

SUMMARY PLAN DESCRIPTION

**PAINTERS DISTRICT COUNCIL #2
PENSION PLAN AND TRUST**

ST. LOUIS, MISSOURI

OCTOBER 1, 2012

DEAR PARTICIPANT:

THIS IS YOUR PENSION BOOKLET (SUMMARY PLAN DESCRIPTION) WHICH IS AN EXPLANATION OF YOUR PENSION PLAN. INCLUDED ARE MANY CHANGES REQUIRED BY THE ENACTMENT OF NEW LEGISLATION. YOU ARE URGED TO FAMILIARIZE YOURSELF WITH YOUR RIGHTS AND BENEFITS AND THOSE OF YOUR SPOUSE. THE PLAN DOCUMENT IS MORE DETAILED AND GOVERNS IN THE EVENT OF AN INCONSISTENCY BETWEEN THIS SUMMARY PLAN DESCRIPTION AND THE PLAN DOCUMENT.

WE URGE YOU TO CAREFULLY REVIEW THIS BOOKLET AND KEEP IT IN A SAFE PLACE. THIS BOOKLET SUPERSEDES ALL PREVIOUS BOOKLETS AND BENEFITS.

YOU ARE WELCOME TO CALL THE PENSION OFFICE AT (314) 739-1100 ANY TIME YOU HAVE QUESTIONS REGARDING YOUR PENSION.

SINCERELY,

BOARD OF TRUSTEES

UNION TRUSTEES:

GREGG A. SMITH
DAVID A. DOERR
RICHARD L. LUCKS

EMPLOYER TRUSTEES:

DANIEL G. WIENSTROER
H. FRED PHILIPP, JR.
TIMOTHY J. WIES

PLAN ADMINISTRATOR:

BENESYS, INC.

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ARTICLE I **PLAN IDENTIFICATION AND ADMINISTRATION**

NAME OF PLAN: Painters District Council #2 Pension Plan (“Plan”)

Type of Plan: Multiemployer defined benefit plan

Plan Serial Number: 002

Original Plan Effective Date: July 1, 1964

Effective date of last amendment and restatement: July 1, 2009

Plan Year: Begins each July 1 and ends each June 30

Plan Sponsor: Board of Trustees
Painters District Council No. 2 Pension Trust (“Trust”)
c/o Benesys, Inc.
13801 Riverport Lakes West, Suite 401
Maryland Heights, Missouri 63043
(314) 739-1100 (Ext. 5731)

Plan Sponsor Identification Number: 43-6057739

All inquiries regarding the Plan should be addressed to the Plan Administrator.

Plan Administrator: Benesys, Inc.
c/o St. Louis Regional Operations Manager
Painters District Council #2 Benefit Funds
13801 Riverport Lakes West, Suite 401
Maryland Heights, Missouri 63043
(314) 739-1100 (Ext. 5731)

Trustees: The Board of Trustees of the Trust consists of three (3) Employer representatives and three (3) Union representatives. Currently, the members of the Board of Trustees are:

UNION:

Gregg A. Smith
Painters District Council No. 2
2501 59th Street
St. Louis, MO 63110

David A. Doerr
Painters District Council #2
2501 59th Street
St. Louis, MO 63110

MANAGEMENT:

H. Fred Philipp, Jr.
2788 Meyer Road
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Timothy J. Wies
T.J. Wies Contracting, Inc.
200 TJW Court
Lake St. Louis, MO 63367

Richard L. Lucks
Painters District Council No. 2
2501 59th Street
St. Louis, MO 63110

Daniel G. Wienstroer
Painting & Decorating Foundation
1605 Fairview
St. Louis, MO 63132

The Trustees and the Plan Administrator are the Plan fiduciaries within the meaning of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Each Trustee and the Plan Administrator, through its registered agent in Missouri, are the agents of the Plan and Trust for service of legal process and process may be served on the Trustees at their addresses listed above and on the Plan Administrator through its registered agent in Missouri.

The Plan was established effective July 1, 1964 and is maintained in accordance with collective bargaining agreements between Painters District Council #2 and the Sign and Pictorial Painters Local Union 774 and the contributing Employers. The benefits of the Plan are specified in the Plan and Trust agreement. You may obtain copies of the collective bargaining agreements, at no charge, upon request from the Plan Administrator.

Information concerning which employers contribute to the Plan will be provided to you by the Plan Administrator at no cost, upon request. You may also receive, upon written request to the Plan Administrator, information as to whether a particular employer or employee organization contributes to Plan and, if so, the address of such employer or employee organization.

The Plan is a defined benefit pension plan.

ARTICLE II ELIGIBILITY

A. WHEN DO I BECOME A PARTICIPANT?

You become a Participant upon commencing covered employment. Covered employment consists of (a) employment within a bargaining unit for which Painters District Council No. 2 or the Sign and Pictorial Painters Local Union 774 is the recognized bargaining representative with an employer which has a collective bargaining agreement with Painters District Council No. 2 or the Sign and Pictorial Painters Local Union 774 and which has agreed to make contributions to the Trust for benefits under the Plan, or (b) employment with a related contributing employer including Painters District Council No. 2, the Unity Hall Corporation, or the Painters District Council No. 2 Pension, Welfare, Vacation, and/or Apprentice and Journeyman Trusts which has agreed to make contributions to the Trust for benefits under the Plan. You are not deemed to be engaged in covered employment during a period in which your employer is not obligated to contribute on your behalf to the Plan.

B. WHEN DO I ENTER THE PLAN?

You enter the Plan immediately upon becoming a Participant, that is, immediately upon completing one hour of service covered under the Plan.

C. WHEN DO I CEASE TO BE A PARTICIPANT?

You cease to be a Participant in the Plan on the first day of the Plan Year (that is July 1) after the Plan Year in which you experience a one-year break in service. A one-year break in service occurs during any Plan Year (July 1st - June 30th) in which you fail to complete the required number of hours of service (**see ARTICLE VI.C, WHAT IS A ONE YEAR BREAK IN SERVICE?**).

D. WHAT DOES IT MEAN TO BE A PARTICIPANT?

Upon becoming a Participant, you become eligible to earn a benefit in the Plan. In order to be eligible to receive a benefit from the Plan, you must, however, meet the benefit eligibility requirements (see **ARTICLE V, BENEFIT ENTITLEMENTS**) and the vesting requirements (see **ARTICLE VI, VESTING**).

ARTICLE III CONTRIBUTIONS

A. WHO PAYS FOR MY BENEFIT?

Your employer pays the entire cost of your benefit. The assets of the Plan consist entirely of employer contributions and earnings on the contributions. Employee contributions are neither required nor permitted.

B. HOW ARE MY EMPLOYER'S CONTRIBUTIONS DETERMINED?

The amount of your employer's contributions is provided for in the collective bargaining agreement. Your employer makes contributions to the Plan for each hour of service performed by you under the collective bargaining agreement.

C. WHERE ARE THE ASSETS OF THE PLAN INVESTED?

Contributions are paid to a trust under the Plan which are invested by the Trustees. The assets of the Plan have, for the most part, been placed with investment managers. The managers of Plan assets change from time to time. You may obtain a list of current investment managers from the Plan Administrator.

ARTICLE IV BENEFIT CALCULATION

A. HOW IS MY BENEFIT COMPUTED?

If you meet the eligibility requirements for a benefit (see **ARTICLE V, BENEFIT ENTITLEMENTS**) and the vesting requirements (see **ARTICLE VI, VESTING**), the amount which you receive is based on the amount of your “accrued benefit.” Your “accrued benefit” (as determined under this **ARTICLE IV, BENEFIT CALCULATION**) is the amount you would receive each month if you retire at your normal retirement date and your benefits are paid in the normal form under the Plan.¹ Your “normal retirement date” is the first day of the month coinciding with or next following the last to occur of your sixty-fifth birthday or your completion of five years of participation in the Plan. If your benefits start at a time other than your normal retirement date and/or if your benefits are paid in a form of payment other than the normal form of benefits under the Plan (for example, your benefits are paid in the form of a qualified joint and survivor annuity with your spouse), the monthly amount actually paid changes. In that case, the amount actually paid is the actuarial equivalent of your accrued benefit.

Your “**accrued benefit**” is determined by adding your past service credit to your future service credit. These amounts are determined as follows:

- (1) Past Service Credit. This amount is available only if you were a Participant in the Plan on July 1, 1964. The amount of past service credit is \$2.50 for each continuous year of service prior to July 1, 1964 and this is the monthly amount payable to you for your life commencing at your normal retirement date.

¹ The normal form of benefits under the Plan is a five year certain and life annuity. Under this form, you receive the amount of your accrued benefit each month for the remainder of your life. If you die before you have received five years (sixty months) of benefit payments, the same amount is paid each month to your beneficiary or beneficiaries until a total of sixty payments have been made to you and your beneficiary or beneficiaries.

(2) Future Service Credit. This amount is based on your "hours of service", as defined in the Plan, during each Plan Year (July 1 - June 30) commencing July 1, 1964, after your participation in the Plan commences. (See **ARTICLE II.A, WHEN DO I BECOME A PARTICIPANT?**). Your future service credit is calculated by adding together the benefit which you have earned during each year of participation, based on your "hours of service," under all of the tables which apply to you as set forth in **SCHEDULES A or B**.

If you receive a form of benefit other than the five year certain and life annuity (for example, the joint and fifty percent survivor annuity form) or if you retire at a time other than your normal retirement date, the amount received is different from the amount shown in the table of benefit which applies to you as shown in **SCHEDULES A or B**. The amount received is the actuarial equivalent of the amount set forth in the appropriate table of benefits.

Effective July 1, 1984, all Participants who were then receiving retirement or disability pension payments received a twenty percent increase in their retirement benefit.

For Participants who retire or become disabled on or after July 1, 1984, the monthly benefit is the greater of (i) the Participant's accrued benefit computed under the appropriate table of benefits shown in **SCHEDULES A or B** or (ii) the Participant's accrued benefit as of June 30, 1984, increased by twenty percent.

For Participants who retire or become disabled on or after July 1, 1985, the accrued benefit of that Participant as of June 30, 1985 is computed as follows:

Step 1: The Participant's accrued benefit as of June 30, 1985 is computed under the benefit tables set forth in **SCHEDULE A**, but without regard to the

twenty percent increase described in the two paragraphs immediately preceding this paragraph.

- Step 2: The accrued benefit determined under Step 1 is increased by twenty percent of said benefit.
- Step 3: The accrued benefit determined under Step 2 is added to the benefit, if any, earned for service after June 30, 1985 to arrive at the accrued benefit of the Participant.

This increase does not apply to Participants, their spouses and beneficiaries whose benefits are based upon service for employers which were signatory to collective bargaining agreements with the Sign and Pictorial Painters Local Union 774.

Effective January 1, 1992, the benefits of Participants and their spouses, the payment of whose benefits commenced before that date, were increased by the greater of (i) five percent of the benefit or (ii) \$10. This increase does not apply to Participants, their spouses and beneficiaries whose benefits are based upon service for employers who were signatory to a collective bargaining contracts with the Sign and Pictorial Painters Local Union 774.

B. NORMAL RETIREMENT BENEFIT EXAMPLE/HOW DO I CALCULATE MY NORMAL RETIREMENT BENEFIT?

To calculate your own normal retirement benefit, you need to know the hours you worked during each Plan year in covered employment and your years of past service credit, if any.

You are provided an annual statement which shows your benefit earned for each year. You should carefully check this statement to make certain you have received proper credit for all hours of service you worked during the Plan year. **To insure that you receive this yearly**

statement, you should keep the Plan Administrator informed of your current address at all times.

The following example, which is applicable to service with employers which are not signatory to contracts with Sign and Pictorial Painters Local Union 774, may be used as a guide when completing the chart and figuring your own retirement benefit. Under this example, the Participant commences participation on July 1, 1972 and retires on June 30, 2012.

Plan Year July 1 thru June 30	Hours	Benefit
1972-73	1,500	5.25
1973-74	1,925	6.75
1974-75	530	1.50
1975-76	370	- 0 -
1976-77	2,250	16.50
1977-78	1,750	12.00
1978-79	1,100	11.25
1979-80	2,205	24.75
1980-81	900	11.25
1981-82	1,500	19.70
1982-83	2,100	28.15
1983-84	1,700	22.50
Total as of 6/30/84 =		
\$159.60 ²		
7/1/84-11/30/84	820	12.75
12/1/84-6/30/85	1,100	37.00
Total as of 6/30/85 = \$251.22 ³		
1985-86	1,300	58.60
1986-87	1,950	122.80
1987-88	1,700	109.70
1988-89	1,500	96.65
1989-90	1,750	122.80
1990-91	1,300	93.60
1991-92	1,900	137.40
1992-93	2,500	164.75
1993-94	1,450	118.60
1994-95	1,950	163.75
1995-96	1,500	128.95
1996-97	1,900	172.80
1997-98	1,400	118.35
1998-99	2,200	191.75
1999-00	1,600	136.10
2000-01	1,100	100.60
2001-02	910	81.65
2002-03	1,385	118.35
2003-04	1,800	155.05

² Any Participant receiving a retirement or disability benefit as of June 30, 1984 began receiving a twenty percent increase effective July 1, 1984. The accrued benefit of a Participant who retires or becomes disabled after July 1, 1984 (and does not qualify for the benefit increase described in footnote 3), is the greater of:

- (a) his or her accrued benefit computed under the tables, or
- (b) his or her accrued benefit computed under the tables as of June 30, 1984, increased by twenty percent.

³ For a Participant (other than a Participant, and his or her spouse or beneficiaries, employed by employers signatory to agreements with Sign and Pictorial Painters Local Union 774) who retires or becomes disabled on or after July 1, 1985, his or her accrued benefit computed as of June 30, 1985 is increased by twenty percent and is then added to future service credit earned for service on or after July 1, 1985, if any. Under the example, the accrued benefit as of June 30, 1985 is increased to \$251.22 (\$209.35 x 1.20).

2004-05	1,700	108.55
2005-06	1,000	57.20
2006-07	2,100	134.25
2007-08	1,950	121.00
2008-09	950	57.20
2009-10	1,200	70.45
2010-11	1,250	82.85
2011-12	1,500	95.30

If you were hired on July 1, 1972 and retired on June 30, 2012, and all of your service is with employers who are not signatory to contracts with Sign and Pictorial Painters Local Union 774, your normal monthly retirement benefit is \$3,370.27. The benefit, however, cannot be less than your accrued benefit as of June 30, 1984 increased by twenty percent. In this example, that benefit is only \$191.52 and is not applicable.

The following example may also be used as a guide when completing the chart and figuring your own retirement benefit attributable to service with employers which are signatory to contracts with Sign and Pictorial Painters Local Union 774:

Plan Year July 1 thru June 30	Hours	Benefit
1972-73	1,500	5.25
1973-74	1,925	6.75
1974-75	530	1.50
1975-76	370	0
1976-77	2,250	16.50
1977-78	1,750	12.00
1978-79	1,100	11.25
1979-80	2,205	24.75
1980-81	900	11.25
1981-82	1,500	19.70
1982-83	2,100	28.15
1983-84	1,700	22.50
Total as of 6/30/84 =		
\$159.60 ⁴		
1984-85	1,920	28.45
1985-86	1,300	19.05
1986-87	1,950	28.45
1987-88	1,700	25.35
1988-89	1,500	22.20
1989-90	1,750	25.35

⁴ See footnote 2.

1990-91	1,300	19.05
1991-92	1,900	28.45
1992-93	2,500	34.80
1993-94	1,450	22.20
1994-95	1,950	28.45
1995-96	1,500	22.20
1996-97	1,900	28.45
1997-98	1,400	19.05
1998-99	2,200	31.65
1999-00	1,600	38.90
2000-01	1,100	30.55
2001-02	910	24.75
2002-03	1,385	36.35
2003-04	1,800	48.05
2004-05	1,700	33.65
2005-06	1,000	17.35
2006-07	2,100	41.80
2007-08	1,950	37.70
2008-09	950	17.35
2009-10	1,200	21.40
2010-11	1,250	17.82
2011-12	1,500	20.69

If you were hired on July 1, 1972 and retired on June 30, 2012, and all of your service is with employers which are signatory to contracts with Sign and Pictorial Painters Local Union 774, your monthly normal retirement benefit is \$929.11. This benefit, however, cannot be less than your accrued benefit as of June 30, 1084 increased by twenty percent. In this example, that benefit is only \$191.52 (\$159.60 x 1.2) and is not applicable.

C. WHAT IS AN HOUR OF SERVICE?

An hour of service is:

- (1) each hour that you are paid, or entitled to pay, for duties you perform for your employer; and
- (2) each hour that you are paid, or entitled to pay, for a period where you did not actually perform duties for your employer, up to a maximum of 501 hours for any single continuous period. This includes periods of vacation, holidays, illness,

incapacity (including disability), layoff, jury duty, military duty, or leave of absence; and

- (3) each hour that back pay is awarded or agreed to by your employer.

You do not receive credit for hours of service where:

- (1) the employer's payment is required by workers' compensation, unemployment compensation, or disability insurance; or
- (2) the employer's payment is a reimbursement of any medical expense.

Also, you do not receive duplicate credit under the three categories listed above. If you receive credit for hours you work and later are awarded back pay for the same hours, you are, for example, not given double service credits.

Hours of service, effective July 1, 1986, are counted only to determine whether you have experienced a one-year break in service (**see ARTICLE VI.C, WHAT IS A ONE YEAR BREAK IN SERVICE**), up to a maximum of 501 hours, for any period of absence from work:

- (1) by reason of your pregnancy;
- (2) by reason of the birth of your child;
- (3) by reason of the placement of a child with you in connection with the adoption of the child by you; or
- (4) for purposes of caring for the child.

After December 31, 1993, you are also credited with hours of service you would have earned but for taking approved leave under the Family and Medical Leave Act except that such hours of service shall only be considered to determine whether you have experienced a one-year break in service.

You are only credited with hours of service for purposes of calculating your benefit (see **ARTICLE IV, BENEFIT CALCULATION**) for service in covered employment (see **ARTICLE II.A, WHEN DO I BECOME A PARTICIPANT?**). All hours of service with an employer who participates in the Plan are counted for vesting purposes (see **ARTICLE VI, VESTING**).

You are required to furnish, upon request by the Plan Administrator, such timely information as the Plan may reasonably require to establish that the absence was for one of the reasons stated above and/or to establish the number of days for which there was such an absence.

You are also credited with hours of service for periods of active military or public health service duty, provided you return to the employment of your employer as required by law, for both vesting and benefit accrual purposes.

Effective January 1, 1999, you are credited with hours of service for vesting purposes for service earned in other geographical jurisdictions covered by certain other locals, unions or district councils affiliated with the International Brotherhood of Painters and Allied Trades if such service is covered by a reciprocity agreement with the Trust. (See **ARTICLE VI.B, WHAT IS A YEAR OF VESTING SERVICE?**).

ARTICLE V **BENEFIT ENTITLEMENTS**

A. UNDER WHAT CIRCUMSTANCES AM I OR MY BENEFICIARIES ENTITLED TO A BENEFIT?

The previous articles of this booklet explained how you become a Participant and how your accrued benefit is computed. However, becoming a Participant and accruing a benefit does not necessarily mean that you or your beneficiaries are entitled to receive benefit payments. In order to receive benefit payments, you or your beneficiaries must meet the eligibility requirements under one of the following paragraphs (see also **ARTICLE VI, VESTING**).

(1) Normal Retirement Benefit: You are entitled to receive a normal retirement benefit, if you reach your normal retirement date while still an active Participant (see **ARTICLE II, ELIGIBILITY**) in the Plan. Your normal retirement date is the first day of the month following the later of your sixty-fifth birthday or the fifth anniversary of your entry date into the Plan. You are also entitled to receive a normal retirement benefit upon reaching your normal retirement date even if you are not an active Participant on your normal retirement date, if you have met one of the conditions set out in **ARTICLE VI**, known as “vesting rules.”

If you are eligible for a normal retirement benefit, your benefit is paid in the form set out in **ARTICLE VII, FORMS OF BENEFIT PAYMENTS**, based on the amount of your accrued benefit computed under **ARTICLE IV**.

You may begin receiving your normal retirement benefit even if you continue working in employment covered by the Plan. If you continue working in covered service, you may accrue additional benefits. Any such additional accredited service, however, is reduced (but not below zero) by the actuarial value of normal retirement benefits paid to you. Notwithstanding this reduction, if you complete

1,200 or more hours of service in a Plan Year after payment of your retirement benefit commences, you earn an additional monthly benefit determined as follows:

Total Hours of Service for Each Plan Year	Additional Monthly Benefit Stated in the Normal Form
1,200 - 1,399	\$10
1,400 - 1,599	15
1,600 - 1,799	20
1,800 - 1,999	25
2,000 - 2,199	30
2,200 - 2,399	35
2,400 - 2,599	40
2,600 - 2,799	45
2,800 - 2,999	50
3,000 - 3,199	55
3,200 or more	60

Any additional benefit earned after your normal retirement date is paid as soon as administratively possible following the Plan Year in which it is earned.

(2) Postponed Retirement Date: Once you have met the requirements for a normal retirement benefit, you may elect to postpone the date on which payment of your benefit begins, but payment of your benefit must commence on the later of April 1 of the calendar year following the year in which you reach age 70-1/2 or the date of your actual retirement. If you elect to postpone your benefit commencement date, your benefit is actuarially adjusted to reflect the later commencement date (including any additional benefits which you accrue after your normal retirement date). The amount and form of your postponed retirement benefit is determined in the same manner as a normal retirement benefit.

(3) Early Retirement Benefit: Under certain conditions, you may be eligible to begin receiving an early retirement benefit to commence prior to your normal retirement date. These conditions are:

- A. If you have reached age sixty (age sixty-two for a Participant who is employed by an employer whose collective bargaining agreement is with Sign and Pictorial Painters Local Union 774) and have ten or more years of vesting service under the Plan (see **ARTICLE VI.B, WHAT IS A YEAR OF VESTING SERVICE?**), you are eligible to elect an early retirement benefit at any time after you have met these conditions. Your accrued benefit is reduced by one-half of one percent (1/2 of 1%) for each full month that your early retirement date precedes your sixty-fifth birthday.
- B. If you were an active Participant after June 30, 1988 (except for a Participant who is employed by an employer whose collective bargaining agreements are with Sign and Pictorial Painters Local Union 774), you may elect an Early Retirement Benefit without any reduction if you meet the following conditions:
 - (i) Have reached age sixty, and
 - (ii) Have completed ten or more years of vesting service under the Plan (see **ARTICLE VI.B, WHAT IS A YEAR OF VESTING SERVICE?**), and

(iii) Have accrued twenty-five or more years of past and future service credits under the Plan. For purposes of this subparagraph, your years of service credit include:

- past service credits under the Plan (see **ARTICLE IV.A(1), Past Service Credit**);
- future service credits under the Plan (see **ARTICLE IV.A(2), Future Service Credit**).

C. If you were an active Participant on or after April 1, 1998, (except for a Participant who is employed by an employer whose collective bargaining agreement is with Sign and Pictorial Painters Local Union 774), you may elect an Early Retirement Benefit without any reduction if you meet the following conditions:

(i) Have reached age fifty-eight, and

(ii) Have completed ten or more years of vesting service under the Plan (see **ARTICLE VI.B, WHAT IS A YEAR OF VESTING SERVICE?**), and

(iii) Have accrued thirty or more past and future service credits under the Plan. For purposes of this subparagraph, your years of service credits include:

- past service credits under the Plan (see **ARTICLE IV.A(1), Past Service Credit**);
- future service credits under the Plan (see **ARTICLE IV.A(2), Future Service Credit**);

If you are eligible for, and if you elect, an early retirement benefit, your benefits are paid in the form set out in **ARTICLE VII, FORMS OF BENEFIT PAYMENTS**, based on the amount of your accrued benefit calculated under **ARTICLE IV, BENEFIT CALCULATION**, subject to the reductions described in this Article.

You may begin receiving your early retirement benefit even if you continue working in employment that is covered by the Plan. Effective for service after June 30, 2000, the additional benefits you earn after payment of early retirement benefits commence are reduced (but not below zero) by the actuarial value of early retirement benefits paid to you. Notwithstanding this reduction, if you complete 1,200 or more hours of service, in a Plan Year after your retirement benefit commences, you earn an additional monthly benefit determined as follows:

Total Hours of Service for Each Plan Year	Additional Monthly Benefit Stated in the Normal Form
1,200 - 1,399	\$10
1,400 - 1,599	15
1,600 - 1,799	20
1,800 - 1,999	25
2,000 - 2,199	30
2,200 - 2,399	35
2,400 - 2,599	40
2,600 - 2,799	45
2,800 - 2,999	50
3,000 - 3,199	55
3,200 or more	60

Any additional benefit earned after commencement of your early retirement benefit is payable when you reach your normal retirement date. Any additional benefit earned after your normal retirement date is paid as soon as administratively possible following the Plan Year in which it is earned (see **ARTICLE V.A(1)**, Normal Retirement Benefit).

(4) Disability Benefit: If you are determined to be disabled by the Social Security Administration, and if your disability commences while you were an active Participant in the Plan, and if you have completed ten or more years of vesting service (see **ARTICLE VI.B, WHAT IS A YEAR OF VESTING SERVICE?**), you are eligible to elect a disability benefit. For purposes of this Article, active participation ceases as of the first day of the Plan Year immediately following a Plan Year in which you experience a one year break in service (see **ARTICLE II.C, WHEN DO I CEASE TO BE A PARTICIPANT?**). Accordingly, a former Participant who becomes disabled after termination of participation is not

entitled to a disability benefit. This benefit is also not available if you become disabled while engaged in the commission of a felony or if your disability is the result of a willful intention to injure yourself or induce illness.

If you are eligible to receive the disability benefit, you are entitled to receive a monthly payment commencing with the month in which you are eligible to receive your first payment from Social Security Administration and ending in the earliest of:

- your recovery from disability,
- your death,
- election of early retirement benefit, or
- your normal retirement age;

Before you can be paid the disability benefit, you must provide the Plan Administrator the letter from the Social Security Administration certifying that you are disabled.

The amount of your monthly disability benefit is the amount of your accrued benefit (**computed under ARTICLE IV, BENEFIT CALCULATION**) stated in the normal form of benefits at normal retirement age, but in no event will the payment be less than twenty-five dollars.

You are not entitled to be paid a disability benefit for any calendar month in which you have earnings from employment or self-employment. If you have not reached normal retirement age (**see ARTICLE V.A, UNDER WHAT CIRCUMSTANCES AM I OR MY BENEFICIARY ENTITLED TO BENEFITS?**), you must report any earnings from employment or self-

employment to the Plan Administrator in writing within fifteen days of the end of the month in which you had such earnings. Overpayments attributable to disability payments made for any month or months for which you are not entitled payment of a disability benefit are deducted from pension payments otherwise paid or payable subsequent to the period of suspension. If you die before the recovery of any overpayment has been completed, deductions are made from pension benefits payable to your spouse or beneficiary. Upon request of the Plan Administrator, you are to provide the Plan Administrator a complete copy of your most recent Federal income tax return. If you fail to provide the return within thirty days of the request, payment of your disability benefit is suspended until you provide the return.

Upon reaching normal retirement age (or at the payment date your early retirement benefits commence, if elected), your total and permanent disability benefit ceases and payment of your retirement benefit commences. You then have the same payment options with respect to your retirement benefit you would otherwise have had you not received disability (see **ARTICLE VII, FORMS OF BENEFIT PAYMENTS**); however, your monthly retirement benefit cannot be less than twenty-five dollars. Your receipt of a disability benefit does not in any way reduce the amount of your retirement benefit to which you would otherwise have been entitled. You are still entitled to the same retirement benefit, in the same form, under the same conditions and with the same notification and election procedures to which you would have otherwise been entitled.

(5) Death Benefit: If you die after you begin receiving your retirement benefit, your beneficiary may be entitled to a lump sum death benefit. This payment is in addition to any survivorship benefits due under a qualified joint and survivor annuity (**see ARTICLE VII.B, WHAT IS A QUALIFIED JOINT AND SURVIVOR ANNUITY?**), a qualified pre-retirement survivor annuity (**see ARTICLE V. A(6), Qualified Pre-Retirement Survivor Annuity**), a beneficiary annuity (**see ARTICLE V. A(7), Beneficiary Annuity**), or a guaranteed form of annuity (**see ARTICLE VII.D, WHAT OPTIONAL FORM OF BENEFITS ARE AVAILABLE?**).

For your beneficiary or beneficiaries to be eligible for the death benefit, you must have been a retiree and receiving retirement benefits under the Plan at the time of death. The beneficiary or beneficiaries of a Participant who commences to receive a disability benefit under the Plan on account of Disability (**see ARTICLE V.A(4), Disability Benefit**) is or are not entitled to a death benefit. In addition, at the time your retirement benefits commenced on your “annuity starting date”, you must have been a covered Participant for the death benefit under the Painters District Council No. 2 Welfare Fund.

The amount of the death benefit is \$5,000 except for a Participant who is employed by an employer signatory to a collective bargaining agreement with Sign and Pictorial Painters Local Union 774, during the last Plan Year during which the Participant completed an hour of service, for whom the death benefit is \$3,000.

Each Participant is asked to designate a beneficiary or beneficiaries to receive the death benefit, it is paid in the same manner as the beneficiary annuity when there is no designated beneficiary. (See **ARTICLE V.A(7)**, Beneficiary Annuity).

Family situations change because of births or adoptions of children, deaths or divorce. For this reason, it is important that you periodically review your beneficiary designation to insure that the person you want to receive your benefit in the event of your death is designated as the beneficiary. If that person is not the designated beneficiary, you should promptly contact the Plan Administrator to make the appropriate change.

(6) Qualified Pre-retirement Survivor Annuity: The surviving spouse of a Participant who dies prior to the date as of which payment of the retirement benefit under this Plan has commenced, but after he or she has met one of the conditions of **ARTICLE VI, VESTING**, is entitled to receive a survivorship benefit known as “qualified pre-retirement survivor annuity.” This benefit is only payable if the surviving spouse has been married to the Participant for a period of at least one year immediately prior to the date of death.

A qualified pre-retirement survivor annuity is a monthly annuity payable for each month for the rest of the life of the surviving spouse commencing on the first day of the month following the latest of:

- the date of Participant’s death, or
- the earliest date the Participant could have received benefits under the Plan had he or she survived to such date,

subject to the right of the surviving spouse to elect a later commencement date, which shall not be later than the Participant's normal retirement date.

The amount of the annuity is equal to the benefit that would have been payable to the spouse if the Participant had (a) separated from service on the date of death, (b) survived to the earliest date he could have received benefits under the Plan, if later than the date of death, (c) retired with a joint and seventy-five percent survivor annuity, and (d) died the next day. [A joint and seventy-five percent survivor annuity provides monthly payments for the Participant's lifetime.

Following the Participant's death, seventy-five percent of the Participant's benefit is paid to the surviving spouse for his or her lifetime. The amount of the joint and seventy-five percent survivor annuity is adjusted to be actuarially equivalent in value to the benefit in the normal form of annuity.]

(7) **Beneficiary Annuity:** The beneficiary or beneficiaries of a Participant who (i) is vested in his or her Plan benefits (see **ARTICLE VI, VESTING**); (ii) who does not have a surviving spouse who is eligible for a qualified pre-retirement survivor annuity; and (iii) who dies before payment of his or her Plan benefit commences, is entitled to a "beneficiary annuity". This benefit is also payable to the beneficiary or beneficiaries of a Participant who dies with a surviving spouse who is eligible for the qualified pre-retirement survivor annuity when the spouse dies before payment of the qualified pre-retirement annuity commences.

The beneficiary annuity is a monthly payment in the amount the Participant would have received each month under the normal form of benefits (five year certain and life annuity) commencing at the Participant's normal retirement date. That

amount, however, is payable to the beneficiary (or beneficiaries) for sixty months only, payments to commence on the first day of the month following the later of the Participant's sixtieth birthday or the date of the Participant's death, or if later, the date of the surviving spouse's death.

Each Participant is asked to designate a beneficiary or beneficiaries. **Family situations change because of births or adoptions of children, deaths or divorce. For this reason, it is important that you periodically review your beneficiary designation to insure that the person you want to receive your benefit in the event of your death is designated as the beneficiary. If that person is not the designated beneficiary, you should promptly contact the Plan Administrator to make the appropriate change.**

If there is no beneficiary at the Participant's death, payment is to the first surviving class of the following classes of beneficiaries:

- (i) The Participant's widow or widower;
- (ii) The Participant's surviving children;
- (iii) The Participant's surviving parents;
- (iv) The Participant's surviving brothers and sisters;
- (v) The Participant's estate.

The beneficiary annuity benefit is only payable to a beneficiary of a Participant who dies on or after January 15, 1995.

B. HOW CAN MY BENEFIT BE LOST?

(1) Vesting: If you terminate employment before you are vested (see **ARTICLE VI, VESTING**), you are not entitled to benefits because they are forfeited. If you terminate employment and are reemployed after incurring a permanent break in service, you also lose all of your past and future service credit and years of vesting service earned before the permanent break in service (see **ARTICLE VI.D, WHAT IS A PERMANENT BREAK IN SERVICE? HOW DOES IT AFFECT MY SERVICE?**). Finally, the law limits the amount of benefits that can be earned under the Plan. These limits are high and it is unlikely that a Participant's benefit will be impacted by them.

(2) Suspension of Benefit: Your monthly benefit, to the extent it is attributable service after June 30, 2007, is not paid for each month you work in "disqualifying employment" before your normal retirement age and for each month you work forty hours or more in "disqualifying employment" after your normal retirement age. "Disqualifying employment" means, before your normal retirement age, any work, other than work covered by a collective bargaining agreement with Painters District Council #2 or the Sign and Pictorial Painters Local Union 774, in the painting and drywall finishing services industry within the geographical area covered by the Plan, including those areas covered by reciprocal agreements with the Plan. "Disqualifying employment" also means, after your normal retirement age, forty hours or more of employment or self-employment, other than in work covered by a collective bargaining agreement with Painters District Council #2 or the Sign and Pictorial Painters Local 774,

(i) In the geographic area covered by the Plan;

- (ii) In the painting and drywall finishing services industry; and
- (iii) In any occupation in which you worked while you were a Participant under the Plan, including supervisory work.

Paid non-work time for vacation, holiday, illness, or other incapacity, layoff, jury duty or other leave of absence attributable to disqualifying employment is considered as disqualifying employment and is considered for purposes of the forty hour requirement.

You must notify the Plan Administrator within thirty days of commencing work which may be disqualifying employment and when you stop working in disqualifying employment. Work after you attain age seventy and a half is not disqualifying employment.

If you receive all or a portion of your monthly benefit when payments should have not been paid, the Plan will recover such benefits by deducting them from future benefit payments. No more than twenty-five percent of each benefit payment may be deducted for this purpose except that 100 percent of the first payment made after payment of benefits commences may be deducted for this purpose. If you die before all overpayments have been recovered, deductions shall be made from payments to your beneficiary or spouse.

Benefit payments attributable to benefits earned after June 30, 2007, made after you stop disqualifying employment, shall also be reduced by the actuarial equivalent of benefit payments improperly made to you while you were working in disqualifying employment.

C. ASSIGNMENT OF BENEFIT

You or your beneficiary may not sell, use as security for a loan, transfer ownership of, or in any way assign your retirement benefit to another person or entity. To the maximum extent permitted by law, your benefit is exempt from the claims of creditors. However, the Plan must

comply with a qualified domestic relations order (“QDRO”) which is a court judgment, decree or order for child support, alimony or maintenance or marital property rights. A QDRO may give all or a portion of your Plan benefit to your spouse, former spouse, child or dependent. A QDRO must include certain information and meet other requirements. The Plan Administrator has established procedures for determining if a domestic relations order is a QDRO. You, or someone entitled to benefits under a QDRO, may get a copy of these procedures, without charge, from the Plan Administrator.

ARTICLE VI VESTING

A. WHAT ARE THE VESTING REQUIREMENTS?

Before you can receive benefit payments under the Plan, you must, in addition to meeting the conditions for one of the benefit payments under **ARTICLE V, BENEFIT ENTITLEMENTS**, either remain an active Participant until your normal retirement age or meet the conditions of one of the following paragraphs. If you meet the conditions of one of these paragraphs, you are considered to be “vested” in your accrued benefit. You are vested if:

- (1) Effective July 1, 1989 for Participants who are not covered by a collective bargaining agreement and effective July 1, 1998 for Participants who are covered by a collective bargaining agreement, you have completed five years of vesting service and complete one hour of service after the applicable effective date (excluding years of service prior to a permanent break in service).
- (2) You cease to be a Participant after age sixty; or

- (3) You have completed ten years of vesting service, excluding years of service prior to a permanent break in service (this is only applicable to Participants whose covered employment terminated before July 1, 1998);
- (4) You have completed five years of vesting service, excluding years of service prior to a permanent break in service, and you cease to be a Participant after you have reached age forty-five (this is only applicable to Participants whose covered employment terminated before July 1, 1998);

B. WHAT IS A YEAR OF VESTING SERVICE?

Years of vesting service are measured by counting your “hours of service” during the twelve month period from July 1- June 30, known as the “vesting year” (see **ARTICLE IV.C, WHAT IS AN HOUR OF SERVICE?**). Years of vesting service are determined as follows:

- (1) If you ceased participation prior to July 1, 1976, you receive a year of vesting service for every vesting year (July 1 - June 30) in which you completed 400 or more hours of service.
- (2) If you participated in the Plan on or after July 1, 1976, you receive a year of vesting service for every vesting year (July 1 - June 30) in which you completed the following:
 - a. For computation years which end on or before June 30, 1992, you receive a year of vesting service for every vesting year in which you complete one or more hours of service.
 - b. For computation years which begin July 1, 1992, and thereafter, you receive a year of vesting service for every vesting year in which you complete 400 or more hours of service.

However, you do not receive credit for years of vesting service which occurred before a permanent break in service (see **ARTICLE VI.D, WHAT IS A PERMANENT BREAK IN SERVICE? HOW DOES IT AFFECT MY SERVICE?**).

Effective January 1, 1999, you are entitled to receive credit for years of vesting service earned for service in other geographical jurisdictions covered by certain other local unions or district councils affiliated with the International Brotherhood of Painters and Allied Trades if the retirement plans affiliated with such local and district councils have entered into an agreement (called a “reciprocal agreement”) with the Board of Trustees to give credit for vesting service with other plans which are parties to the agreement. In those cases where these years of service are eligible to be counted, they are only credited for vesting purposes and for purposes of determining whether a break in service has occurred. If you have any questions about years of service in other geographical jurisdictions and the plans which are parties to the agreement, ask the Plan Administrator. Years of service credited pursuant to a reciprocal agreement do not count as past or future service credits (see **ARTICLE IV.A, HOW ARE MY BENEFITS CALCULATED?**). Accordingly such service does not increase your accrued benefit (see **ARTICLE IV.A, HOW ARE MY BENEFITS CALCULATED?**) or is not considered in determining whether you are entitled to an unreduced early retirement benefit (see **ARTICLE V.A.3.B, EARLY RETIREMENT BENEFIT**).

C. WHAT IS A ONE-YEAR BREAK IN SERVICE?

A one-year break in service occurs if you fail to complete the following required hours of service during a vesting year (July 1 - June 30):

- (1) For vesting years ending on or before June 30, 1992, you experience a one-year break in service if you fail to complete one hour of service.

- (2) For vesting years beginning on or after July 1, 1992, you experience a one-year break in service if you fail to complete at least 400 hours of service.

D. WHAT IS A PERMANENT BREAK IN SERVICE? HOW DOES IT AFFECT MY SERVICE?

If you have already met one of the conditions for vesting set out above (i.e., you have become vested), a break in service does not affect your right to benefits. If you have not become vested, a break in service becomes permanent if you have consecutive one year breaks in service which equal or exceed the greater of:

- (1) Your years of vesting service, or
- (2) five years.

If a break becomes permanent, your years of service before the permanent break in service are not counted in determining your vesting years of service. In addition, the benefit which you accrued prior to the permanent break in service is lost (see **ARTICLE IV.A, HOW IS MY BENEFIT COMPUTED?**). These rules do not apply to situations where a break in service was sufficient to cancel pre-break service under prior plan provisions. Such cancelled service is lost and is not restored by these rules.

E. WHAT ARE MY VESTING RIGHTS IF THE PLAN TERMINATES?

Upon complete or partial termination of the Plan, each Participant's accrued benefit becomes fully vested. In this event, each Participant has recourse toward satisfaction of his or her vested rights only from Plan assets or from the Pension Benefit Guaranty Corporation, to the extent it guarantees benefits (see **ARTICLE XII, PENSION BENEFIT GUARANTY CORPORATION**).

ARTICLE VII FORMS OF BENEFIT PAYMENTS

A. HOW IS MY BENEFIT PAID?

If you are vested (see **ARTICLE VI, VESTING**) and have met one of the conditions for benefit entitlement (see **ARTICLE V, BENEFIT ENTITLEMENTS**), and apply for your benefit (or have reached the date payment of your benefit is legally required to commence), benefit payments commence as of the first day of the month immediately following the occurrence of the last of these events, which is your “annuity starting date”.

As described above, calculation of your accrued benefit is stated in the form of a five year certain and life annuity. However, that does not mean that benefits are paid in that form. In fact, your benefit is automatically paid in the form of a qualified joint and survivor annuity (“QJSA”) unless you file a valid waiver of that form of benefits during the election period. If you do file a valid waiver and obtain proper spousal consent to the waiver, you may elect any of the Optional Forms of Benefit available under the Plan. (see **ARTICLE VII.D, WHAT OPTIONAL FORMS ARE AVAILABLE?**).

B. WHAT IS A QUALIFIED JOINT AND SURVIVOR ANNUITY?

For a married⁵ Participant, a QJSA is paid as a qualified joint and fifty percent survivor annuity form. This form of benefits provides actuarially reduced monthly benefit payments to you during your lifetime and upon your death, if the spouse to whom you were married on your annuity starting date survives you, monthly benefit payments continue to your spouse for the remainder

⁵ If you have been married less than one year on your annuity starting date, and your benefits are paid in the QJSA form, you must be married more than one year for your benefits to continue to be paid in the QJSA form. If you die before being married for a year, payment of your benefits stops and no further benefits are paid to your surviving spouse. If you are divorced before being married a year, the form of payment changes to the normal form upon the divorce, or if you elect, an optional form.

of his or her life, in an amount which is fifty percent of the benefit payment which is made to you during your life. If your spouse dies after your annuity starting date, but before you die, you continue to receive the reduced monthly payment for your life. Payments are not increased to reflect the fact that payments will not be made to your surviving spouse. If you remarry, your new spouse is not entitled to the survivorship benefit.

As stated above, benefits are automatically paid in the form of a QJSA unless a valid waiver is filed during the election period, in which case you may elect the normal form or any of the optional forms provided by the Plan.

C. WHAT IS A VALID WAIVER?

You have the right to waive the QJSA. Your waiver must be in writing.

If you have completed one or more hours of service after August 1, 1984, and if you are married at the time of your waiver, your waiver is valid only if it also meets the following additional requirements:

- (1) Your spouse must consent to the waiver;
- (2) Your spouse's consent must specifically acknowledge the effect of the waiver;
- (3) Your spouse's waiver and consent must name the designated beneficiary and designated form of benefits. Thereafter, your spouse must consent to any change in beneficiary or form of benefits unless that right is acknowledged and waived in writing; and

- (4) The consent and acknowledgements discussed in the prior three paragraphs must be in writing, must be signed by your spouse, and your spouse's signature must be witnessed by a Plan representative or a notary public.

A form is made available to you for the waiver and consent upon request to the Plan Administrator.

You receive a notice and explanation of the right to waive the QJSA no less than thirty days nor more than 180 days before payment of your benefits are scheduled to commence. If you elect to waive the QJSA, the waiver must be filed with the Plan Administrator no less than thirty nor more than 180 days after you receive the notice and election. Payment of benefits generally cannot commence less than thirty-one days after you receive the notice and election. However, you may waive the thirty-one day period provided that payment of benefits cannot commence less than seven days after you receive the notice and election.

D. WHAT OPTIONAL FORMS OF BENEFITS ARE AVAILABLE?

If you validly waive the QJSA, you may elect any of the other optional forms under the Plan.

The optional forms currently available under the Plan are:

- (1) Normal Form of Benefit/Five-Year Certain and Life Annuity. Under this form of benefits, your monthly benefit is paid to you for life. Upon your death, if fewer than sixty monthly payments have been made, monthly payments of the same amount continue to your surviving designated beneficiary until a total of sixty payments have been made. If sixty or more payments have been made to you prior to your death, however, no further payments are made to your beneficiary.

- (2) Life Annuity Providing Monthly Benefit Payments to You Throughout Your Lifetime and Terminating Upon Your Death. No further payments are made to any other person or to any beneficiary.
- (3) Ten Year Certain Life Annuity Providing Monthly Payments to You for Life. Under this form of benefit, your monthly benefit is paid to you for life. Upon your death, if fewer than 120 payments have been made, monthly payments of the same amount continue to your surviving designated beneficiary until a total of 120 monthly payments have been made. If 120 or more payments have been made to you prior to your death, however, no further payments are made to your beneficiary.
- (4) Joint and 100 Percent Survivor Annuity Providing Monthly Benefit Payments to You Throughout Your Lifetime. Upon your death, monthly payments in the same amount you were receiving are continued to your spouse. These payments continue throughout your spouse's lifetime and terminate upon your spouse's death.
- (5) Joint and 75 Percent Survivor Annuity Providing Monthly Benefit Payments to You Throughout Your Lifetime. Upon your death, monthly payments equal to 75 percent of the amount you were receiving are continued to your spouse. The payments continue throughout your spouse's lifetime and terminate upon your spouse's death.
- (6) Joint and 66-2/3 Percent Survivor Annuity Providing Monthly Benefit Payments to You Throughout Your Lifetime. Upon your death, monthly payments equal to 66-2/3 percent of the amount you were receiving continues to your spouse. The

payments continue throughout your spouse's lifetime and terminate upon your spouse's death.

All optional forms of benefits (including the QJSA) are adjusted so that the amount of the monthly benefit is the actuarial equivalent of the accrued benefit computed in the normal form of benefits, payable at your normal retirement date (see **ARTICLE IV, BENEFIT CALCULATION**). Options (4), (5) and (6) are only available if your spouse is the surviving annuitant.

Example:

If you are age sixty-five, your spouse is age sixty-two, and your monthly accrued benefit is \$600.00, the chart shows how your benefit is adjusted according to the option you choose below.

<u>OPTION</u>	<u>ADJUSTED</u>	<u>SPOUSE'S</u>
Life Annuity	\$610.77	\$ 0.00
5 Years Certain & Life	600.00	600.00 ⁶
10 Years Certain & Life	571.64	571.64 ⁷
Joint & 50 Percent Survivor Annuity	537.91	268.96
Joint & 66 2/3 Percent Survivor Annuity	517.34	344.89
Joint & 75 Percent Survivor Annuity	507.63	380.72
Joint & 100 Percent Survivor Annuity	480.58	480.58

⁶ Available only if you had not received sixty monthly payments prior to death.

⁷ Available only if you had not received 120 monthly payments prior to death.

E. IS MY BENEFIT EVER PAID IN A LUMP SUM?

Your retirement benefit is paid in a lump sum only if the present value of your accrued benefit, as of your annuity starting date, is less than \$5,000.

F. HOW IS MY BENEFIT TAXED?

Your Plan benefit is fully taxed for Federal and state income tax purposes at the time it is paid to you. When you apply for a benefit, you are asked to make an election as to the amount of Federal income tax to be withheld from your pension.

If your benefit is paid in a single sum, it is subject to a twenty percent Federal withholding tax which is applied against your Federal income tax liability for the year of distribution. However, you have, at the time of distribution, the right to have the Plan Administrator transfer all or a portion of your benefit to an individual retirement account or another qualified retirement plan.

In this event, the amount transferred is not subject to the twenty percent withholding tax and is not taxed to you in the year it is distributed. The lump sum distribution is also not subject to income tax for the year it is paid to the extent you, within sixty days of the time it is paid to you, transfer it to an individual retirement account or another qualified plan. In this event, the twenty percent withholding tax still applies and, so that the entire distribution is not taxed, the amount paid to you, plus an amount equal to the withholding tax (which must come from other funds) must be transferred to the individual retirement account or other qualified retirement plan.

If the amount of your lump sum distribution is between \$1,000 and \$5,000 and the Plan Administrator cannot locate you or you do not give the Plan Administrator direction regarding the distribution, the Plan Administrator establishes an individual retirement account for your benefit and transfers the distribution to that account.

G. HOW DO I APPLY FOR MY BENEFIT?

You must apply to the Plan Administrator for an early retirement or disability benefit (see **ARTICLE V.A., BENEFIT ENTITLEMENTS**). Upon request, the Plan Administrator will provide you the forms to apply for an early retirement or disability benefit.

About six months before your normal retirement date (see **ARTICLE V.A., BENEFIT ENTITLEMENTS**). The Plan Administrator will provide you a written explanation of your retirement benefits payable at your normal retirement including the benefit options available and an estimate of the benefit amount of each option. If you do not make arrangements for the payment of your benefits at your normal retirement date, including the form of payment, or elect to defer the commencement of your normal retirement benefits, payment will begin at your normal retirement in the normal form required under the Plan.

In connection with an application for benefits, you will be asked to provide proof of your age. If your benefit is to be provided in the form of a joint and survivor annuity, you also will need to provide proof of age for your spouse and a copy of your marriage certificate.

Benefit payment options cannot be elected more than 180 days prior to the date payment of your benefits is scheduled to commence. Any benefit payment option may be changed until the date payment of your benefits is scheduled to commence. There can be no change in benefit options after your first benefit payment has been sent.

ARTICLE VIII LOSS OF BENEFIT

A. CAN I LOSE, BE DENIED, OR HAVE MY EXPECTED BENEFIT REDUCED?

Yes. Loss, denial, or reduction of expected benefits can result from any of the following:

- (1) Failure to qualify as a Plan Participant (see **ARTICLE II, ELIGIBILITY**);

- (2) Termination of service before becoming vested (**see ARTICLE VI, VESTING**);
- (3) Work in disqualifying employment after payment of your benefit commences (**see ARTICLE V.B., HOW CAN MY BENEFIT BE LOST?**);
- (4) Death prior to meeting the requirement for qualified pre-retirement survivor annuity (**see ARTICLE V.A(6), Qualified Pre-Retirement Survivor Annuity**) or beneficiary annuity (**see ARTICLE V.A(7), Beneficiary Annuity**);
- (5) Your benefit may be limited by the maximum benefits allowed by law;
- (6) If the Plan terminates, your benefit may be reduced if there are not sufficient assets in the Trust to fund the benefit.

ARTICLE IX **CLAIMS PROCEDURE**

A. HOW DO I MAKE A CLAIM FOR A BENEFIT?

Your claim for a benefit under the Plan is made in writing to the Plan Administrator on forms which are provided upon request to the Plan Administrator. The Plan Administrator furnishes you with a written notice of his or her decision on the claim within ninety (90) days after receipt of your claim, unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing the claim is required, written notice of the extension, which includes an explanation of why the extension is needed along with the expected date a decision will be rendered, is furnished to you prior to the expiration of the initial ninety (90) day period. In no event may such an extension exceed a period of ninety (90) days after the expiration of the initial ninety (90) day period.

In the event the decision of the Plan Administrator is to wholly or partially deny your claim, you are provided with a written decision which sets forth, in a manner calculated to be understood by you, the following:

- (1) The specific reason or reasons for the denial;
- (2) Specific reference to pertinent Plan provisions on which the denial is based;
- (3) A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary or a statement that no further material is necessary to perfect your claim; and
- (4) A description of the procedure to appeal the adverse determination (see **ARTICLE IX.B, WHAT CAN I DO IF MY CLAIM IS DENIED?**) including a description of time limits for appeal and including a statement of your right to bring a civil action under Section 502(a) of Title I of the Employee Retirement Income Security Act of 1974, as amended, if there is an adverse determination on appeal. The time limit to submit an appeal is sixty days from the date of receipt of the adverse benefit determination.
- (5) A statement of your right to have an authorized representative act on your behalf.
- (6) A statement of your opportunity to submit written comments, documents, records and other information relating to the claim.

- (7) A statement that you are provided, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim.
- (8) A statement that any appeal takes into account all documents, records and other information submitted by the claimant, whether or not such information was submitted or was considered in the initial determination.

B. WHAT CAN I DO IF MY CLAIM IS DENIED?

In the event your claim is wholly or partially denied by the Plan Administrator, you or your duly authorized representatives may appeal the claim to the Trustees by written application to the Trustees filed within sixty (60) days after receipt by you of written notification of denial of claim. The application for review is available from the Plan Administrator.

The Trustees, in deciding the appeal, interpret the Plan document and determine your entitlement to benefits based on that document and the Trustees' factual findings. The following additional rules govern appeals:

- (1) You are given an opportunity to submit written comments, documents, records or other information relating to the claim.
- (2) You have the right to have an authorized representative act on your behalf.
- (3) You are provided, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim.

- (4) The Trustees take into account all comments, documents, records and other information submitted by you without regard to whether such information was submitted or considered in the initial determination.
- (5) The Trustees do not afford deference to the initial determination of the Plan Administrator.

The Trustees issue their written or electronic determination no later than the next quarterly Trustees' meeting that occurs after receipt of the request for review, unless the request is received within thirty days preceding the date of the next meeting, in which case the Trustees decide the appeal no later than the date of the second meeting following receipt of the request for review. If special circumstances require a further extension of time for processing, a benefit determination is rendered not later than the third meeting of the Trustees following receipt of the request for review. If such an extension of time for review is required, you are provided written notification of the extension, including the explanation of the special circumstances and the date on which the benefit determination is expected to be made prior to the commencement of the extension. Once the determination is made, you are notified in writing or electronically as soon as possible, but no later than five days after the determination is made.

The written or electronic notification includes:

- (1) The specific reason(s) for the Trustees' determination
- (2) Specific reference to the Plan provision(s) on which the determination is based.
- (3) A statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records and other information relevant to the claim.

(4) A statement that there is no other appeal or review available under the Plan and that you have the right to bring an action under Section 501(a) of Title I of the Employee Retirement Security Act of 1974, as amended.

C. JUDICIAL RELIEF

The benefit claims procedure provided herein is exclusive and no action may be brought in any court or before any agency to recover any benefits or seek any relief under the Plan prior to the exhaustion of the remedies set forth in this **ARTICLE IX, CLAIMS PROCEDURE**.

ARTICLE X PLAN AMENDMENT AND TERMINATION

It is intended that the Plan continue indefinitely. However, circumstances now not foreseen may make it either impossible or inadvisable, because of business conditions, law changes or other reasons, to continue the Plan. Therefore the Trustees have the right to amend, modify or terminate the Plan, in whole or in part, at any time.

If the Plan is terminated or partially terminated, affected Participants become fully vested (**see ARTICLE VI – VESTING**) in their Plan benefits upon termination. In the event of termination of the Plan, an annuity contract will be purchased from an insurance company to fund your benefits. In some cases you may receive a lump sum cash payment equal to the actuarial present value of your benefits instead of an annuity benefit.

ARTICLE XI TOP HEAVY RULES

A complicated set of rules set out in the Plan, required by the Internal Revenue Code, may apply in the unlikely event the Plan becomes top heavy. The Plan is top heavy if more than sixty percent of the benefits are allocated to key employees. These are generally owners, officers or shareholders. If the Plan becomes top heavy in any year, you may be entitled to certain

minimum benefits and special rules apply. You are notified in the unlikely event the Plan becomes top heavy.

ARTICLE XII **PENSION BENEFIT GUARANTY CORPORATION**

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 PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a Participant’s years of service multiplied by (1) 100 percent of the first eleven dollars of the monthly benefit accrual rate and (2) seventy-five percent of the next thirty-three dollars. 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 thirty 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: (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>.

ARTICLE XIII ERISA RIGHTS

A. DOES ERISA GIVE ME ANY SPECIFIC RIGHTS?

Yes, as a Participant in this Plan, you are entitled to certain rights and protections under ERISA.

This law provides that all Plan Participants are entitled to:

- (1) 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;
- (2) obtain, upon written request to the Plan Administrator, copies of documents governing the Plan, including insurance contracts and collective bargaining

contracts, 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; and

- (3) 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.
- (4) obtain a statement telling you whether you have a right to receive a pension at normal retirement age and if so, what your estimated benefits would be at normal retirement age if you now stop working under the Plan. If you do not have a right to a pension, the statement tells you how many more years you have to work to get a right to a pension. **THIS STATEMENT MUST BE REQUESTED IN WRITING AND IS NOT REQUIRED TO BE GIVEN MORE THAN ONCE EVERY TWELVE MONTHS.** The Plan must provide the statement free of charge.

B. PRUDENT ACTIONS BY FIDUCIARIES

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries.

No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

C. ENFORCE YOUR RIGHTS

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan documents or the latest annual report from the Plan and do not receive them within thirty 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.

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 a Federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court decides 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 if, for example, it finds your claim is frivolous (lacking in seriousness or without any basis).

D. ASSISTANCE WITH YOUR ANSWERS

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, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor

listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

SCHEDULE A
(Normal Retirement Benefit Based on a Five Year Certain Annuity)

**(This Schedule A is not applicable to service with an employer signatory
 to agreement with Sign and Pictorial Painters Local Union 774)**

Past service credit is equal to \$2.50 per month for each year of service prior to 7/1/64. The amount of your retirement benefit (normal retirement benefit payable as a five year certain annuity) based upon your future service credits after 6/30/64 is determined under the following schedule.

Total Hours of Service for each Plan Year	Amount of Future Service Credit for the Period:				
	7-1-64 thru 6-30-72	7-1-72 thru 6-30-76	7-1-76 thru 6-30-78	7-1-78 thru 6-30-80	7-1-80 thru 6-30-84
400 - 600	\$1.50	\$1.50	\$ 3.00	\$ 4.50	\$ 5.65
601 - 800	1.80	2.25	4.50	6.75	8.45
801 - 1,000	2.10	3.00	6.00	9.00	11.25
1,001 - 1,200	2.40	3.75	7.50	11.25	14.05
1,201 - 1,400	2.70	4.50	9.00	13.50	16.90
1,401 - 1,600	3.00	5.25	10.50	15.75	19.70
1,601 - 1,800	3.30	6.00	12.00	18.00	22.50
1,801 - 2,000	3.60	6.75	13.50	20.25	25.30
2,001 - 2,200	3.90	7.50	15.00	22.50	28.15
2,201 - 2,400	4.20	8.25	16.50	24.75	30.95
2,401 or more*	4.20	8.25	16.50	24.75	30.95
Total Hours of Service for each Plan Year	7-1-84** thru 11-30-84	12-1-84** thru 6-30-85	7-1-85 thru 6-30-86	7-1-86 thru 6-30-89	7-1-89 thru 6-30-93
400 - 600	\$ 6.50	\$16.25	\$ 21.85	\$ 31.45	\$ 35.30
601 - 800	9.60	23.00	30.85	44.35	49.75
801 - 1,000	12.75	30.00	40.10	57.40	64.30
1,001 - 1,200	15.90	37.00	49.30	70.45	78.90
1,201 - 1,400	19.05	44.05	58.60	83.60	93.60
1,401 - 1,600	22.20	51.00	67.80	96.65	108.20
1,601 - 1,800	25.35	58.00	77.00	109.70	122.80
1,801 - 2,000	28.45	65.00	86.25	122.80	137.40
2,001 - 2,200	31.65	72.00	95.50	135.90	152.05
2,201 - 2,400	34.80	79.00	104.75	147.05	164.75
2,401 or more*	34.80	79.00	104.75	147.05	164.75

Total Hours of Service for each Plan Year	7-1-93 thru 6-30-94	7-1-94 thru 6-30-96	7-1-96 thru 6-30-04	7-1-04 and After
400 - 600	\$ 38.70	\$ 42.10	\$ 44.95	\$ 31.50
601 - 800	54.55	59.40	63.90	44.75
801 - 1,000	70.50	76.70	81.65	57.20
1,001 - 1,200	86.50	94.15	100.60	70.45
1,201 - 1,400	102.60	111.60	118.35	82.85
1,401 - 1,600	118.60	128.95	136.10	95.30
1,601 - 1,800	134.60	146.40	155.05	108.55
1,801 - 2,000	150.60	163.75	172.80	121.00
2,001 - 2,200	166.70	181.25	191.75	134.25
2,201 - 2,400	180.60	196.45	209.50	146.65
2,401 - 2,600	197.30	214.60	227.25	159.10
2,601 - 2,800	213.10	231.80	246.15	172.35
2,801 - 3,000	228.90	249.00	263.90	184.75
3,001 - 3,200	244.50	265.90	281.65	197.20
3,201 or more	244.50	265.90	281.65	197.20

- * 2,401 hours is considered full-time employment for all benefit accrual years through the year ending June 30, 1993. Thereafter 3,201 hours of service is considered full time employment for accrual of benefit purposes.
- ** Participants shall have their accrued benefit for the period July 1, 1984 through June 30, 1985 computed under the following table, if the computation results in a higher benefit than the combined total of the accrued benefit computed under the two tables entitled: "7-1-84 thru 11-30-84" and "12-1-84 thru 6-30-85":

Total Hours of Service <u>Each Plan Year</u>	<u>7/1/84 thru 6/30/85</u>
400-600	\$12.19
601-800	17.42
801-1000	22.81
1001-1200	28.21
1201-1400	33.63
1401-1600	39.00
1601-1800	44.40
1801-2000	49.77
2001-2200	55.19
2201-2400	60.58
2401 & over	60.58

This footnote does not apply to Participants, or their spouses or beneficiaries, who were employed by contributing employers who are signatory to agreements with Sign and Pictorial Painters Local Union No. 774 during the period 12/1/84 through 6/30/85.

SCHEDULE B

SPECIAL PROVISIONS FOR PARTICIPANTS, AND THEIR SPOUSES AND BENEFICIARIES COVERED BY SIGN AND PICTORIAL PAINTERS LOCAL 774

This Schedule B is not applicable to service with an employer who is not signatory to an agreement with Sign and Painters Local Union 774.

Past service credit is equal to \$2.50 per month for each continuous year of past service prior to 7/1/64.

The amount of your benefit (normal retirement benefit payable as a five year certain annuity) based on your future service credits after 6/31/64 is determined under the following schedule:

Total Hours of Service for each Plan Year	7-1-64 thru 6-30-72	7-1-72 thru 6-30-76	7-1-76 thru 6-30-78	7-1-78 thru 6-30-80	7-1-80 thru 6-30-84	7-1-84 thru 6-30-99	7-1-99 thru 6-30-00	7-1-00 thru 6-30-04	7-1-04 thru 6-30-10	On and After 7-1-10
400 - 600	\$1.50	\$1.50	\$ 3.00	\$ 4.50	\$ 5.65	\$ 6.50	\$12.05	\$13.15	\$ 9.25	\$ 6.48
601 - 800	1.80	2.25	4.50	6.75	8.45	9.60	17.40	18.95	13.30	9.31
801 - 1,000	2.10	3.00	6.00	9.00	11.25	12.75	22.75	24.75	17.35	12.15
1,001 - 1,200	2.40	3.75	7.50	11.25	14.05	15.90	28.15	30.55	21.40	14.98
1,201 - 1,400	2.70	4.50	9.00	13.50	16.90	19.05	33.50	36.35	25.45	17.82
1,401 - 1,600	3.00	5.25	10.50	15.75	19.70	22.20	38.90	42.20	29.55	20.69
1,601 - 1,800	3.30	6.00	12.00	18.00	22.50	25.35	44.30	48.05	33.65	23.56
1,801 - 2,000	3.60	6.75	13.50	20.25	25.30	28.45	49.60	53.80	37.70	26.39
2,001 - 2,200	3.90	7.50	15.00	22.50	28.15	31.65	55.05	59.65	41.80	29.26
2,201 - 2,400	4.20	8.25	16.50	24.75	30.95	34.80	60.40	65.45	45.85	32.10
2,401 or more	4.20	8.25	16.50	24.75	30.95	34.80	60.40	65.45	45.85	32.10