Provision for Disability Pensions.** If you are receiving a Disability Pension in the form of a Qualified 50% Joint and Survivor Annuity or a Qualified Optional 75% Joint and Survivor Annuity and you die before you attain age 55, then the survivor annuity to your Spouse or co-annuitant, as applicable, will begin as of the later of (a) the first day of the month following your death or (b) the first day of the month following the date on which you would have attained age 55 had you lived. Notwithstanding the foregoing, if you die on or after March 1, 2019, benefits for your Spouse or co-annuitant will begin on the first day of the month following the month in which your death occurred.

**You may designate a beneficiary to receive any death benefit payable under the Plan.**

**BENEFICIARY DESIGNATION.** You may designate a beneficiary to receive any death benefit payable under the Plan or you may change your beneficiary designation from time to time by completing a beneficiary designation form which you may obtain from the Administrative Office. If you are married, no designation of a beneficiary other than your Spouse will be effective without the written, notarized consent of your Spouse to that designation.

In addition, you may designate one or more contingent beneficiaries to receive any death benefit in the event your primary beneficiary dies before you do or dies before the full period for which benefits are



payable is completed. You may not designate a trust as a beneficiary.

If you are divorced, your divorced Spouse will be treated as having predeceased you and, therefore, will not be entitled to benefits under the Plan, except to the extent expressly provided in a qualified domestic relations order, or by your designation made after the divorce.

Benefits will be paid to the beneficiary you have designated on the form on file with the Administrative Office at the time of your death.

In the absence of an effective beneficiary designation, your death benefit will 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.

## **FORMS OF BENEFIT**

***Any benefit form you choose will be of equal value. However, the duration and amounts of the forms vary.***

The Plan provides various forms of retirement benefit payment. Only one form of payment may be chosen and, once benefit payments have begun, this cannot be changed (except in the case of conversion from an Early Retirement Pension to a Disability Pension, as explained on page 23).

The Plan specifies the automatic form of payment for unmarried retirees and the automatic form of payment for married retirees. All pensions will be paid in the automatic form which corresponds to the retiree's marital status unless that form is properly rejected.

The forms of payment provided by the Plan are (1) the single life annuity with 60-month certain period, (2) the Qualified 50% Joint and Survivor Annuity, (3) the Qualified Optional 75% Joint and Survivor Annuity, and (4) the Joint and Survivor Options — under which 50%, 66⅔%, and 100% joint and survivor annuities may be elected.

The Administrative Office will be happy to help you calculate your benefit under any of the available forms so that you can decide which form of payment you want.

***If you are not married, the “normal” form of benefit is a single life annuity with a 60-month certain period.***

**SINGLE LIFE ANNUITY WITH 60-MONTH CERTAIN PERIOD.** For Annuity Starting Dates on and after June 1, 2016, the automatic form of payment if you are unmarried is a single life annuity with a 60-month certain period. This means that the monthly benefit for which you qualify, based on your age and service, is payable for your lifetime. Upon your death, payments cease unless fewer than 60 monthly payments have been made, in which case payments would continue to your designated beneficiary until the number of monthly payments made to you and to your beneficiary totaled 60. For example, if you received 40 payments prior to your death, then your beneficiary would receive 20 monthly payments. The amount of the monthly payment to your beneficiary is equal to the monthly pension you were receiving at the time of death.

Exception: If you are unmarried and are receiving a Special Normal Retirement Age Vested Pension (see page 25), then benefits will cease upon your death. The 60-month certain period does not apply to the Special Normal Retirement Age Vested Pension.

***If you are married, the “normal” form of benefit is a Qualified 50% Joint and Survivor Annuity.***

**QUALIFIED 50% JOINT AND SURVIVOR ANNUITY.** The automatic form of payment if you are married is the Qualified 50% Joint and Survivor Annuity. This means that a reduced monthly benefit is paid for your lifetime, and, upon your death, 50% of that amount is paid for your surviving Spouse's lifetime. For example, if you were receiving a monthly pension of \$700.00 under the Qualified 50% Joint and Survivor Annuity, then upon your death your surviving Spouse would receive a lifetime monthly benefit of \$350.00.

The benefit level is reduced because the Qualified 50% Joint and Survivor Annuity extends protection over two lifetimes. The extent of the reduction depends on (1) whether your pension is a Disability Pension, and (2) the difference in age between you and your Spouse. If your Spouse is much younger than you are, then your benefits will be reduced more than if you are close to the same age or if your Spouse is older than you. The reason is that, statistically, a younger Spouse is likely to benefit more from this added protection. For Annuity Starting Dates on and after June 1, 2016, the monthly benefit payable during your lifetime is determined by the following formulas:

**Non-Disability Pensions.** If you are eligible for any type of pension other than a Disability Pension, your single-life pension will be reduced for the Qualified 50% Joint and Survivor Annuity by multiplying your pension by 89% minus 0.4% for each year by which your Spouse is younger than you or plus 0.4% for each year by which your Spouse is older than you. The maximum percentage is 100%.

#### **Example**

Assume you are eligible for a Regular Pension of \$500.00 per month. You are 65 years old, and your Spouse is 60 years old. To determine the monthly amount you would receive under the Qualified 50% Joint and Survivor Annuity, you first determine how many years younger or older your Spouse is than you and multiply that number of years by 0.4%. In this case, your Spouse is 5 years younger than you, so you would multiply 5 years by 0.4%, which equals 2%. Since your Spouse is younger than you, you must subtract the 2% from 89%, which equals 87%. Therefore, your Regular Pension of \$500.00 is multiplied by 87% which equals \$435.00. This is the monthly amount of pension you would receive for the rest of your life under the Qualified 50% Joint and Survivor Annuity. Upon your death, your surviving Spouse will receive 50% of that amount, or \$217.50 per month for life.

**Disability Pensions.** If you are eligible for a Disability Pension, your single-life pension will be reduced for the Qualified 50% Joint and Survivor Annuity by multiplying your pension by 80% minus 0.4% for each year by which your Spouse is younger than you or plus 0.4% for each year by which your Spouse is older than you. If you are younger than age 55 when your Disability Pension is effective, an additional 0.5% for each year by which you are younger than age 55 is added to the percentage above. The maximum percentage is 100%.

#### **Example**

Assume that you are eligible for a Disability Pension of \$300.00 per month. You are age 54 and your Spouse is age 49. The first step is multiplying your age difference of 5 years times 0.4%, which equals 2%. Since your Spouse is younger than you, this amount is subtracted from 80%, which equals 78%. Since you are younger

than age 55 on your effective date, an additional 0.5% will be added to the 78% because you are one year younger than age 55. The resulting percentage is 78.5%. Your Disability Pension of \$300.00 is multiplied by 78.5%, which equals \$235.50. This is the monthly amount of Disability Pension you will receive for the rest of your life. Upon your death, your surviving Spouse will receive 50% of that amount, or \$117.75 per month for life.

If you have any questions about the amount of your Qualified 50% Joint and Survivor Annuity, you can write to the Administrative Office. They will be happy to help you with the calculation.

**Significant points about the Qualified 50% Joint and Survivor Annuity.**

- If you are married, then you will receive the Qualified 50% Joint and Survivor Annuity when you retire unless you and your Spouse properly reject it and elect another form of payment.
- The Qualified 50% Joint and Survivor Annuity can protect only the Spouse to whom you are married at the time your pension payments start AND to whom you were married for at least one year prior to your death.
- Once payments have begun in Qualified 50% Joint and Survivor Annuity form, they will continue at the same level even if your marriage should be dissolved.
- Payments to the surviving Spouse are for life; they would not be affected by remarriage.
- After your payments under the Qualified 50% Joint and Survivor Annuity have begun, if your Spouse should die before you, then all pension payments will stop upon your death.
- If your pension is paid in the form of a Qualified 50% Joint and Survivor Annuity and your Spouse dies before you, then beginning with the month following your Spouse's death (but not earlier than April 1, 1994), your monthly benefit will be increased so as to equal the monthly benefit you would have received if you and your Spouse had elected to receive your pension in the form of a single life annuity with a 60-month certain period.

***Qualified Optional 75% Joint and Survivor Annuity...***

**QUALIFIED OPTIONAL 75% JOINT AND SURVIVOR ANNUITY.** For Annuity Starting Dates on and after June 1, 2009, an eligible unmarried Employee, or a married Employee whose Spouse consents to the rejection of the Qualified 50% Joint and Survivor Annuity, may elect this optional form of payment. The Qualified

Optional 75% Joint and Survivor Annuity provides a lifetime monthly benefit to the beneficiary designated by the Employee at the time of his or her retirement.

Under this Option, as with the other joint and survivor forms of payment, you will receive a lower monthly pension than you would otherwise be entitled to, but benefits are extended over two lifetimes. The monthly benefit payable to your beneficiary will be 75% of the monthly benefit payable during your life. The amount of the reduction depends on your age and the age of your beneficiary (either your Spouse or a non-Spouse co-annuitant). For Annuity Starting Dates on and after June 1, 2016, here are the formulas:

**Non-Disability Pensions.** Your single-life pension will be reduced for the Qualified Optional 75% Joint and Survivor Annuity by multiplying your pension by 85% minus 0.6% for each year by which your beneficiary is younger than you or plus 0.6% for each year by which your beneficiary is older than you. The maximum percentage is 100%.

#### **Example**

Assume you are eligible for a Regular Pension of \$500.00 per month. You are 65 years old, and your Spouse is 60 years old. To determine the monthly amount you would receive under the Qualified Optional 75% Joint and Survivor Annuity, you first determine how many years younger or older your Spouse is than you and multiply that number of years by 0.6%. In this case, your Spouse is 5 years younger than you, so you would multiply 5 years by 0.6%, which equals 3%. Since your Spouse is younger than you, you must subtract the 3% from 85%, which equals 82%. Therefore, your Regular Pension of \$500.00 is multiplied by 82% which equals \$410.00. This is the monthly amount of pension you would receive for the rest of your life under the Qualified Optional 75% Joint and Survivor Annuity. Upon your death, your surviving Spouse will receive 75% of that amount, or \$307.50 per month for life.

**Disability Pensions.** Your single-life pension will be reduced for the Qualified Optional 75% Joint and Survivor Annuity by multiplying your pension by 73% minus 0.5% for each year by which your beneficiary is younger than you or plus 0.5% for each year by which your beneficiary is older than you. If you are younger than age 55 when your Disability Pension is effective, an additional 0.5% for each year by which you are younger than age 55 is added to the percentage above. The maximum percentage is 100%.

#### **Example**

Assume that you are eligible for a Disability Pension of \$300.00 per month. You are age 54 and your Spouse is age 49. The first step is multiplying your age difference of 5 years times 0.5%, which equals 2.5%. Since your Spouse is younger than you, this amount is

subtracted from 73%, which equals 70.5%. Since you are younger than age 55 on your effective date, an additional 0.5% will be added to the 70.5% because you are one year younger than age 55. The resulting percentage is 71%. Your Disability Pension of \$300.00 is multiplied by 71%, which equals \$213.00. This is the monthly amount of Disability Pension you will receive for the rest of your life. Upon your death, your surviving Spouse will receive 75% of that amount, or \$159.75 per month for life.

**Significant Notes About the Qualified Optional 75% Joint and Survivor Annuity.**

- 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 that would have been payable in the form of a single life annuity with 60-month certain period, which is the normal form of payment for Participants who are not married when they retire.
- If the beneficiary dies within the applicable election period, the retiree should notify the Administrative Office. If payments have not yet commenced, the retiree can elect a different form of payment and /or designate a new beneficiary.

***Other Joint and Survivor Options...***

**JOINT AND SURVIVOR OPTIONS.** The Joint and Survivor Options are available to all eligible retirees except Disability Pensioners.

An eligible unmarried Employee, or a married Employee whose Spouse consents to the rejection of the Qualified 50% Joint and Survivor Annuity, may elect this optional form of payment. The Joint and Survivor Option provides a lifetime monthly benefit to the beneficiary designated by the Employee at the time of his or her retirement.

Under this Option, as with the Qualified 50% Joint and Survivor Annuity, you will receive a lower monthly pension than you would otherwise be entitled to, but benefits are extended over two lifetimes. The monthly benefit payable to your beneficiary will be 100%, 66 $\frac{2}{3}$ %, or 50% — whichever is elected — of the monthly benefit payable during your life. The amount of the reduction depends on your age and the age of your beneficiary (either your Spouse or a non-Spouse co-annuitant). For Annuity Starting Dates on and after June 1, 2016, here are the formulas:

**50% Joint and Survivor Option.** Your single-life pension will be reduced for the 50% Joint and Survivor Option by multiplying your pension by 89% minus 0.4% for each year by which your beneficiary

is younger than you or plus 0.4% for each year by which your beneficiary is older than you. The maximum percentage is 100%.

**Example**

Assume you are eligible for a Regular Pension of \$500.00 per month. You are 65 years old, and your beneficiary is 60 years old. To determine the monthly amount you would receive under the 50% Joint and Survivor Option, you first determine how many years younger or older your beneficiary is than you and multiply that number of years by 0.4%. In this case, your beneficiary is 5 years younger than you, so you would multiply 5 years by 0.4%, which equals 2%. Since your beneficiary is younger than you, you must subtract the 2% from 89%, which equals 87%. Therefore, your Regular Pension of \$500.00 is multiplied by 87% which equals \$435.00. This is the monthly amount of pension you would receive for the rest of your life under the 50% Joint and Survivor Option. Upon your death, your surviving beneficiary will receive 50% of that amount, or \$217.50 per month for life.

**66⅔% Joint and Survivor Option.** Your single-life pension will be reduced for the 66⅔%, Joint and Survivor Option by multiplying your pension by 86% minus 0.5% for each year by which your beneficiary is younger than you or plus 0.5% for each year by which your beneficiary is older than you. The maximum percentage is 100%.

**Example**

Assume you are eligible for a Regular Pension of \$500.00 per month. You are 65 years old, and your beneficiary is 60 years old. To determine the monthly amount you would receive under the 66⅔% Joint and Survivor Option, you first determine how many years younger or older your beneficiary is than you and multiply that number of years by 0.5%. In this case, your beneficiary is 5 years younger than you, so you would multiply 5 years by 0.5%, which equals 2.5%. Since your beneficiary is younger than you, you must subtract the 2.5% from 86%, which equals 83.5%. Therefore, your Regular Pension of \$500.00 is multiplied by 83.5% which equals \$417.50. This is the monthly amount of pension you would receive for the rest of your life under the 66⅔% Joint and Survivor Option. Upon your death, your surviving beneficiary will receive 66⅔% of that amount, or \$278.33 per month for life.

**100% Joint and Survivor Option.** Your single-life pension will be reduced for the 100% Joint and Survivor Option by multiplying your pension by 80% minus 0.7% for each year by which your beneficiary is younger than you or plus 0.7% for each year by which your beneficiary is older than you. The maximum percentage is 100%.

### **Example**

Assume you are eligible for a Regular Pension of \$500.00 per month. You are 65 years old, and your beneficiary is 60 years old. To determine the monthly amount you would receive under the 100% Joint and Survivor Option, you first determine how many years younger or older your beneficiary is than you and multiply that number of years by 0.7%. In this case, your beneficiary is 5 years younger than you, so you would multiply 5 years by 0.7%, which equals 3.5%. Since your beneficiary is younger than you, you must subtract the 3.5% from 80%, which equals 76.5%. Therefore, your Regular Pension of \$500.00 is multiplied by 76.5% which equals \$382.50. This is the monthly amount of pension you would receive for the rest of your life under the 100% Joint and Survivor Option. Upon your death, your surviving beneficiary will receive 100% of that amount, or \$382.50 per month for life.

### **Significant Notes About the Joint and Survivor Options.**

- To elect the Joint and Survivor Option, you must apply in writing before receipt of your first Pension Check.
- For the Joint and Survivor Option to take effect, both the Employee and the beneficiary must be alive on the Annuity Starting Date (see page 44), subject to the exceptions noted in the following paragraphs.
- If an eligible Employee who has applied for the Joint and Survivor Annuity dies during the month immediately preceding his or her Annuity Starting Date, then the death will be considered a post-retirement death, rather than a pre-retirement death. The beneficiary named as Co-Annuitant under the Joint and Survivor Option will receive a survivor annuity (50%, 66⅔%, or 100% of the amount that would have been payable to the Pensioner, whichever was elected), and no pre-retirement death benefits (see pages 32 through 35) will be payable.
- If the beneficiary dies before the Annuity Starting Date, the option is automatically revoked. The Employee can apply the option to another beneficiary if he or she notifies the Administrative Office in writing and chooses the new beneficiary within 90 days of the original beneficiary's death.
- If your pension is paid in the form of a Joint and Survivor Option with an Annuity Starting Date on or after June 1, 2001, and your beneficiary (or Co-Annuitant, in the case of this Option) dies before you, then beginning with the month following the Co-Annuitant's death, your monthly benefit will be increased so as to equal the monthly



***The earliest date your pension can begin is the first day of the month after your completed application for pension benefits has been filed with the Administrative Office.***

***If you are married, your Spouse must consent to an election of any form of benefit other than a Qualified 50% Joint and Survivor Annuity.***

***There are special rules which require a certain amount of time to pass***

benefit you would have received if you had elected to receive your pension in the form of a single life annuity with a 60-month certain period.

- For Annuity Starting Dates prior to June 1, 2001, additional restrictions were imposed on the election and revocation of the Joint and Survivor Option. Contact the Administrative Office if you have any questions.

**ANNUITY STARTING DATES.** The earliest date your pension can begin is the first day of the month after your completed application for pension benefits has been filed with the Administrative Office. The packet of application forms provided to you will include a general explanation of the automatic forms of payment for married and unmarried applicants, and of the optional forms of payment available under the Plan.

The actual commencement of your payments may be delayed in some cases because of claims processing. For example, the Administrative Office may need to obtain proof of employment from the Social Security Administration to verify your Past Service Credit.

Generally, once processing is completed and you are found to be eligible for a pension, your payments will be effective as of the first day of the month after your application was received, or if later, the first day of the month following your last day of Covered Employment. This effective date is known as your Annuity Starting Date.

The Annuity Starting Date for a Disability Pension is determined in the same manner. However, disability benefits may, under certain circumstances, be payable for periods prior to the Annuity Starting Date. Refer to the explanation of the Disability Pension on pages 20 through 23.

**SPOUSAL CONSENT.** If you are married, but want your benefits paid in a form other than a Qualified 50% Joint and Survivor Annuity, you may “waive” the Qualified 50% Joint and Survivor Annuity and elect one of the optional forms of benefits, but your Spouse must consent to the waiver. As a general rule, the law requires that—if you are married—in order for you to receive your pension in a form other than the Qualified 50% Joint and Survivor Annuity:

- You must certify that your Spouse cannot be located, or
- Your Spouse must sign a statement consenting to your decision and acknowledging its effect. Such a statement by your Spouse must either be signed in the presence of a Plan representative or be notarized.

**NOTIFICATION PERIOD.** Generally, your benefits cannot start more than 180 days, nor fewer than 30 days, after you receive the appropriate notices from the Plan. In other words, as a general rule

***between the time the Plan notifies you about the benefit options available to you—and how to elect a particular option—and the date on which your benefits begin.***

the law doesn't permit the Plan to give you this information more than 180 days in advance of the date your benefits would begin. But on the other hand, the law generally requires that you have this information in hand for at least 30 days before benefit payments may begin.

These same time periods apply with respect to the timing of the Plan's provision of information concerning your Spouse's consent to your waiver of the Qualified 50% Joint and Survivor Annuity.

Under certain circumstances, however, the 30-day period between the time you receive the appropriate notices from the Plan and the date on which your benefits begin may be shortened to *eight days*.

An election to waive the 30-day minimum waiting period will be valid as long as:

- (1) You are informed of the right to take at least 30 days to consider whether to waive the Qualified 50% Joint and Survivor Annuity and consent to receive an alternate form of payment; and
- (2) You are given at least seven days to change your mind and cancel an election to waive the automatic form of payment; and
- (3) Distribution of benefits does not begin until after the seven-day period expires.

Although this waiver will allow the payment of your benefits to begin as early as the eighth day after you were provided with the general written explanation of the available forms of payment, administrative processing of your pension application may delay the issuance of your first benefit payment.

If you decide to waive the Qualified 50% Joint and Survivor Annuity but then change your mind, you may revoke that waiver and receive your benefits in the Qualified 50% Joint and Survivor Annuity form, but only if you file your revocation before you begin to receive your monthly retirement payments.

***Some smaller benefits may be paid in a lump sum.***

**LUMP SUM PAYMENT.** If the lump sum value of your vested benefit does not exceed \$7,000 when you terminate your Covered Employment, you or your beneficiary will receive an immediate lump sum payment of the entire vested portion.

If you receive payment of your benefits in a lump sum, you may direct the Plan to transfer those benefits to another qualified retirement plan (like an IRA or another pension plan). If you do not direct the Plan to make such a "direct rollover" of your benefits, the Plan will be required by federal law to withhold a portion of the distribution and send it to the Internal Revenue Service, much the same way your

Employer withholds a portion of your wages. If you have any questions concerning the payment of benefits, you can call the Administrative Office, but you should consult with your own financial and/or tax advisor to select the best approach. Neither the Board of Trustees nor the Administrative Office may give tax advice.

***You must apply to request payment of your Plan benefits.***

## **APPLYING FOR BENEFITS**

The first step in applying for your pension is to request an application from the Administrative Office.

At the same time, you can obtain information from the Administrative Office about your Pension Credits, benefits, options, and any other information which will help to make your decisions and complete the application.

You will be considered as having applied for pension only when your completed, written application has been received by the Administrative Office. Payments cannot begin before the completed, written application is received.

You must provide a copy of your birth certificate or other proof of your date of birth. If your pension will be paid as a Qualified 50% Joint and Survivor Annuity (see pages 37 through 39), then proof of marriage and of your Spouse's date of birth also must be submitted. If your pension will be paid as a Joint and Survivor Option or a Qualified Optional 75% Joint and Survivor Annuity (see pages 39 through 44), then proof of the date of birth of your Spouse or non-Spouse co-annuitant must be submitted.

After processing of your application has begun, the Administrative Office will send you additional forms on "How My Pension Is To Be Paid" and "Retirement Declaration." If you have any questions about these forms, contact the Administrative Office as soon as possible. The signed completed forms must be received by the Administrative Office before your application can be finally approved for payment.

**If You Are Applying for a Disability Pension.** For a Disability Pension, you must provide proof of disability in addition to the foregoing. This would be the notice of entitlement to Social Security Disability Benefits which you may have received from the U.S. Social Security Administration. See pages 20 through 23 for an explanation of the requirements for the Disability Pension.

**Beneficiaries' Application for Benefits.** If an Employee dies before retirement, then to make it possible for payments to begin with minimum delay, beneficiaries or a representative should contact the Administrative Office as soon as possible after the Employee's death. See the Section on *Death Benefits*, beginning on page 32.

The Administrative Office will provide information to properly authorized representatives on the Employee's eligibility and possible benefits due beneficiaries.

***See Appendix B for a complete description of***

**Claims and Appeals Procedures.** Participants or beneficiaries who believe that they are eligible for benefits under the Pension Plan should contact the Administrative Office of the Fund and request the

***the Plan's claims and appeals procedures.***

appropriate benefit application forms. The Administrative Office will mail the appropriate application forms to the Participant or beneficiary.

For purposes of these Procedures, a claim is filed (or "received") when the signed benefit application form is received by the Administrative Office, even though additional information, including election forms, tax forms, retirement declarations, etcetera, may be required before an initial determination can be made on the application. The Participant or beneficiary, upon filing the claim, is considered a "claimant" or "applicant" as those terms may be used in these Procedures. The Administrative Office will specify what additional information, if any, is needed. Participants or beneficiaries wishing to present any other issue to the Fund for determination should put the issue in writing and submit it to the Administrative Office.

The Plan Administrator will normally approve or deny claims for benefits within 90 days after they are filed although an extra 90 days may sometimes be necessary. You can appeal an adverse determination to the Board of Trustees. To be considered, your appeal must be received by the Plan Administrator within 60 days (180 days in the case of a disability benefit based on medical evidence and not solely on a Social Security disability award) of your receipt of the adverse determination. **You will find the Plan's claims and appeals procedures in Appendix B.**

## **OTHER THINGS YOU SHOULD KNOW**

***You cannot assign or transfer any part of your Plan benefits to a creditor.***

***If you get divorced, a court may order us to pay part of your Plan benefits to your ex-Spouse.***

**PROTECTION OF BENEFITS.** You may not assign or transfer any part of your Plan benefits or any interest you may have in the assets of the Plan to satisfy a debt. Furthermore, in no event can your benefits or interest in the assets of the Plan be subject to assignment, garnishment, or other legal process, except as may be permitted by law—for example, in the case of payment to children or a former Spouse under a qualified domestic relations order, described below.

**DOMESTIC RELATIONS ORDERS.** The Retirement Equity Act of 1984 provides that the Plan must recognize any Qualified Domestic Relations Order and make payments as directed by the Order to any Spouse, former Spouse, child, or other dependent (called an “alternate payee”) of a Plan Participant specified by the Order. A Qualified Domestic Relations Order (QDRO) is a state domestic relations order such as a divorce decree which creates or recognizes an alternate payee’s right to, or assigns to an alternate payee the right to receive all of or a portion of, the benefits payable to a Participant under the Plan. Any lawful judgment, decree, order, or property settlement agreement which has been entered into pursuant to a court order may be a QDRO if it relates to the provision of child support, alimony payments, or marital property of a Spouse, former Spouse, child, or other dependent of a Plan Participant and is made pursuant to State domestic relations law.

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

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

Please note that a QDRO cannot change the terms of the Plan and neither a divorce nor a Court’s issuance of a QDRO are events that allow for immediate distribution of benefits.

An Alternate Payee may elect, upon written application to the Administrative Office in accordance with the Plan’s requirements, to begin receiving his or her share of the benefit at any time after the Participant attains the earliest permitted retirement age under the Plan. If the Alternate Payee has not already started to receive benefits, he or she will begin receiving benefits as of the Participant’s Annuity Starting Date.

***Federal tax laws limit the amount of benefits that can accrue under the Plan.***

***We have the right to change the Plan or terminate it at any time.***

***The Board of Trustees has the authority to interpret the terms of the Plan.***

**SPECIAL BENEFIT LIMITATIONS.** The Plan contains provisions required under federal tax laws which set an upper limit on the amount of the benefit that may be earned by any one participant. These limits are adjusted from time to time by the government to reflect increases in the cost of living. If the benefit you accrue under the Plan would otherwise exceed these limits, the benefit will be reduced to the extent necessary to ensure the limits are complied with.

Highly compensated participants and participants who have accrued a large pension and are concerned about this issue should see the Plan Administrator or refer to the Plan document for a detailed explanation of these rules.

**AMENDMENT AND TERMINATION.** Although the Board of Trustees has no present intention to terminate the Plan, it has a right to do so at any time. In addition, it may amend the Plan at any time.

In the event of termination, the Board of Trustees shall apply the Trust Funds' assets and reserves to pay or provide for the payment of any and all obligations of the Trust Fund and shall distribute and apply any remaining surplus in such manner as will, in their opinion, best effectuate the purposes of the Trust Fund. However, no part of the assets or income of the Trust Fund shall be used or diverted to purposes other than for the exclusive benefit of the covered persons, their families, beneficiaries, or dependents, or the administrative expenses of the Trust Fund, or for other payments in accordance with provisions of the Trust Fund. Under no circumstances shall any portion of the assets or income of the Trust Fund, directly or indirectly, revert or accrue to the benefit of Employers or the Union.

**INTERPRETATION.** The Board of Trustees has the power to construe the Plan and to determine all questions that arise under it. Such power includes but is not limited to the discretion to decide issues concerning eligibility, Pension Credits, and Vesting Service, and to interpret any other terms in the Plan. These interpretations and determinations are binding on all Employees, retired Employees, and their beneficiaries.

**IMPORTANT:** No local Union, local Union officer, business agent, local Union employee, Employer, Employer representative, administrative office personnel, consultant, or attorney is authorized to speak for, or on behalf of, or to commit the Board of Trustees of the Plan on any matter relating to the Plan without the express authority of the Board of Trustees.

Only the Board of Trustees of the Plan has the authority to determine eligibility for benefits and the right to participate in the Plan, including the manner in which hours are credited, eligibility for any benefit, discontinuance of benefits, status as a covered or non-covered Employee, the level of benefits, and the interpretation and application of the Plan Document.

## **YOUR RIGHTS UNDER ERISA**

***Under federal law, you have rights to receive information about the Plan.***

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. The Plan is subject to the eligibility, vesting, fiduciary, minimum funding, and reporting and disclosure requirements of ERISA. ERISA provides that all participants shall be entitled to:

### **Receive Information About Your Plan and Benefits.**

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (age 65) and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

***Plan fiduciaries must act prudently.***

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

**Your Rights Regarding Claim Processing.** If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to



***You can enforce your rights under ERISA.***

the decision without charge, and to appeal any denial, all within certain time schedules.

**Enforce Your Rights.** Under ERISA, there are steps you can take to enforce the above rights. For instance, if:

- You request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.
- You have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.
- You disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. (Refer to the appeals procedures described in Appendix B of this Summary titled *Claims and Appeals Procedures* for a statement of the requirement that you may not bring a lawsuit against the Plan unless you fully pursue your right to appeal under that Section.)
- Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

***Under ERISA, you may get help with your questions.***

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

## PLAN INFORMATION

***Plan Name, tax identification number, and Plan number.***

**PLAN NAME.** The name of the Plan is the Pension Plan for the Arizona Pipe Trades Pension Trust Fund. The Plan's IRS identification number is 001. The Trust Fund's identification number for Internal Revenue Service purposes is 86-6025734.

***Type of Plan.***

**TYPE OF PLAN.** The Plan is a qualified multiemployer defined benefit pension plan.

***Certain benefits are guaranteed by a federal agency.***

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

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

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$5 of the monthly benefit accrual rate and (2) 75% of the next \$15. The PBGC's maximum guarantee limit is \$16.25 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$5,850.

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

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

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

available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

***Contributions are made to a Trust Fund.***

**SOURCE OF CONTRIBUTIONS AND IDENTITY OF FUNDING MEDIUM.** All contributions to the Trust Fund are held in trust by the Board of Trustees. Money necessary to finance the Plan is contributed to the Fund by signatory Employers in accordance with their respective Collective Bargaining Agreements.

You may obtain a copy of the Collective Bargaining Agreement(s) and a complete list of the employers and employee organizations sponsoring the Plan upon written request to the Board of Trustees. The list is available for inspection by Participants and beneficiaries at the Administrative Office.

You may also obtain from the Board of Trustees, upon written request, information as to whether a particular employer or employee organization is a sponsor of the Plan and, if the employer or employee organization is a Plan sponsor, the sponsor's address.

Benefits are provided directly from the Fund's assets, which are accumulated under the provisions of the Agreement and Declaration of Trust. The Board of Trustees has appointed US Bank to hold the Fund's assets and reserves as the Fund's custodial agent.

***Plan Administration.***

**TYPE OF PLAN ADMINISTRATION.** The Plan is administered by the Board of Trustees.

***Plan Sponsor and Plan Administrator.***

**PLAN SPONSOR AND PLAN ADMINISTRATOR.** The Board of Trustees is the Plan Sponsor and the Plan Administrator as those terms are defined by ERISA §3(16). The Board of Trustees has engaged the third party administrator named below to perform the routine administration of the Trust:

BeneSys, Inc.  
3109 N. 24<sup>th</sup> Street, Suite 105  
Phoenix, AZ 85016  
(877) 429-7473

***Administrative Office.***

**ADMINISTRATIVE OFFICE.** All communications about your pension, and anything for the Board of Trustees, should be addressed to the Administrative Office. Any inquiries about your rights and benefits and responsibilities and any notice you may be required to give the Plan should also be addressed to the Pension Plan for the Arizona Pipe Trades Pension Trust Fund at the following address:

Arizona Pipe Trades Pension Trust Fund  
3109 N. 24<sup>th</sup> Street, Suite 105  
Phoenix, AZ 85016  
(877) 429-7473

**Board of Trustees.**

**THE BOARD OF TRUSTEES.** The following persons serve as Trustees of the Plan:

**Employer Trustees**

Matt DeWitt  
WD Manor  
1838 N. 23<sup>rd</sup> Avenue  
Phoenix, AZ 85009

Nick Ganem  
Bel-Aire Mechanical, Inc.  
4201 N. 47<sup>th</sup> Avenue  
Phoenix, AZ 85031

Todd Krist (Secretary)  
JB Henderson Construction  
Company, Inc.  
1675 N. Delaware Street  
Chandler, AZ 85225

Chip Martin  
Arizona Mechanical  
Contractors Association  
445 S. Figueroa Street  
Suite 2580  
Los Angeles, CA 90071

**Union Trustees**

Aaron Butler  
United Association Local 469  
3109 N. 24<sup>th</sup> Street  
Phoenix, AZ 85016

Mark Gallego (Chairman)  
United Association Local 469  
3109 N. 24<sup>th</sup> Street  
Phoenix, AZ 85016

Rick Hudson  
United Association Local 469  
3109 N. 24<sup>th</sup> Street  
Phoenix, AZ 85016

Teddy Isais  
United Association Local 469  
3109 N. 24<sup>th</sup> Street  
Phoenix, AZ 85016

**Agent for service of legal process.**

**SERVICE OF LEGAL PROCESS.** Legal process can be served on:

Gerald Barrett  
Ward, Keenan and Barrett  
3838 N. Central Avenue, Suite 1720  
Phoenix, AZ 85012

or

Kerry Hodges  
Spencer Fane LLP  
2415 E. Camelback Road, Suite 600  
Phoenix, AZ 85016

Service of legal process may also be made upon any member of the Board of Trustees.

**Plan Records.**

**RECORDKEEPING PERIOD AND PLAN YEAR.** Plan records are kept on the basis of a 12-month period beginning on June 1 and ending on May 31. The Plan Year is also the computation period for vesting, benefit accrual, and breaks in Covered Employment.

***Circumstances which may result in disqualification, ineligibility, denial, or loss of benefits.***

**DESCRIPTION OF CIRCUMSTANCES WHICH MAY RESULT IN DISQUALIFICATION, INELIGIBILITY, DENIAL, OR LOSS OF BENEFITS.**

- Refer to Article II of the Plan and page 6 of this Summary with regard to the requirements to participate in the Plan.
- Refer to Article III generally, and pages 17 through 31 of this Summary with regard to the eligibility requirements for the types of pensions available under this Plan.
- Refer to Section 3.19 of the Plan and pages 59 and 60 of this Summary with regard to Separation from Covered Employment.
- Refer to Section 3.11 of the Plan and page 23 of this Summary with regard to a Disability Pensioner's loss of entitlement to Social Security Disability Benefits.
- Refer to Article IV of the Plan generally, Section 4.07 of the Plan in particular, and pages 37 through 39 of this Summary with regard to conditions related to the Plan's Qualified Joint and Survivor Annuity.
- Refer to Section 6.06 of the Plan and pages 60 and 61 of this Summary with regard to the rules on One-Year Breaks in Covered Employment, and Permanent Breaks in Covered Employment.
- Refer to Sections 3.02, 3.04, 3.06, 3.13, 3.15, 3.17, 3A.07, and 8.01 of the Plan, and pages 44 and 47 of this Summary with regard to the requirement of advance written application for benefits.
- Refer to Section 8.02 of the Plan with regard to the Board of Trustees' power to recoup, offset, or recover overpayments made by the Fund due to a false statement that was material to a claim for benefits.
- Refer to Section 8.05(c) of the Plan and pages 18 and 19 of this Summary with regard to the offset of the value of accruals after Normal Retirement Age against the value of the actuarial adjustment for non-suspendible months between Normal Retirement Age and the Annuity Starting Date, as part of the Plan's method for calculating a delayed retirement benefit.
- Refer to Sections 3.20, 3A.06, and 8.06 of the Plan with regard to non-duplication of pension entitlement.
- Refer to Sections 8.05(f) and 8.14 of the Plan and pages 45 and 46 of this Summary with regard to certain benefits that are subject to mandatory cash-out, as a

consequence of which, forms of payment that would otherwise be available are not permitted.

- Refer to Section 8.07 of the Plan and pages 26 through 31 of this Summary with regard to prohibited employment for Pensioners and the Plan's definition of "retirement". Also refer to Section 8.08(d) of the Plan with regard to the annual requirement that a pensioner certify that he is "retired" within the meaning of that term as defined by the Plan.
- Refer to Section 8.08 of the Plan and pages 26 through 31 of this Summary with regard to suspension of pension payments for prohibited employment and/or failure of a Pensioner to notify the Plan of a return to suspendible employment.
- Refer to Section 8.09(b) of the Plan and pages 30 and 31 of this Summary with regard to the reinstatement following suspension of an Early Retirement Pensioner who returns to prohibited employment.
- Refer to Section 8.09(d) of the Plan regarding the Board of Trustees' power to recover payments to which a pensioner was not entitled.
- Refer to Sections 1.27 and 11.01, and Article XIII of the Plan with regard to the maximum compensation that may be taken into account for Plan purposes, as provided by section 401(a)(17) of the Internal Revenue Code.
- Refer to Article X of the Plan and pages 50 and 53 through 54 of this Summary with regard to Plan termination.

**APPENDIX A**  
**DETAILED SERVICE RULES**

***What is “Qualified Military Service”?***

**QUALIFIED MILITARY SERVICE.** Qualified military service will be recognized for vesting purposes and for purposes of avoiding a break in Covered Employment.

Participants who satisfy conditions imposed by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) will be entitled to have their period of military service treated the same as Covered Employment for purposes of vesting and benefit accrual. To receive credit, you must have left employment with an Employer in a job classification covered by a Collective Bargaining Agreement to join the military.

Your entitlement to benefits for time spent in military service also depends on your compliance with other legal requirements of USERRA, including the following:

- Your separation from military service cannot be disqualifying under USERRA. A dishonorable or bad conduct discharge is disqualifying.
- The total length of your absence due to military service may not exceed five years.
- You must report or submit an application for re-employment following military service within the time allowed by law.

<u>Length of Military Service</u>	<u>Reemployment Deadline</u>
Less than 31 days	1 day after discharge
31 through 180 days	14 days after discharge
More than 180 days	90 days after discharge

Each full week of Qualified Military Service is equal to your average weekly Hours of Service in Covered Employment during the 12 months preceding the start of your Qualified Military Service. Future service credit is pro-rated on 40 hours if the period of Qualified Military Service is less than a full week. Until you or your Employer notify the Administrative Office that you have met the conditions listed above, you will not receive credit for your military service.

As the rules for crediting military service are complex, we recommend that you contact the Administrative Office before you leave and after you return from military service. If you think you may be eligible to have your service recognized as Qualified Military Service, please provide the Administrative Office with accurate records of your service. This change is effective for veterans returning to employment on or after December 12, 1994.

***The calculation of pension benefits under the Plan is subject to the Rules on Separation from Covered Employment.***

For deaths on or after January 1, 2007, while performing qualified military service, a Participant will be deemed to have met the Reemployment Deadline (see above) on the day preceding death. The deceased Participant's beneficiaries shall be entitled to any additional benefits (other than benefit accruals for the period of qualified military service) that would have been provided under the Plan if the Participant had terminated Covered Employment on account of death.

**SEPARATION FROM COVERED EMPLOYMENT.** The calculation of pension benefits under the Plan is subject to the Rules on Separation from Covered Employment. (See Section 3.19 of the Plan). An Employee who has a Separation from Covered Employment will have his or her benefit amount "frozen" at the benefit rate in effect at the time of his or her Separation.

If, following a Separation, an Employee returns to work in Covered Employment and earns additional Pension Credit, then upon re-retirement his or her pension benefit for such additional credit will be figured based on the benefit rates in effect on the date of his or her retirement or, if earlier, on the date of a subsequent Separation, if any.

The Separation Rules have been applied as follows:

- From June 1, 1976, through December 31, 1983, an Employee had a Separation from Covered Employment if he or she had five consecutive One Year Breaks in Covered Employment. A One Year Break in Covered Employment is fully explained in the next Section. The Employee will be considered to be "separated" as of the beginning of the five-year period.
- On or after January 1, 1984, an Employee has a Separation from Covered Employment if (1) he or she has five consecutive One Year Breaks in Covered Employment, and (2) during the period in which the One Year Breaks occurred, he or she worked 1,600 or more hours in the type of work covered by the Collective Bargaining Agreement. The Employee is considered to be "separated" as of the beginning of the five-year period.
- Effective January 1, 1988, an additional provision was added to the Separation Rule. An Employee has a Separation from Covered Employment if he or she works in Arizona, at the type of work covered by the Collective Bargaining Agreement, for a noncontributing contractor or other business entity, or if he or she does such work on a self-employed basis without first becoming a contributing Employer. Under this provision, the Employee is considered to be "separated" as of the last day of the Plan Year in which such work takes place.



***What constitutes a Break in Covered Employment under the Plan?***

A Participant who has incurred a Separation from Covered Employment may “cure” the Separation by returning to Covered Employment and, prior to retirement, earning three (3) full Future Service Credits in a period of three consecutive Plan Years beginning on or after June 1, 1996, but not later than June 1, 2000. If this requirement is met, then the Separation or Separations previously incurred will be disregarded, and the pension amount will be calculated under the terms of the Plan as in effect on the earlier of (1) the effective date of the pension, or (2) the date as of which a subsequent Separation is incurred.

- Effective September 1, 2000, certain non-bargained employment with a contributing Employer, provided the employment begins within 30 days of leaving Covered Employment, will be recognized by the Plan as protecting against the Separation Rule. See Section 3.19(a) of the Plan and contact the Administrative Office if you have any questions about such employment.

**BREAK IN COVERED EMPLOYMENT.** The Pension Trust was created to provide security for Employees who earn their living over a major portion of their working years by work in this industry. For this reason, reasonable standards for continuity of service were written into the Plan Document. This is the basis for the Break in Covered Employment provisions.

An Employee who does not work a required number of hours in Covered Employment in a Plan Year incurs a One Year Break in Covered Employment. A series of One Year Breaks in Covered Employment may lead to a Permanent Break in Covered Employment. A Permanent Break means the loss of previously earned Pension Credit and Vesting Service. However, if you are vested (see pages 14 through 16), you cannot incur a Permanent Break in Covered Employment.

**One-Year Break in Covered Employment.** On and after June 1, 1976, an Employee has a One-Year Break in Covered Employment in any Plan Year in which he or she fails to complete 300 Hours of Service.

For Plan Years beginning on and after June 1, 1986, Hours of Service may also include periods of parental leave. You should contact the Administrative Office if you have any questions about parental leave. Qualified Military Service (see pages 58 and 59) will be recognized for purposes of determining whether you incurred a One-Year Break in Covered Employment in a given Plan Year.

If an Employee has at least 300 Hours of Service in a Plan Year, but fewer than 1,000 Hours of Service, then he or she will not incur a One-Year Break, but he or she will not earn a Year of Vesting Service (see page 14). The Employee may, however, earn a quarter or more

of Pension Credit or, on and after June 1, 2014, a tenth or more of a Pension Credit (see pages 7 and 8).

**Permanent Break in Covered Employment on and after June 1, 1976.** If a non-vested Employee incurs five or more consecutive One-Year Breaks, and the number of consecutive One-Year Breaks equals or exceeds his or her total number of Years of Vesting Service or his or her total number of full years of Pension Credit (whichever is greater), then the Employee has incurred a Permanent Break and his or her prior Pension Credit and Years of Vesting Service are canceled. Any succession of One-Year Breaks which has not yet become a Permanent Break is ended if the Employee has at least 300 Hours of Service in a Plan Year; in this case, his or her record is still intact and the One-Year Breaks are disregarded.

A Permanent Break in Covered Employment may be cured by earning five Future Service Credits (see pages 7 and 8) in any period of seven consecutive Plan Years provided the seven-year period begins on or after June 1, 1996, and not later than June 1, 2000. This “cure rule” is not available if you have worked – in any geographic location – for a non-contributing employer in work of the type covered by The Collective Bargaining Agreements or in the plumbing and pipefitting industry.

**Grace Periods.** Under certain circumstances (Disability and service in the Armed Forces of the United States), the Plan may allow grace periods. Grace periods are not Pension Credit; instead, they are periods which are to be disregarded in determining whether a Permanent Break in Covered Employment has been incurred. You should contact the Administrative Office if you have any questions about the Permanent Break in Covered Employment rule and believe that a grace period might protect some or all of your service in the Plan. Also see the Section on *Qualified Military Service* in Appendix A.

**Permanent Break in Covered Employment Before June 1, 1976.** From June 1, 1963, through May 31, 1976, an Employee incurred a Permanent Break in Covered Employment, and his or her previously accumulated Pension Credit and Vesting Service were canceled, if he or she failed to earn at least one quarter of Future Service Credit in a period of five consecutive Plan Years.

**APPENDIX B**  
**CLAIMS AND APPEALS PROCEDURES**

*This chart gives you an outline of some key points of the Plan's claims and appeals procedures. A copy of the complete procedures follows.*

<b>Claims Procedures</b>			
	<b>Where to File Claims</b>	<b>Notification of Benefit Determination</b>	
A claim (other than a disability claim not based solely on a Social Security disability award)	Administrative Office Arizona Pipe Trades Pension Trust Fund 3109 N. 24th St., Suite 105 Phoenix, AZ 85016	Not later than 90 days after receipt of the claim by the Plan (may be extended up to an additional 90 days in special circumstances)	
A disability claim based on medical evidence (i.e., no Social Security disability award)		Not later than 45 days after receipt of the claim by the Plan (may be extended up to an additional 60 days due to matters beyond the control of the Plan Administrator)	
<b>Appeals Procedures</b>			
	<b>Where to File Appeals</b>	<b>Filing Deadline</b>	<b>Decision on Appeal</b>
An appeal (other than a disability appeal not based solely on a Social Security disability award)	Board of Trustees c/o Administrative Office Arizona Pipe Trades Pension Trust Fund 3109 N. 24th St., Suite 105 Phoenix, AZ 85016	60 days following receipt of an adverse benefit determination	No later than the first Trustees' meeting after receipt of the appeal (may be extended to the second or third Trustee meeting after receipt of the appeal)
A disability appeal based on medical evidence (i.e., no Social Security disability award)		180 days following receipt of an adverse benefit determination	

*The Plan Administrator decides the claims.*

**DECIDING THE CLAIM.** A claim is a request for a Plan benefit made by a claimant on a form provided by the Plan Administrator. The claimant must mail or deliver the completed and executed form to the Plan Administrator for it to be considered. The Plan Administrator shall decide the claim. In the case of a claim for disability benefits

***The Plan Administrator will typically notify you of an adverse decision in the case of a claim not later than 90 days after receipt of the claim.***

***The Plan Administrator will provide you with written notice of any adverse benefit determination.***

that is based on medical evidence and not solely on a Social Security award, the Plan Administrator will take additional steps to ensure the independence and impartiality of the persons involved in deciding the claimant's claim or appeal. Except in the case of a disability claim that is based on medical evidence and not solely on a Social Security award, if a claim is wholly or partially denied, the Plan Administrator shall provide the claimant with written or electronic notification of the adverse benefit determination within a reasonable period of time, but not later than 90 days after receipt of the claim by the Plan, unless the Plan Administrator determines that special circumstances require an extension of time for processing the claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. In no event shall such extension exceed a period of 90 days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Administrator expects to render the benefit determination.

**CONTENT OF NOTIFICATION OF THE DECISION.** The Plan Administrator shall provide a claimant with written or electronic notification of any adverse benefit determination. Any electronic notification shall comply with the standards imposed by regulations issued by the Department of Labor under ERISA. The notification shall set forth, in a manner calculated to be understood by the claimant:

- (a) The specific reason or reasons for the adverse determination;
- (b) Reference to the specific plan provisions on which the determination is based;
- (c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;
- (d) A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on appeal and a description of any contractual limitations period that applies to such an action; and
- (e) In the case of an adverse benefit determination of a claim for a disability benefit based on medical evidence and not solely on a Social Security award,
  - (i) If an internal rule, guideline, protocol, standard, or other similar criterion was relied upon in making the adverse determination, either the specific internal rule, guideline, protocol, standard, or similar criterion or a statement that such a rule, guideline, protocol,

standard, or other similar criterion of the Plan does not exist;

- (ii) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request;
- (iii) A discussion of the decision, including an explanation of the basis for disagreeing with or not following:
  - (A) The views presented by the claimant to the Plan of health care professionals treating the claimant and vocational professionals who evaluated the claimant;
  - (B) The views of the medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and
  - (C) A disability determination regarding the claimant presented by the claimant to the Plan made by the Social Security Administration; and
- (iv) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits (whether a document, record, or other information is relevant to a claim for benefits shall be determined by reference to regulations issued under ERISA by the Department of Labor).

***Generally, you will be notified of the Plan Administrator's adverse decision in the case of a disability claim that is based on medical evidence not later than 45 days after receipt of the claim.***

**NOTIFICATION FOR DISABILITY CLAIMS BASED ON MEDICAL EVIDENCE AND NOT SOLELY ON A SOCIAL SECURITY AWARD.**

- (a) In the case of a claim for disability benefits based only on medical evidence and not solely on a Social Security award, the Plan Administrator shall notify the claimant, as provided in the preceding paragraph, of the Plan Administrator's adverse benefit determination within a reasonable period of time, but not later than 45 days after receipt of the claim by the Plan Administrator. This period may be extended by the

Plan Administrator for up to 30 days, provided that the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan Administrator, and notifies the claimant, prior to the expiration of the initial 45-day period, of the circumstances requiring an extension of time and the date by which the Plan Administrator expects to render a decision. If, prior to the end of the first 30-day extension period, the Administrator determines that, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that the Plan Administrator notifies the claimant, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the Plan Administrator expects to render a decision. The notice of extension shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent the decision on the claim, and the additional information needed to resolve those issues. The claimant should be afforded at least 45 days within which to provide the specified information.

- (b) Before the Plan Administrator issues an adverse benefit determination, the Plan Administrator will provide the claimant, free of charge, with any new or additional evidence that is considered, relied upon, or generated by the Plan, insurer, or other person in connection with the claim. The Plan Administrator will provide this evidence as soon as possible and sufficiently in advance of the date by which it is required to provide notice of the adverse benefit determination. In addition, before the Plan Administrator issues an adverse benefit determination based on new or additional rationale, it will provide the claimant with such rationale as soon as possible so that the claimant will have a reasonable opportunity to respond to such new evidence or rationale.
- (c) If the Plan Administrator does not strictly adhere to the Plan's claims and appeal procedures, the claimant will be "deemed" to have exhausted the Plan's internal claims and appeals process, regardless of whether the Plan Administrator asserts that it has "substantially complied" with those procedures, and the claimant will be able to initiate any available external review process or remedies available under ERISA or under state law, unless the violation was all of the following:
  - (i) De minimis (i.e., a minor violation);

- (ii) Non-prejudicial (i.e., the violation does not cause, and is not likely to cause, harm or prejudice to the claimant);
- (iii) Attributable to a good cause or matters beyond the Plan's control;
- (iv) In the context of an ongoing good faith exchange of information between the claimant and the Plan; and
- (v) Not reflective of a pattern or practice of non-compliance by the Plan.

In addition, the claimant may request a written explanation of the Plan's basis for asserting that it meets this standard. The Plan must provide the explanation within 10 days of the claimant's request. If the court rejects the claimant's request for immediate review on the basis that the Plan met this standard, the Plan shall consider the claim as re-submitted upon the Plan receiving notice of such rejection and shall notify the claimant of the re-submission.

***Filing a claim generally triggers the running of periods of time under these procedures.***

**TIME FOR DECIDING CLAIMS.** For purposes of this Appendix, the period of time within which a benefit determination is required to be made shall begin at the time a claim is filed in accordance with the procedures set forth above, without regard to whether all the information necessary to make a benefit determination accompanies the filing. In the event a period of time is extended as permitted by this Appendix due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

***You may have another person act for you in pursuing a claim or appeal.***

**AUTHORIZED REPRESENTATIVE.** An authorized representative of the claimant may act on his or her behalf in pursuing a benefit claim or appeal of an adverse benefit determination. The Plan Administrator may require, as a prerequisite to dealing with a representative, that the claimant verify in writing authority of the representative to act on behalf of the claimant.

***Consistency requirements apply.***

**CONSISTENCY.** Like claims should receive like treatment. The Plan Administrator will take steps to ensure and to verify that benefit claim determinations are made in accordance with governing Plan documents and that these Plan provisions have been applied consistently with respect to a claimant and other similarly situated claimants.

To ensure that all claims and appeals for disability benefits are adjudicated in a manner designed to ensure the independence and impartiality of the persons involved in making the decision, decisions regarding hiring, compensation, termination, promotion, or other

***You may appeal an adverse benefit determination to the Board of Trustees.***

similar matters with respect to any individual (such as a claims adjudicator or medical or vocational expert) will not be made based upon the likelihood that the individual will support the denial of benefits.

**DECIDING THE APPEAL.** A claimant may appeal an adverse benefit determination to the Board of Trustees by mailing or delivering to the Plan Administrator a written notice of appeal. No action at law or in equity shall be brought to recover any benefit under the Plan until the rights to appeal described in this Appendix have been exercised and the benefits requested in the appeal have been denied in whole or in part. The claimant may submit written comments, documents, records, or other information relating to the claim for benefits to the Plan Administrator. The Plan Administrator shall provide to the claimant, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits. Whether a document, record or other information is relevant to a claim for benefits shall be determined in accordance with standards issued by the Department of Labor. The Pension Board shall decide the appeal. The Pension Board's decision shall take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The Pension Board will not, however, consider a claimant's appeal unless the Plan Administrator receives it within 60 days following receipt by the claimant of a notification of an adverse benefit determination.

**DISABILITY APPEALS BASED ON MEDICAL EVIDENCE AND NOT SOLELY ON A SOCIAL SECURITY AWARD.** In the case of an appeal involving a disability benefit that is based on medical evidence and not solely on a Social Security award, the Pension Board will not consider the appeal unless the Plan Administrator receives it within 180 days (rather than the generally applicable 60 days) after the claimant receives written notification of the denial of his or her claim. The appeal will be considered by the Pension Board without deference to the original decision made by the Plan Administrator. In deciding an appeal of any adverse benefit determination involving a disability benefit where the determination is based in whole or in part on a medical judgment, including determinations with regard to whether a particular treatment, drug or other item is experimental, investigational, or not medically necessary or appropriate, the Pension Board shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. In the case of an adverse benefit determination involving a disability claim, the review on appeal shall provide for the identification of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination. Any health care professional engaged for purposes of a consultation



***These rules describe how quickly appeals are to be decided.***

***The Plan Administrator will provide you with a written or electronic notification of the decision on your appeal.***

under this Section shall be an individual who is neither an individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of any such individual.

**TIME FOR DECIDING APPEALS.** The Pension Board will decide a claimant's appeal no later than the first meeting following the Plan Administrator's receipt of the appeal, unless the Plan Administrator received the appeal within 30 days prior to that meeting, in which case the Pension Board will decide the claimant's appeal no later than the second meeting following receipt of the request for review. If special circumstances require a further extension of time for processing, the Pension Board will decide the appeal no later than the third meeting following receipt by the Plan Administrator of the claimant's request for review. If such an extension of time is necessary, the claimant will receive from the Plan Administrator a written notification explaining the special circumstances requiring the extension and the date by which the Pension Board will make its decision.

**NOTIFICATION OF THE DECISION ON APPEAL.** The Plan Administrator shall provide a claimant as soon as possible, but not later than five days after the benefit determination is made, with written or electronic notification of the Pension Board's decision on appeal. Any electronic notification shall comply with the standards imposed by the Department of Labor by regulations issued under ERISA. In the case of an adverse determination for a claim, the notice shall set forth, in a manner calculated to be understood by the claimant:

- (a) The specific reason or reasons for the adverse determination;
- (b) Reference to the specific plan provisions on which the benefit determination is based;
- (c) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits (whether a document, record or other information is relevant to a claim for benefit shall be determined by reference to regulations issued under ERISA by the Department of Labor);
- (d) A statement of the claimant's right to bring an action under Section 502(a) of ERISA, including a description of any contractual limitations period that applies to such an action and the calendar date on which the contractual limitations period expires for the claim;
- (e) In the case of claim involving a disability benefit based on medical evidence and not solely on a Social Security award:

- (i) If an internal rule, guideline, protocol, standard, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, standard, or similar criterion; or a statement that such rule, guideline, protocol, standard, or other similar criterion of the Plan does not exist;
- (ii) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request;
- (iii) A discussion of the decision, including an explanation of the basis for disagreeing with or not following:
  - (A) The views presented by the claimant to the Plan of health care professionals treating the claimant and vocational professionals who evaluated the claimant;
  - (B) The views of the medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and
  - (C) A disability determination regarding the claimant presented by the claimant to the Plan made by the Social Security Administration.

***Any lawsuit against the Plan must be filed within one year from the later of when you file a claim, the Plan Administrator decides a claim, or the Pension Board decides a timely filed appeal.***

**ONE-YEAR LIMITATION ON LEGAL ACTION.** The claimant or the claimant's representative may not bring any lawsuit against the Plan, Trust Fund, Trustees, or a representative or fiduciary of the Plan or Trust Fund, more than one year from the later of: (i) the date a claim is first filed; (ii) the date the Plan Administrator renders a decision on a claim; or (iii) if the claimant timely files an appeal with the Plan Administrator, the date the Pension Board renders a decision on the appeal.

*If you have any questions about the Pension Plan, contact the Administrative Office. The staff of the Administrative Office has up-to-date information on the operation of the Plan and on your rights and responsibilities under it. The staff is available to help you with any question. Information from other sources is not official and may not be correct. Official communications concerning the operation of the Pension Plan must be in writing signed on behalf of the full Board of Trustees or, if expressly authorized by the full Board of Trustees, may be signed by the individual or entity acting as the Fund Administrator.*

*Copies of the Plan Document and summary plan description (SPD) are available for inspection at the office of the Board of Trustees during regular business hours. The Plan Document is also posted on the Fund's website: [www.azpipe.org](http://www.azpipe.org). On written request, copies will be supplied by mail. Copies of the Trust Agreement, Collective Bargaining Agreement and the annual report also are available for inspection. These documents, too, can be supplied by mail on written request but a reasonable fee may be charged. You should find out what the charge will be before sending your request. You may address your inquiries to:*

*Arizona Pipe Trades Pension Trust Fund  
3109 N. 24<sup>th</sup> Street, Suite 105  
Phoenix, AZ 85016  
(877) 429-7473*

**THE TERMS OF THE FORMAL PLAN DOCUMENT CONTROL OVER THIS SUMMARY**