LABORERS' DISTRICT COUNCIL PENSION PLAN FOR BALTIMORE AND VICINITY

SUMMARY PLAN DESCRIPTION

BOOKLET NO. 8
MARCH 2015

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Plan Sponsor and Plan Administrator:
Board of Trustees of the Laborers' District Council Pension Fund for Baltimore and Vicinity
Address: 10440 Little Patuxent Parkway – Suite 700
Columbia, Maryland 21044
Telephone: (410) 884-1406
Employer Identification Number: 52-6135360
Plan Number: 001
Plan Year: January 1 – December 31
Agent for Legal Process:
Board of Trustees
c/o Zenith-American Solutions, Inc.
Address: 10440 Little Patuxent Parkway – Suite 700
Columbia, Maryland 21044
Sources of Contributions:
Employer paid under collective bargaining agreements.

BOARD OF TRUSTEES

LABORERS' DISTRICT COUNCIL PENSION PLAN
FOR BALTIMORE AND VICINITY

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THIS BOOKLET IS INTENDED TO DESCRIBE IN GENERAL TERMS THE MAJOR FEATURES OF YOUR PENSION PLAN. IT DOES NOT AMEND OR REPLACE THE PLAN IN ANY WAY. EVERY EFFORT HAS BEEN MADE TO MAKE SURE THAT THE INFORMATION IN THIS BOOKLET IS CORRECT. HOWEVER, IN THE CASE OF ANY OMISSION OR CONFLICT BETWEEN THIS BOOKLET AND THE PROVISIONS OF THE PLAN DOCUMENT UPON WHICH THIS BOOKLET IS BASED, THE PLAN DOCUMENT WILL CONTROL. THE BOARD OF TRUSTEES RESERVES THE RIGHT TO AMEND, MODIFY OR TERMINATE THE PLAN IN WHOLE OR IN PART AT ANY TIME.

FOREWORD

This Summary Plan Description explains the basic structure of your Pension Plan and how you become eligible for a pension. You should read this Summary carefully to become familiar with the benefits under the Pension Plan and to understand when and how you become eligible for pension benefits.

To keep this Summary from being too long, some Plan rules are not covered in this booklet. If you have questions regarding your Plan and its benefits, contact the Plan Office (410-884-1406). If you wish to see the actual Plan documents that control your pension you may review them at the Plan Office between 9:00 AM and 4:00 PM Monday through Friday, or you may receive copies of the documents if you pay for copying.

The Pension Plan is designed to help provide financial security to employees who work for many years as laborers. The Trustees believe the Plan will give you greater comfort during retirement and add to your peace of mind during your working years.

PARTICIPATION AND CREDITED SERVICE

BECOMING A PARTICIPANT IN THE PLAN:

You become a Participant after you have worked at least 480 hours during a 12 month period at a job or jobs covered by a collective bargaining agreement under which your employer makes payments to the Pension Plan for your work. Work at a job covered by such a collective bargaining agreement is called "Covered Employment." Once you become a Participant you stay a Participant unless you suffer a Permanent Break in Service. Covered Employment can also include work for the Baltimore/Washington Laborers' District Council and its affiliate locals.

EARNING CREDITED SERVICE:

Credited Service is used to determine the amount of your pension. You earn Credited Service when your employer makes payments to the Pension Plan for your work. The amount you earn is set forth in the following tables for the hours you work in Covered Employment.

Up to December 31, 2000:

Hours Worked During Plan Year	Credited Service Earned
1280 and over	1.00 year
1152 to 1279	.90
1024 to 1151	.80
960 to 1023	.75
640 to 959	.50
480 to 639	.25
Less than 480	.00

Starting January 1, 2001:

Hours Worked During Plan Year	Credited Service Earned
1800 and over	1.30
1640 to 1799	1.20
1460 to 1639	1.10
1280 to 1459	1.00
1152 to 1279	.90
1024 to 1151	.80
960 to 1023	.75
640 to 959	.50
480 to 639	.25
Less than 480	.00

NOTE: Different rules applied for earning Credited Service before 1976. Refer to the prior Summary Plan Description (Booklet No. 7) for an explanation of those rules.

You can only earn more than 1.0 year of Credited Service in a Plan Year for purposes of determining the amount of your pension. You cannot earn more than 1.0 year of Credited Service in a Plan Year for purposes of determining your eligibility for a Normal Retirement, Early Retirement or Disability Pension.

Sometimes Credited Service for the Plan Year in which you retire and begin receiving your pension is determined under a special rule. If you qualify under the special rule, and if it would give you a larger pension than you would get by using the table above, you will receive one-tenth of a year of Credited Service for each 128 hours you worked in Covered Employment, up to a maximum of 1.0 year of Credited Service.

WHEN YOUR PENSION CAN START

NORMAL RETIREMENT:

You are eligible for a Normal Retirement Pension after you stop working in employment over which the Baltimore/Washington Laborers' District Council claims jurisdiction, provided you meet one of the following requirements:

(1) You reach age 65 and have become "vested" (how you become vested is explained on page 14); OR

(2) You reach age 62 and have at least 20 years of Credited Service (the "62 and 20" rule), OR

(3) You reach age 60, and have at least 30 years of Credited Service (the "60 and 30" rule).

Even if you do not meet the above requirements, if you reach age 65, and you have been a Participant for at least five years there is a chance that you will be entitled to a pension under a special rule. For more information about this, contact the Plan Office.

You will start to receive your Normal Retirement Pension after you meet these requirements and submit a properly completed application to the Plan Office.

EARLY RETIREMENT:

You are eligible for an Early Retirement Pension after you stop working in employment over which the Baltimore/Washington Laborers' District Council claims jurisdiction, provided you have reached age 55 and have become "vested". You can start to receive your Early Retirement Pension at any time after you satisfy these requirements and submit a properly completed application to the Plan Office. If you start to receive payments before you are eligible for a Normal Retirement Pension (as explained above), your pension will be reduced as explained on page 11.

NOTE: For both a Normal Retirement Pension and an Early Retirement Pension, you don't have to keep working in Covered Employment until you reach the minimum age to be eligible for a Pension. You simply must satisfy the above requirements and reach the minimum age before you can start receiving pension payments. For example, if you stop working in Covered Employment at age 50 with 15 years of Credited Service, you can get an Early Retirement Pension any time after you reach age 55, or you can get a Normal Retirement Pension any time after you reach age 65. However, if you stop working in Covered Employment before you become vested, you might have a "Permanent Break in Service" (see page 17), in which case you will get no pension.

<u>DISABILITY RETIREMENT</u>:

You can receive a Disability Retirement Pension at any time after you complete 15 years of Credited Service if you become totally and permanently disabled from causes not connected with your employment.

You must receive Social Security disability benefits to be considered totally and permanently disabled.

If you apply for Social Security disability benefits and take an Early Retirement Pension while you are waiting for a decision from the Social Security Administration, you can convert the Early Retirement Pension to a Disability Pension if Social Security determines that your disability began before you applied for your Early Retirement Pension. The conversion will take effect for the month after you submit proof of the Social Security disability determination. You will also receive a makeup payment for the difference between the Disability Pension and the Early Retirement Pension.

Your Disability Pension payments will stop if before you reach age 65:

(1) You lose your entitlement to Social Security disability benefits;

(2) You work at any regular paid job or employment (except for rehabilitation work approved by the Trustees); OR

(3) You refuse to undergo a medical examination ordered by the Administrator.

Any person receiving a Disability Pension who loses his entitlement to Social Security disability benefits, or works at any regular paid job or employment, must notify the Trustees within 10 days. Any Disability Pension payments received after the pension should have been stopped must be repaid (with interest) to the Plan.

If your Disability Pension payments stop after you reach age 55, you may apply for an Early Retirement Pension.

HOW YOU CAN TAKE YOUR PENSION

There are several different ways that you can have your pension paid to you as explained below.

JOINT AND 50% SURVIVOR PENSION:

The Joint and 50% Survivor Pension is the normal way pensions are paid to married Participants. If you are legally married when your pension begins, your pension will be paid this way unless you choose to receive a Joint and 75% Survivor Pension, a 50% Pop-Up Survivor Pension, a 75% Pop-Up Survivor Pension, a Ten Year Certain Pension or a Single Life Pension as explained below.

The Joint and 50% Survivor Pension continues pension payments to your spouse after your death. The Joint and 50% Survivor Pension pays a pension to you each month of your life, and after your death your spouse (to whom you were married when your pension began, if she survives you) will receive a pension each month for the rest of her life which is one-half (50%) of the pension you received. To pay for the added protection this type of pension gives your spouse, the monthly pension amount you receive is somewhat smaller than under the Single Life Pension described below. The size of the reduction in your pension varies depending upon the ages of you and your spouse.

JOINT AND 75% SURVIVOR PENSION:

The Joint and 75% Survivor Pension is available as an option to married participants and is similar to the Joint and 50% Survivor Pension, except that under the Joint and 75% Survivor Pension your spouse will receive a pension each month for the rest of her life which is three-fourths (75%) of the pension you received. In addition, there will be a slightly greater reduction to your monthly pension than under the Joint and 50% Survivor Pension to pay for the increased benefit to your spouse. You do not need spousal consent to choose a Joint and 75% Survivor Pension.

50% POP-UP SURVIVOR PENSION:

The 50% Pop-Up Survivor Pension is available as an option to married Participants who properly choose it as explained below. The 50% Pop-Up Survivor Pension is the same as the Joint and 50% Survivor Pension, except that if your spouse dies before you, your monthly pension payment will increase to the amount you would have been paid if you had originally taken a Single Life Pension (described below). The increased amount will be paid starting in the month after your spouse dies. If you die before your spouse, she will receive a pension each month for the rest of her life which is one-half (50%) of the pension you received. To pay for the added protection this type of pension gives you, the monthly pension amount you receive is somewhat smaller than under the Joint and 50% Survivor Pension. The size of the reduction varies depending on the ages of you and your spouse. In order to take this type of pension, your spouse must give written consent as explained below.

<u>75% POP-UP SURVIVOR PENSION</u>:

The 75% Pop-Up Survivor Pension is available as an option to married Participants who properly choose it as explained below. The 75% Pop-Up Survivor Pension is similar to the 50% Pop-Up Survivor Pension, so that if your spouse dies before you, your monthly pension payment will increase to the amount you would have been paid if you had originally taken a Single Life Pension (described below). To pay for the added protection this type of pension gives you, the monthly pension amount you receive is somewhat smaller than under the Joint and 75% Survivor Pension. The size of the reduction varies depending on the ages of you and your spouse. In order to take this type of pension, your spouse must give written consent as explained below.

<u>SINGLE LIFE PENSION</u>:

The Single Life Pension is the normal way pensions are paid to non-married Participants. If you are not married when your pension begins, your pension will be paid this way unless you choose to receive a Ten Year Certain Pension as explained below. Under a Single Life Pension, payments are made to you monthly until your death, after which no more payments are made to anyone. To receive a Single Life Pension, you must provide the Plan Office whatever information it asks for to prove you are not married. You can still receive a Single Life Pension if you are married, but your spouse must give written consent as explained below.

<u>TEN YEAR CERTAIN PENSION</u>:

The Ten Year Certain Pension is available as an option to single or married Participants who properly choose it as explained below. The Ten Year Certain Pension provides monthly payments for the rest of your life just like the Single Life Pension, but if you die <u>before</u> you receive payments for ten years (120 payments), payments will continue to your beneficiary in the same amount until a total of 120 payments have been made. If you die <u>after</u> you receive 120 payments, no additional payments will be made to anyone after your death. As with the Joint and 50% Survivor Pension, because of the added protection, the monthly pension you receive under a Ten Year Certain Pension is somewhat smaller than under a Single Life Pension. You may pick any person you want as your beneficiary, such as your children, a brother or sister, or even just a friend.

<u>ELECTION OF AN OPTIONAL TYPE OF PENSION</u>:

You will be given an application on which to elect how you want your pension paid when you come to the Plan Office to apply for your pension. If you are not married when your pension begins, you can choose a Ten Year Certain Pension. Otherwise, you will get a Single Life Pension. If you are married and want to choose a Pop-Up Survivor Pension, a Single Life Pension or a Ten Year Certain Pension, your spouse must also sign your application, and your spouse's signature must be witnessed by a notary public or by a Plan representative at the Plan Office.

You can change your mind about the type of pension payment you want at any time <u>before</u> pension payments begin. <u>ONCE PENSION PAYMENTS BEGIN, YOU CANNOT CHANGE YOUR TYPE OF PENSION PAYMENT, REGARDLESS OF WHETHER IT WAS THE NORMAL TYPE OR AN OPTIONAL TYPE</u>.

The Plan Office can help you in deciding how to take your pension. Please call the Plan Office at 410-884-1406 in advance to make an appointment if you want help.

AMOUNT OF YOUR PENSION

The amount of your pension is first calculated based on what you will receive if you start getting your pension when you are eligible for Normal Retirement (see page 4).

SINGLE LIFE PENSION AT NORMAL RETIREMENT:

Your monthly pension amount paid as a Single Life Pension is generally equal to the following:

1) For Service Before January 1, 2000:

$50 times your years of Credited Service (see NOTE below).

2) For Service From January1, 2000 to December 31, 2009:

a) $50 times your years of Credited Service earned up to and including the year in which you reach Normal Retirement Age (see page 4) or qualify for unreduced Early Retirement (see page 11), whichever is earlier; **plus**

b) $60 times your years of Credited Service earned by working after your Normal Retirement Age or after you qualify for Unreduced Early Retirement.

3) For Service From January 1, 2010 to December 31, 2014:

$40 times your years of Credited Service.

4) For Service After December 31, 2014:

$50 times your years of Credited Service.

NOTE: If you had two consecutive calendar years before 1991 in which you worked less than 480 hours per year in Covered Employment, your years of Credited Service earned before those two consecutive years will be multiplied by the dollar rate that was in effect for the second consecutive calendar year (which is less than $50).

Year:	Dollar rate was:
Before 1973	$ 3.50
January 1, 1973 – December 31, 1974	$ 5.00
January 1, 1974 – December 31, 1975	$ 10.00
January 1, 1976 – December 31, 1984	$ 15.00
January 1 – December 31, 1985	$ 25.00
January 1, 1986 – December 31, 1988	$ 30.00
January 1 – December 31, 1989	$ 40.00
January 1 – December 31, 1990	$ 45.00

For example, if you worked less than 480 hours in both 1987 and 1988, your Credited Service earned before 1987 would be multiplied by $30 (the dollar rate in effect in 1988). Only your service earned after 1988 would be multiplied by $50 or $40.

JOINT AND 50% SURVIVOR PENSION AT NORMAL RETIREMENT:

Your Single Life Pension monthly amount is reduced if you receive the Joint and 50% Survivor Pension payment type. The amount of the reduction depends on your age and your spouse's age when your pension starts. For example, if your pension starts when you are 65 and your spouse is 62, the reduction from the Single Life Pension to the Joint and 50% Survivor Pension is 14.4%. This means if you would have received $1,000 per month as a Single Life Pension, your Joint and 50% Survivor Pension will be reduced by 14.4% (or $144) and you would receive $856 per month. If your spouse dies before you, you would continue to receive $856 per month for the rest of your life. If you die before your spouse, she would receive $428 per month for the rest of her life. The exact amount of reduction is different for each combination of ages of you and your spouse.

50% POP-UP SURVIVOR PENSION AT NORMAL RETIREMENT:

Your Single Life Pension monthly amount is reduced if you receive the 50% Pop-Up Survivor Pension payment type. The amount of the reduction is in addition to the reduction for the Joint and 50% Survivor Pension, and depends on your age and your spouse's age when your pension starts. For example, if your pension starts when you are 65 and your spouse is 62, the additional reduction from the Joint and 50% Survivor Pension to the 50% Pop-Up Survivor Pension is 1.8%, for a total reduction of 16.2% (14.4% for the Joint and 50% Survivor Pension, plus 1.8% for the 50% Pop-Up Survivor feature). This means if you would have received $1,000 per month as a Single Life Pension, your payment as a 50% Pop-Up Survivor Pension will be reduced by 16.2% (or $162) and you would receive $838 per month. If your spouse dies before you, you would then receive $1,000 per month for the rest of your life. If you die before your spouse, she would receive $419 per month for the rest of her life. The exact amount of reduction is different for each combination of ages of you and your spouse.

JOINT AND 75% SURVIVOR PENSION AT NORMAL RETIREMENT:

Your Single Life Pension monthly amount is reduced if you receive the Joint and 75% Survivor Pension payment type. The amount of the reduction depends on your age and your spouse's age when your pension starts. For example, if your pension starts when you are 65 and your spouse is 62, the reduction from the Single Life Pension to the Joint and 75% Survivor Pension is 20.6%. This means if you would have received $1,000 per month as a Single Life Pension, your Joint and 50% Survivor Pension will be reduced by 20.6% (or $206) and you would receive $794 per month. If your spouse dies before you, you would continue to receive $794 per month for the rest of your life. If you die before your spouse, she would receive $596 per month for the rest of her life. The exact amount of reduction is different for each combination of ages of you and your spouse.

75% POP-UP SURVIVOR PENSION AT NORMAL RETIREMENT:

Your Single Life Pension monthly amount is reduced if you receive the 75% Pop-Up Survivor Pension payment type. The amount of the reduction is in addition to the reduction for the Joint and 75% Survivor Pension, and depends on your age and your spouse's age when your pension starts. For example, if your pension starts when you are 65 and your spouse is 62, the additional reduction from the Joint and 75% Survivor Pension to the 75% Pop-Up Survivor Pension is 2.6%, for a total reduction of 23.2% (20.6% for the Joint and 75% Survivor Pension, plus 2.6% for the 75% Pop-Up Survivor feature). This means if you would have received $1,000 per month as a Single Life Pension, your payment as a Pop-Up Survivor Pension will be reduced by 23.2% (or $232) and you would receive $768 per month. If your spouse dies before you, you would then receive $1,000 per month for the rest of your life. If you die before your spouse, she would receive $576 per month for the rest of her life. The exact amount of reduction is different for each combination of ages of you and your spouse.

TEN YEAR CERTAIN PENSION AT NORMAL RETIREMENT:

Your Single Life Pension monthly amount is reduced if you receive the Ten Year Certain Pension payment type. The amount of the reduction varies depending on your age when your pension begins. The amount of the reduction increases with your age, because the older you are the greater the chance you will die before you receive all 120 payments. The reduction at age 60 is 5.4%; at age 65 it is 8.9%.

ADJUSTMENTS TO ALL PENSIONS STARTING BEFORE OR AFTER NORMAL RETIREMENT:

Starting Before Normal Retirement. Except for a Disability Pension, if payments start before you are eligible for Normal Retirement, the pension amount will be reduced by one-half of one percent (1/2%) for each month or part of a month that payments start before you would be eligible for Normal Retirement. For example, assume you would be eligible for Normal Retirement on March 15, 2019, but you choose an Early Retirement Pension and your payments start November 1, 2016. Your pension will be reduced by 14.5% because it starts 29 months before you would be eligible for Normal Retirement.

Your pension will not be reduced for starting before Normal Retirement if you qualify for "Unreduced Early Retirement". To qualify for Unreduced Early Retirement you must reach age 55 and complete at least 25 years of Credited Service. You must also work at least 480 hours in Covered Employment during the calendar year before the year in which you have both reached age 55 and completed 25 years of Credited Service, or in any calendar year thereafter. Unreduced Early Retirement is also called the "55 and 25 rule".

Starting After Normal Retirement. If you start receiving your pension after you are eligible for Normal Retirement, you can either have the amount of your pension increased (the "Increased Pension Choice"), or you can have the payments you could have received between when you became eligible for Normal Retirement and when your pension starts paid to you in a lump sum (the "Back Payments Choice").

Increased Pension Choice. Under this choice, the amount of the pension you earned when you were first eligible for Normal Retirement will be increased by one percent (1%) for each month (1) which passes after you become eligible for Normal Retirement and before your pension payments start and (2) in which you work less than 40 hours in "Suspension Employment" as explained starting at page 19. You can earn additional Credited Service for working after you are eligible for Normal Retirement, but you do not get a percentage increase in your pension for any month in which you work 40 or more hours in Suspension Employment.

For example, assume you reach age 65 with 19 years of Credited Service at the $50 rate and you stop working, but you don't apply for your pension until you reach age 68. Your pension paid as a Single Life Pension would ordinarily be $950 a month (19 x $50). This amount will be increased to $1,292 a month as follows:

- Your pension didn't start for 36 months (three years) after you reached age 65.
- You had 19 years of Credited Service at age 65, which by itself would give you $950 a month (19 x $50);
- Your $950 pension is increased by 36% to $1,292.

However, if you kept working in Suspension Employment until age 68, you would not get any percentage increase, but you would get additional pension benefits for the years of Credited Service you earn during those years.

Back Payments Choice. Instead of the Increased Pension Choice, you can receive unincreased back pension payments for each month (1) which passes after you were eligible for Normal Retirement and before your pension payments start and (2) in which you work less than 40 hours in Suspension Employment. These back payments will be paid when your pension payments start. To choose Back Payments if you are married, you must get your spouse's consent. You must get this consent even if your pension is paid as a Joint and 50% Survivor Pension or a Joint and 75% Survivor Pension.

Whether you should choose the Increased Pension or the Back Payments depends on your own personal financial situation. While the one-time payment you can receive under the Back Payments Choice may be attractive in the short run, there may be serious income tax disadvantages associated with it which can greatly reduce the amount of the one-time payment you get to keep. Your long term financial security in retirement may be better protected by choosing the Increased Pension instead. Because of the amount of money that may be at stake, if you are faced with this decision you are strongly urged to consult with an accountant or a tax expert before making your choice.

You can have your Back Payments paid directly to an individual retirement account (IRA). This is called a rollover, and would reduce the income tax disadvantages.

VESTING AND PRE-RETIREMENT DEATH BENEFITS

VESTING:

If you work in Covered Employment after 1998, you become vested in your pension when you have at least five years of "Vesting Service". If you do not work in Covered Employment after 1998, you become vested in your pension when you have at least 10 years of Vesting Service.

You earn one full year of Vesting Service for each calendar year in which you work 1,000 or more hours in Covered Employment. If you work less than 1,000 hours in Covered Employment during a calendar year, but you work at least 480 hours, you will receive one-quarter of a year of Vesting Service.

NOTE: If you have a "Permanent Break in Service" (see page 17) before you are vested, you will lose the Vesting Service and Credited Service you previously earned.

PRE-RETIREMENT DEATH BENEFITS FOR SPOUSES:

Your Plan provides death benefit protection for spouses of married vested Participants who die before their pensions begin. There is no charge for this protection. Participants who have been legally married for at least one year receive pre-retirement death benefit protection for their spouses as soon as they become vested. No pre-retirement death benefit protection is provided for the spouses of Participants who are not vested or who have not been legally married for at least one year.

If you die after you become vested and you have been legally married for at least one year, your surviving spouse will receive a lifetime pension starting when you would have reached age 55, or starting immediately if you reached age 55 before your death. The amount of your spouse's pension is the survivor's 50% share of the Joint and 50% Survivor Pension you would have received (had you lived) starting on the date the payments start to your spouse. For example, assume you are legally married for at least one year to your spouse who is three years younger than you and you die at age 50 with 18 years of Credited Service at the $50 rate, and five years of Credited Service at the $40 rate. Your spouse can begin receiving a monthly pension for the rest of her life starting five years later, when you would have reached age 55. The amount of your spouse's monthly pension would be $198.44, calculated as follows:

Your Single Life Pension: (18 x $50) + (5 x $40) = $1,100
60% reduction for 10 years (120 months) early start:
    60% of $1,100 = $660; $1,100 - $660 = $440
Reduction for Joint and 50% Survivor Pension:
    9.763% of $440 = $42.96
Pension payable at age 55 = $397.04 ($440 - $42.96)
Surviving spouse's 50% portion = $198.52 a month ($397.04 x 1/2)

If you die at age 60 with the same service as the previous example, your spouse can immediately begin receiving a monthly pension of $338.83 for the rest of her life, calculated as follows:

Your Single Life Pension: (18 x $50) + (5 x $40) = $1,100
30% reduction for five years (60 months) early start:
  30% of $1,100 = $330; $1,100 - $330 = $770
Reduction for Joint and 50% Survivor Pension:
  11.994% of $770 = $92.35
Pension payable at age 60 = $677.65 ($770 – $92.35)
Surviving spouse's 50% portion = $338.83 a month ($677.65 x 1/2)

NOTE: Your spouse can begin receiving her survivor's pension when you would have reached age 55 if you die before then, or immediately if you die after age 55. However, she may at her option postpone the time when her pension starts, as long as it starts sometime before you would have reached age 70½. If she postpones the start of payments, her survivor's pension will increase in amount because it will not be starting as early and thus will not have as much of an early start reduction.

PRE-RETIREMENT DEATH BENEFITS FOR DEPENDENT CHILDREN:

Your Plan provides death benefit protection for your dependent children if you are vested, you worked at least 480 hours in Covered Employment during a Plan Year after 1997, you have no spouse eligible to receive Pre-Retirement Death Benefits, and you die before your pension begins. There is no charge for this protection. If you are eligible, payments to your dependent children will begin the month after you die. No pre-retirement death benefit protection is provided for the dependent children of Participants who are not vested, who have not worked at least 480 hours in Covered Employment during a Plan Year after 1997, or who have a spouse eligible to receive Pre-Retirement Death Benefits.

Your dependent children are your natural or adopted children who are under age 21 when you die, and who were either (1) claimed as dependents on your federal income tax return for the year before you die, or (2) were born or adopted in the year of your death and were claimed as dependents on your federal income tax return for that year.

If you are eligible for pre-retirement death benefits for your dependent children, and you die after you reach age 55, your dependent children will share one-half of the amount you would have received as a Single Life Pension if you had started receiving benefits when you died.

If you are eligible for pre-retirement death benefits for your dependent children, and you die before you reach age 55, your dependent children will share one-half of the amount you would have received as a Single Life Pension if you had stopped working at your death and survived until age 55, reduced by one quarter of one percent (.25%) for each month between the month you die and the month you would have reached age 55.

If you have more than one dependent child when you die, the Pre-Retirement Death Benefit is divided equally among them. When a child reaches 21, the child stops receiving the death benefit and the child's share of the benefit is divided among any other dependent children. Pre-Retirement Death Benefits end when your youngest dependent child reaches age 21.

HOW YOUR PENSION MAY BE LOST OR SUSPENDED

PERMANENT BREAK IN SERVICE:

If you have a Permanent Break in Service before you become vested, all the Credited Service and Vesting Service you earned before your Permanent Break is lost, and you must start all over again to accumulate new Credited Service and Vesting Service. Once you become vested, you cannot have a Permanent Break in Service.

You have a Permanent Break in Service if one of the following happens:

Before 1976: If you failed to earn at least one-quarter of a year of Credited Service for any three consecutive Plan Years, you had a Permanent Break In Service.

1976 – 1986: You had a Permanent Break in Service if your consecutive "years of absence" from Covered Employment equaled or exceeded the total years of Vesting Service you earned before your absence began. You had a "year of absence" if you failed to work at least 480 hours in Covered Employment during a calendar year.

1987 and later: The same rule applies as before 1987, except that you must also have at least five consecutive "years of absence" to have a Permanent Break in Service.

NOTE: Any years of Credited Service and Vesting Service which were lost under the rules in effect before 1987, remain lost after that date, even if they would not be lost under the rules which went into effect in 1987.

For example:

- If you have four years of Vesting Service, then have three consecutive years of absence, and then return and work at least 480 hours in Covered Employment in a calendar year, you will not have a Permanent Break.

- If you have four years of Vesting Service, then have four consecutive years of absence before 1987, you will have a Permanent Break in Service and lose all of the Credited Service and Vesting Service you earned before the Break because your consecutive years of absence equal your years of Vesting Service.

- Since 1987, if you have four years of Vesting Service, then have four consecutive years of absence before returning to Covered Employment and working at least 480 hours in a calendar year, you will not have a Permanent Break in Service because since 1987, you must have at least five consecutive years of absence in order to have a Permanent Break.

RECIPROCAL PENSIONS:

If you work outside the geographic jurisdiction of the Baltimore/Washington Laborers' District Council, you might be able to have that work counted to determine if you are entitled to a Reciprocal Pension from this Plan.

Only work within the jurisdiction of a Related Plan is counted. A Related Plan is a pension plan that has signed the Laborers' National Reciprocal Agreement.

Work under a Related Plan is counted by this Plan only for the following purposes:

- to be eligible for Unreduced Early Retirement under the "55 and 25" rule;
- to be eligible for Normal Retirement under the "62 and 20" rule or the "60 and 30" rule;
- to be eligible for Disability Retirement;
- to be Vested; and
- to determine if you have a Permanent Break in Service.

This Plan only counts work under a Related Plan to see if you are eligible for a pension from this Plan. If your Related Plan work makes you eligible for a pension from this Plan, the amount of the pension is calculated using only the Credited Service you earned under this Plan. Work under a Related Plan is not counted to see if you are eligible for pre-retirement death benefits.

SUSPENSION OF PENSIONS:

After your pension payments start, for each month during which you work at least 40 hours in Covered Employment, or in the construction industry within the craft (including supervisory employment) and geographical jurisdiction of the Baltimore/Washington Laborers' District Council, you will be deemed to work in "Suspension Employment". Suspension Employment includes work for both union and non-union employers. For any month in which you work in Suspension Employment, your pension will be suspended. If your pension is suspended, it will remain suspended for each month you work in Suspension Employment and until you notify the Plan Office that you have stopped working in Suspension Employment.

Your pension will start again by the third month after you stop working in Suspension Employment, or, if later, by the month after you notify the Plan Office in writing of this fact. You will receive back payments for any months before your pension starts again in which you do not work in Suspension Employment. The Department of

Labor has issued regulations governing suspension of pensions which may be found at Section 2530.203-3 of Title 29 of the Code of Federal Regulations.

If your pension is suspended but you do not think it should be, you may appeal the suspension just like any other denial of benefits under the Plan. Rules for making appeals are set forth at page 20.

If you work in Suspension Employment after your pension begins, you might receive pension payments for a short period before the Plan Office finds out that your pension should have been suspended. If this happens, the pension payments that should have been suspended will be deducted from your future pension payments.

IF YOU WANT TO RETURN TO CONSTRUCTION INDUSTRY EMPLOYMENT AFTER YOUR PENSION STARTS, CONTACT THE PLAN OFFICE <u>FIRST</u> TO FIND OUT IF YOUR PENSION WILL BE SUSPENDED

If you retire on a Normal Retirement pension, you may work in Suspension Employment without having your pension suspended, but only while the Trustees temporarily suspend the Suspension of Pension rules. The Trustees recently temporarily suspended the Suspension of Pension rules until December 31, 2014. You will be notified if the Trustees continue the temporary suspension after December 31, 2014.

If you are eligible for Normal Retirement, you may keep working in Covered Employment and start taking your pension for so long as there is a temporary suspension of the Suspension of Pension rules. For any month in which you work and receive your pension, you will probably not earn any new pension benefits.

After the temporary suspension is over, you will not receive your pension for any month in which you work in Suspension Employment, and your pension cannot start until you stop working.

CLAIMS AND APPEAL PROCEDURE

To get a pension from the Plan you must file a written application with the Plan Office. The Plan Office makes the first decision as to whether you get a pension and what the amount will be. If your pension application is denied, the Plan Office will send you a written notice, setting forth reasons for the denial, references to Plan provisions on which the denial is based, and a description of any additional information which may be necessary for you to get a pension.

You will be notified of a denial in writing within 90 days after you apply, although under special circumstances up to 90 days of extra processing time may be used. If extra processing time is needed, the Plan Office will notify you.

If your pension application is denied, or if you think you should get a larger pension, you may make a written appeal to the Trustees. You have the right to receive, free of charge, reasonable access to and copies of documents, records and information relevant to your application for a pension.

The Trustees have the discretionary authority to rule on all appeals, and pension benefits under this Plan will be paid only if the Trustees decide in their discretion that you are entitled to them. The Trustees have discretionary authority to interpret the terms of the Pension Plan document and to make all findings of fact necessary to determine entitlement to benefits. You and/or your authorized representative may review and receive copies of Plan documents, and may submit issues and comments in writing and otherwise have a reasonable opportunity to appeal to the Trustees. This right to appeal ends 60 days after you receive written notice of the denial of your application, or notice of a pension amount which you think should be larger.

All appeals must be in writing and must set forth why you believe the Plan Office was wrong to deny your application or why your pension should be larger. The written appeal may be hand delivered or mailed to the Plan Office. The appeal will be considered by the Trustees at their next regular meeting following receipt of the written appeal. After considering the appeal, the Trustees will give you a written decision.

The Trustees may agree with, modify or reverse the Plan Office's decision. The decision by the Trustees on your appeal is final and not subject to any further review or appeal. If your appeal is denied you will be told the reasons for the decision with references to the Plan provisions on which the decision is based, and about your right to bring an action against the Plan under ERISA Section 502(a).

OTHER MATTERS

QUALIFIED DOMESTIC RELATIONS ORDERS:

If you get divorced, the court might enter an order giving your former spouse a portion of your pension. If the order meets certain legal requirements, it is a Qualified Domestic Relations Order (QDRO). Only a QDRO is binding on the Plan. Any order that is not a QDRO is not binding on the Plan. You will be notified if the Plan receives a QDRO that relates to you. The Plan has established QDRO Procedures for use in determining whether an order is a QDRO. If you would like a free copy of the Plans QDRO Procedures, please ask the Plan Administrator.

PLAN REIMBURSEMENT AND RECOVERY RIGHTS:

The Plan is entitled to recover any amounts it has paid out in benefits from any person to (or with respect to whom) such amounts were paid if the Trustees determine that such payments were made due to error or fraud.

AMENDMENT OR TERMINATION OF PLAN:

The Trustees intend to continue the Plan indefinitely. However, the Trustees have the right to amend the Plan at any time. The contributing employers and the Baltimore/Washington Laborers' District Council have the right to terminate the Plan at any time. In no event will any money in the Plan be returned to employers.

In general, no amendment will reduce any pension you have already earned when the amendment is adopted, or eliminate any of the optional payment types. However, in limited cases, the law permits an amendment that reduces a pension that has already been earned. The Trustees can amend the Plan to increase or decrease the amount of pension you can earn after the amendment is adopted.

If the Plan is terminated, you will become 100% vested in any pension you have earned to the extent that the Plan has money to pay the pension. If the Plan is terminated, the assets will be distributed in the manner required by the Plan and the Employee Retirement Income Security Act of 1974 (ERISA).

PENSION BENEFIT GUARANTY CORPORATION:

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

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

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first $11 of the monthly benefit accrual rate and (2) 75% of the next $33. The PBGC's maximum guarantee limit is $35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be $12,870.

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

The PBGC guarantee generally does not cover (1) benefits greater than the maximum guaranteed amount set by law, (2) benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the earlier of the date the Plan terminates or 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 the Plan Office 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 at www.pbgc.gov.

STATEMENT OF ERISA RIGHTS:

As a Participant in the Laborers' District Council Pension Plan for Baltimore and Vicinity you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to:

- Examine, without charge, at the Plan Office all Plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.

- Obtain copies of all Plan documents and other Plan information upon written request to the Plan Office. The Plan may make a reasonable charge for these copies.

- Receive a summary of the Plan's annual financial report. The Plan 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 obtain a pension at normal retirement age (see page 5) and if so, what your pension 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 a year. The Plan must provide this statement free of charge.

In addition to creating certain 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 for the purpose of preventing you from obtaining a pension benefit or exercising your rights under ERISA. If your claim for a pension is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If 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 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. If you have any questions about your Plan, you should contact the Plan Office. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

REMEMBER . . .

You must cooperate fully with the Plan Office in submitting any information requested.

You must submit a written application to the Plan Office in order to receive pension payments. These applications are available from the Plan Office.

If you have any questions about the Plan or this Booklet, contact the Plan Office.