



PLUMBERS &
STEAMFITTERS
LOCAL 486

WORKING
TOGETHER TO
BUILD A SECURE
RETIREMENT
FOR YOU



Your Pension Plan and Severance and Annuity/401(k) Plan
SUMMARY PLAN DESCRIPTIONS

THE PLUMBERS AND STEAMFITTERS LOCAL 486 PENSION FUND AND SEVERANCE AND ANNUITY/401(K) FUND

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These Summary Plan Descriptions (SPDs) replace and supersede prior materials. Please note that these SPDs are meant to provide a summary of your Plan benefits. These descriptions are based on the information contained in the actual Plan documents for these Plans; therefore, if there is any discrepancy between the information contained in this handbook and in the Plan documents governing these Plans, the Plan documents will always govern.

November 2017

**Plumbers and Steamfitters Local 486
Pension Fund
Severance and Annuity/401(k) Fund**

911 Ridgebrook Road
Sparks, MD 21152
888-494-4443

Dear Participant,

No matter what your plans are for retirement, you'll want to be financially protected. That's why members of Plumbers and Steamfitters UA Local 486 are eligible for two retirement benefits — a Pension benefit and a Severance and Annuity/401(k) benefit. These Plans are provided for you to help you build a secure retirement.

Welcome UA Local 782 Members!

Effective January 1, 2016, UA Local 782 Pension Plan has merged with our Plan. While many of the Local 486 Pension Plan provisions will apply to the Participants from Local 782, there are some differences that you should be aware of. Please see the section called "Information for Participants in the Prior 782 Plan" on page 20 for more information.

About this Booklet

This updated retirement handbook contains Summary Plan Descriptions (SPDs) for your current Pension Plan and Severance and Annuity/401(k) Plan benefits and serves as an aid when you make your retirement decisions. You should share this handbook with your spouse or beneficiary because it contains important information about death benefits for your survivor.

These SPDs have been designed to be easy to read and understand. "Fast Facts" appear at the beginning of each section to give you a quick overview of what is contained within that section.

The Summary Plan Description for your Pension Plan begins on page 8.

The special section for Local 782's Pension Plan begins on page 20.

The Summary Plan Description for your Severance and Annuity/401(k) Plan begins on page 24. On page 42, you will find a chapter called "Life Events." Refer to this chapter for information about what to do if:

- you get married,
- you get divorced,
- you stop working,
- you return to work,
- you become disabled, or
- you or your spouse dies.

If you have any questions about your Pension Plan or your Severance and Annuity/401(k) Plan, please contact the Fund Office at 888-494-4443. The staff will be happy to assist you.

Sincerely,

The Boards of Trustees

NOTE: The Pension Plan and the Severance and Annuity/401(k) Plan are two separate and distinct Plans. Based on the collective bargaining agreement or participation agreement under which you participate, you may be entitled to participate in one or both of these Plans. Contact the Fund Office if you have questions.



Table of Contents

An Overview of Your Retirement Benefits	6
Pension Plan vs. Severance and Annuity/401(k) Plan — What’s the Difference?.....	6
How Are Retirement Benefits Funded?	6
Your Pension Plan	7
How Your Pension Plan Works	8
How the Pension Plan Is Funded	8
Earning Your Benefit.....	8
Receiving Your Benefit	8
Becoming a Pension Plan Participant	9
Eligibility for New Employees.....	9
What Happens When You Become Eligible	9
Losing Your Participant Status.....	9
Rejoining the Plan	9
Unauthorized Employment	9
Earning Your Pension Benefit.....	11
Pension Credits.....	11
Pension Credits from Prior Plans	11
Banking Your Hours.....	12
Vesting Service	12
Benefit Rates.....	12
Types of Pensions	14
Types of Pensions At-A-Glance*	14
Normal Pension.....	14
Service Pension	15
Early Pension	15
Vested Pension	15
Disability Pension.....	15
Electing a Payment Option for Your Pension Benefit.....	17
Spousal Payment Option.....	17
75% Spousal Payment Option.....	18
Joint and Contingent Option.....	18
Level Income Option	19
Partial Lump-Sum Payment Option	19
Information for Participants in the Prior 782 Plan.....	20
Calculating Your Normal Retirement Pension.....	20
Other Types of Pensions.....	20
Forms of Payment	21
If You Leave Covered Employment.....	21

- Your Severance and Annuity/401(k) Plan..... 23**
- How Your Severance and Annuity/401(k) Plan Works 24
 - Investing Your Money..... 24
 - Vesting..... 24
 - Receiving Your Benefit 24
 - Profit Sharing Distributions..... 25
 - Severance Distributions..... 25
- Becoming a Participant in the Severance and Annuity/401(k) Plan 26
 - When Your Participation Begins 26
- Earning Your Benefit 27
 - Contributing to Your Account 27
- Investing Your Contributions..... 28
 - Deciding How to Invest..... 28
 - Excessive Trading Rules..... 29
 - Your Participant Financial Statement 29
 - About Your Investment Decisions 29
 - Representative Responsible for Providing Plan Investment Information..... 29
 - Valuing Your Account 29
- Borrowing From Your Account..... 30
 - Eligibility 30
 - Loan Limits 30
 - Eligible Loan Expenses 30
 - Applying for a Loan 30
 - Repaying Your Loan 31
- Financial Hardship Distributions 32
 - Receiving a Hardship Distribution 32
 - Qualifying Hardship Distributions 32
 - Employee Profit Sharing (EPS) Hardship Distributions 32
 - EPS Hardship Requirements 33
- Taxability of Contributions and Withdrawals 34
 - Paying Taxes on Contributions to the 401(k) Plan 34
 - Rollovers 34
- Electing a Payment Option for Your Severance and Annuity/401(k) Benefit 35
 - Interim Monthly Distributions..... 35
 - Fifty Percent Spousal Payment Option 35
 - Single Life Annuity..... 36
 - Other Payment Options 36
 - Mandatory Cash-Out..... 36

Survivor Benefits	37
Death Benefits for Your Survivor	38
Pension Plan Pre-Retirement Spousal Annuity Death Benefit.....	38
Pension Plan 120-Month Survivor Benefit	38
Pension Plan Lump-Sum Benefit	39
Pension Plan — If You Die After You Retire.....	39
Severance and Annuity/401(k) Preretirement Surviving Spouse Benefit	39
Severance and Annuity/401(k) Death Benefit.....	40
Life Events.....	41
If You Marry.....	42
If You Divorce.....	42
If You Have a Break-In-Service	42
If You Stop Working	43
If You Retire.....	43
If You Return to Work after Retirement	44
If You Become Disabled	45
If Your Spouse Dies	45
If You Die Before You Retire.....	45
If You Die After You Retire.....	46
Applying for Your Retirement Benefits.....	47
Applying for Your Pension Benefit	48
Applying for Your Severance and Annuity/401(k) Benefit	48
If Your Retirement Benefit Application Is Denied	49
Important Information about Your Retirement Plans	51
Plan Facts	52
PBGC Protection	53
Your Rights Under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)	54
Qualified Domestic Relations Orders (QDRO)	54
Offsets under Section 401(a) (13) of the Internal Revenue Code.....	54
Your ERISA Rights	56

An Overview of Your Retirement Benefits

Whether you plan to retire next year or forty years from now, you want to be financially prepared. You’ve probably heard that during retirement, you’ll need about 70% to 90% of your pre-retirement income to manage your living expenses. As a member of Plumbers and Steamfitters UA Local 486, you’ve got a great head start toward meeting that goal.

Eligible members of Plumbers and Steamfitters UA Local 486 have two separate retirement benefits — a Pension Plan benefit, and a Severance and Annuity/401(k) Plan benefit. These two sources of retirement income, along with your own personal savings and your benefit from Social Security, will help you to enjoy a comfortable retirement.

This handbook will explain how these two retirement plans work, together and separately.

Pension Plan vs. Severance and Annuity/401(k) Plan — What’s the Difference?

Your Pension Plan benefit is a promise that defines a specific benefit you will receive at retirement. Periodically, you will receive an estimate of the value of your pension benefit throughout your career.

The benefit that you accumulate for retirement through the Severance and Annuity/401(k) Plan can grow based on how well your investments perform. Your benefit is determined by contributions to your account and the results of the investments you elect.

How Are Retirement Benefits Funded?

Your Pension Benefit

Your Pension benefit is funded by your employer’s contributions under the terms defined in collective bargaining agreements or participation agreement. You do not have to pay anything toward your Pension benefit.

Your Severance and Annuity/401(k) Benefit

Your employer contributes to the Severance and Annuity/401(k) Plan on your behalf according to the terms of a collective bargaining agreement or participation agreements. You may also contribute to your 401(k) Plan by electing to defer a portion of your salary before taxes are taken out.

Pension Plan	Severance and Annuity/401(k) Plan
Defined Benefit Plan.	Defined Contribution Plan.
You are vested after you’ve earned a certain number of years of vesting service.	You are always 100% vested in contributions that are received in your individual account.
Your benefit amount is based on your pension credits, your years of vesting service, your age and the benefit rates that apply to your career.	Your benefit amount is based on contributions to your account and the investment earnings (or losses) that the contributions accumulate.
The Fund bears the investment risk.	You bear the investment risk.

Your Pension Plan

How Your Pension Plan Works

The Plumbers and Steamfitters Local 486 Pension Plan is maintained according to the collective bargaining agreement between Local Union No. 486 of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada (AFL-CIO) and the employers who have signed the agreement.

Fast Facts:

- ✓ The Pension Plan was set up to help you financially prepare for retirement.
- ✓ You do not have to contribute to the Pension Fund — your employer contributes on your behalf.
- ✓ When you retire, you choose how you'd like to receive your benefit. The Plan offers a variety of payment options, some of which allow you to provide for a surviving spouse or other beneficiary.

How the Pension Plan Is Funded

Your local union and your employer negotiate wages and benefits. One of those benefits is funded through the Pension Trust Fund. The money in the Pension Fund is used to pay benefits to retirees.

Earning Your Benefit

Once you become eligible to participate in the Pension Plan, you'll start earning "pension credits" (see page 11). Pension credits are multiplied by the "benefit rate" (see page 12) that is in effect for the years you work in covered employment. This formula determines how much your monthly benefit will be when you retire.

After you've earned five years (10 years if you have not worked since December 31, 1998) of "vesting service" (described on page 12) you are considered "vested" in the Plan. That means that the vested benefit that you've earned through the Pension Fund is yours — and you're entitled to receive that benefit, even if you leave covered employment.

Receiving Your Benefit

You choose how you'd like to receive your benefit, based on the Plan's payment options. You may elect to provide a benefit for your survivor (described on page 17). Benefit payment options are described in detail on pages 17 through 19.

Life Events

For information about what happens to your pension benefit when you experience a life event such as marriage, divorce, retirement or death, see pages 42-46.

Becoming a Pension Plan Participant

Generally, you participate in the Plumbers and Steamfitters Local 486 Pension Plan if you work in covered employment under the terms of a collective bargaining agreement or other participation agreement. Your employment is “covered” if you work for an employer who contributes to the Fund on your behalf (a contributing employer).

Fast Facts:

- ✓ You must complete 1,000 hours in a 12-month period to participate in the Plan.
- ✓ You'll remain a participant in the Plan as long as you continue to work in covered employment and do not have a one-year break-in-service before you become vested in the Plan.

Eligibility for New Employees

If you are a new employee, you will be eligible to participate in the Pension Plan on the January 1 or July 1 that occurs after you've worked at least 1,000 hours of service in covered employment during 12 consecutive months. The 12-month period begins with your first hour of work.

If you do not work 1,000 hours in the 12-month period after you've started working, you will become a participant on the January 1 or July 1 that occurs after you do complete 1,000 hours of service in a 12-month period.

What Happens When You Become Eligible

The Fund Office will ask you to complete a beneficiary form to have on file. If you are married, your beneficiary is legally your spouse, unless you and your spouse sign a consent form electing an alternate beneficiary. This consent form must be witnessed by a Plan representative or notary public.

You will also be made aware of the death benefits available to your survivor in the event that you die before you retire. You have the option to waive the standard survivor benefit for married participants — the spousal annuity death benefit. Again, this waiver must be signed by you and your spouse and witnessed by a Plan representative or notary public. Survivor benefits are described on pages 38-40.

Losing Your Participant Status

Unless you are vested in the Plan, which means you've earned enough years of vesting service (see page 12) to be entitled to a pension benefit, you can lose your status as a participant if you have either a one-year or permanent break-in-service (described on page 42). Your participation will end on the last day of the Plan Year in which your break-in-service occurred.

What is the Plan Year?

The Plan Year for this Pension Plan is a calendar year — January 1 – December 31.

Rejoining the Plan

If you lose your participant status because of a one-year break-in-service, your status can be restored when you return to covered employment and work at least 350 hours. Your reinstatement into the Plan will be effective on the first day of the Plan Year in which you first perform one hour of service after you return.

If you incur a permanent break-in-service, you must meet the initial eligibility requirements for participation in this Plan in order to begin earning pension credits and years of vesting service again.

Unauthorized Employment

If you are employed (including self-employment) after the payment of benefits begins (or would have begun if you had not remained in or returned to employment), your employment may be considered unauthorized employment under this Plan. This occurs if during a calendar month, or during the four- or five-week payroll period ending in a calendar month, you complete 40 or more hours of service in:

- an industry in which employees covered by the Plan were employed and accrued benefits under the Plan as a result of such employment at the time you reached normal retirement age or retired, if earlier;
- a trade or craft in which you were employed at any time under the Plan; and
- the geographic area covered by the Plan at the time you reached normal retirement age or retired, if earlier.

The industry as described above is the mechanical contracting and service industry. The trade or craft described above includes trade design work and certain supervisory employment.

Your employment is not considered unauthorized employment if it is at the request of the Business Manager of the Union and approved by the Board of Trustees for “full employment” in the plumbing and steamfitting industry within the geographical jurisdiction of the Union. Please note that this includes Maryland, Delaware, and West Virginia. You must also notify the Fund Office within 30 days of the start of such employment and include a copy of the Business Manager’s request in that notice.

Unauthorized Employment Prior to Normal Retirement Age

Effective January 1, 2015, if you have commenced benefit payments (or would have begun if you had not remained in or returned to employment) and have not yet reached age 62, your employment (including self-employment) may be considered unauthorized employment. This would occur in the following situations:

- Construction Employment – if during a calendar month, or a four- or five-week payroll period ending in a calendar month, you complete 40 or more hours of service in any capacity for an employer who is a mechanical contractor (union or non-union) in any geographical jurisdiction; or
- Substantial Non-Construction Employment – you work in any capacity for any employer in any industry, including self-employment, which results in annual earnings of more than four times the Social Security Annual Earnings Limitation in any geographical jurisdiction.

Earning Your Pension Benefit

You earn your pension benefit while you're working in covered employment. Generally, the amount of your pension benefit will reflect how long you've been a participant in the Plumbers and Steamfitters Local 486 Pension Fund. The longer your career, the greater your pension benefit may be.

Fast Facts:

- ✓ Pension credits are used to calculate the dollar amount of your pension benefit.
- ✓ You can earn one pension credit by working at least 1,400 hours in a Plan Year.
- ✓ Years of vesting service are used to determine if and when you're eligible for a pension benefit.
- ✓ You can earn one year of vesting service by working at least 750 hours in a Plan Year.

Pension Credits

Pension credits are used in determining how much your monthly benefit will be at retirement. They also may be used to determine your eligibility for certain types of pensions (described on page 14). You earn pension credits based on the hours you work in covered employment.

Earning Pension Credits

For work on or after January 1, 1996, you can earn up to one year of pension credit in every Plan Year (January 1 – December 31) that you work 1,400 hours or more. If you work fewer than 1,400 hours (but at least 350 hours), you earn a fraction of a pension credit. The chart below shows how you earn pension credits.

Hours You Work in Covered Employment	Pension Credits You Can Earn in a Plan Year
Less than 350	0
350 but less than 700	1/4
700 but less than 1,050	1/2
1,050 but less than 1,400	3/4
1,400 or more	1

Earning Pension Credits While You're Not Working

Under certain circumstances, you'll be credited for hours of work during non-work periods if your absence from covered employment is due to military service. If you are called to military duty, you will continue to earn pension credits during your service as long as you return to covered employment when your qualified service has ended and meets federal guidelines. See the Life Events section on page 42 for more information.

Employee Self-Contributions

In certain situations, the Trustees may allow a participant who becomes disabled or involuntarily unemployed with his or her contributing employer to make contributions to the Plan if he or she has worked at least 350 hours in covered employment during the Plan Year for which self-contributions are made. A participant cannot make a contribution for more hours than, if combined with the hours already worked, is required to earn one full pension credit.

Pension Credits from Prior Plans

Plumbers and Gasfitters Local Union No. 48 Pension Plan or the Steam and General Pipefitters Local 438 Pension Plan

Prior to January 1, 1996, your pension credits are earned according to the terms of the applicable Prior Plan under which you were covered — either the Plumbers and Gasfitters Local Union No. 48 Pension Plan or the Steam and General Pipefitters Local 438 Pension Plan. Pension credits that you earned through work in a Prior Plan will count toward your benefit through this Plan.

UA Local 782 Pension Plan

The Local 782 Pension Plan merged with the Local 486 Pension Plan on January 1, 2016. You will receive credit for the service you have earned under the 782 Plan prior to the merger date, according to the terms of that Pension Plan. For more information, see pages 20-21.

Banking Your Hours

If you work more than 1,700 hours in covered employment in a Plan Year, the additional hours are “banked.” The hours in your hours bank can be used to “fill in” additional pension credits if you’ve earned at least 1/4, but not one full pension credit in a Plan Year. The application of your banked hours will be determined when you retire to provide you with the maximum benefit amount. Upon retirement, the hours bank terminates.

***For example:** Throughout his career, Robert worked enough hours to earn a full pension credit in all but one Plan Year. That year, he worked 850 hours, so he earned 1/2 of a pension credit. When Robert retired, he had 1,000 hours of service in his hours bank. To give him a full pension credit for the year in which he worked 850 hours, 550 of the hours in his bank were applied to his 850 to equal 1,400 — the amount needed to earn a full pension credit.*

Hours in the Bank from a Prior Plan

If you carried a balance of hours in an hours bank from either the Plumbers and Gasfitters Local Union No. 48 Pension Plan or the Steam and General Pipefitters Local 438 Pension Plan, your hours were automatically transferred to your hours bank in this Plan. There is no hours bank provision for Participants in the Prior Local 782 Pension Plan.

Vesting Service

In order to receive a pension benefit at retirement, you must be “vested” in the Plan. You become vested after earning five years of vesting service. However, if you have not completed at least one hour of service on or since December 31, 1998, you must have earned at least 10 years of vesting service to be vested in the Plan.

Once you are vested, you are guaranteed a pension — even if you leave covered employment before you’re eligible to retire.

Earning Years of Vesting Service

You earn one year of vesting service for each Plan Year in which you work at least 750 hours in covered employment. Unlike earning pension credits, you cannot earn a fraction of a year of vesting service if you work fewer than 750 hours.

Vesting Service for Work Outside Covered Employment

If applicable, you may be eligible to receive vesting service for the following periods of work outside of covered employment.

- **Contiguous Non-Covered Employment.** If you worked in employment that wasn’t covered by the Plan and immediately following or preceding that service you did work in covered employment, you may be eligible to receive vesting service.
- **Military Service.** You will earn vesting service for periods serviced in the armed forces of the United States to the extent required by law. To be eligible, you may need to meet certain conditions required by law. See page 54 for more information.

Benefit Rates

Generally, your pension benefit is based on the “benefit rate” that is in effect when you leave covered employment. The benefit rate is multiplied by the number of pension credits you’ve earned to provide you with a base amount for a normal pension benefit.

Benefit rates are changed from time to time in this Plan as well as for future service credits you may have earned in a Prior Plan. Currently, for all work in covered employment performed on or after January 1, 2016, the benefit rate is \$96. For Participants of the Prior Local 782 Plan, the benefit rate is \$73. See page 20 for more information.

For Participants in the job classifications designated as “serviceman” or “tradesman,” the benefit rate for work performed on or after January 1, 2018 is \$48.

Benefit Rate Increases

You may be entitled to any benefit rate increases that occur after you leave covered employment as long as you formally retire within two consecutive Plan Years from the date you leave covered employment. If you retire more than two years after you leave covered employment, your benefit is based on the benefit rates that are in effect when you leave covered employment.

For example*: Adam left covered employment at age 60. At that time, the benefit rate in effect was \$81. He formally retired at age 61, less than two years after he left covered employment. At that time, the benefit rate had been increased to \$88, so his pension benefit will be calculated based on the \$88 benefit rate.

Alternatively, Eric left covered employment at age 58 and did not formally apply for a retirement benefit until he reached 62. When Eric left covered employment, the benefit rate in effect was \$79. When Eric formally retired, the benefit rate was \$81, however since he formally retired more than 2 years after leaving covered employment, Eric's pension benefit is calculated using the \$79 benefit rate.

If you experience a two-year period of working fewer than 350 hours and you return to work for a number of Plan Years that is equal to or more than the number of consecutive Plan Years during which you worked fewer than 350 hours, all of your pension credits, regardless of when you earned them, are credited at the rate in effect when you retire.

For example*: Tom was vested when he left covered employment. At that time, he had five pension credits and the benefit rate was \$71. He returned to work after a period of two years. He worked for three more years before he ultimately retired and earned three pension credits. The benefit rate in effect during that time was \$84. Because he worked more than 350 hours per year for three years (a period of time that was longer than his two-year period of working fewer than 350 hours) all eight of his pension credits are credited at \$84 per credit.

Applying More Than One Benefit Rate

In addition to having different benefit rates for the pension credits you may have earned by working under a Prior Plan, you may have different benefit rates through this Plan in certain circumstances. If you are vested and you leave covered employment, but then return to work again in covered employment, your pension benefit may be calculated based on more than one benefit rate.

If you are vested and you do not work in covered employment in two consecutive Plan Years, the pension credits that you earned are credited at the benefit rate that was in effect before that two-year period. Any pension credits that you earn after the two-year period are credited at the rates that are in effect when you retire (unless you experience another two-year period during which you again do not work in covered employment).

For example*: Lee was vested when he left covered employment. At that time, he had ten pension credits and the benefit rate was \$71. He returned to work after a period of two years. He worked for one more year and earned one pension credit before he ultimately retired and earned one pension credit. The benefit rate in effect during that year was \$84. The ten pension credits that he earned before his two-year period of not working in covered employment are credited at \$71 per credit. The one credit that he earned when he came back to work is credited at \$84 per credit.

* These examples are for illustrative purposes only — for actual benefit rates, please contact the Fund Office.

Benefit Rates That Apply to You

When you apply for a pension, the Fund Office will provide you with the information about the benefit rate(s) that apply to you, based on your personal work history. If you worked under a Prior Plan, benefit rates from that plan are taken into account and credited at a different rate.

These rates are multiplied by your pension credits to determine the amount of your pension benefit. The amount of your pension will be affected, however, depending on the payment option you choose (explained on page 17) and the type of pension benefit you apply for (explained on page 14).

Types of Pensions

The Plumbers and Steamfitters Local 486 Pension Plan offers five types of pensions — normal, service, early, vested and disability.

Fast Facts:

- ✓ You can retire under a normal pension when you reach “normal retirement age” (generally age 62, but see the definition in the Normal Pension section).
- ✓ You are eligible to retire as early as age 55 (as long as you’ve earned 10 pension credits) under an early pension, which may be a reduced amount.
- ✓ The Plan offers a disability pension for members that become disabled and cannot work and meet the Plan’s requirements.

Types of Pensions At-A-Glance*

The Plumbers and Steamfitters Local 486 Pension Plan offers five types of Pensions.

Type of Pension	Eligibility
Normal Pension	Payable at normal retirement age.
Service Pension	Payable if you are at least age 55 and have at least 30 pension credits under the Plumbers and Steamfitters Local 486 Pension Plan.
Early Pension	Payable if you are at least age 55 and you have at least 10 pension credits.
Vested Pension	Payable at age 62 provided you are vested.
Disability Pension	Payable if you: <ul style="list-style-type: none"> • are entitled to receive a Social Security disability benefit; • have at least 15 pension credits; • are not yet age 62; and • worked in covered employment in the Plan Year in which you became disabled or in either of the two Plan Years immediately prior to that year.

* Detailed rules related to types of pensions payable from the Local 782 Plan are described on page 20.

Normal Pension

A normal pension is payable to you when you’ve reached “normal retirement age.”

Normal Retirement Age

Normal retirement age is the later of age 62 or the date you meet either of the following participation requirements:

- the 10th anniversary of the date on which you become a participant in the Plan (counting all your service); or
- the fifth anniversary of the date on which you become a participant in the Plan (counting your service on or after January 1, 1999).

Calculating the Amount of the Normal Pension

The amount of your normal pension is based on how many pension credits you’ve earned and the benefit rate that applies to those credits. Multiply your pension credits by the applicable benefit rate to determine your monthly pension benefit.

For example: Michael works in this Plan for 30 years and earns 26 pension credits by the time he is ready to retire under a normal pension. If the benefit rate that is in effect when he retires (assuming one benefit rate applies to all of his pension credits) is \$88, he would multiply his number of pension credits (26) by the \$88 benefit rate. $26 \times \$88 = \$2,288$. Michael’s monthly pension benefit from this Plan would be \$2,288.

Benefit Rate for Pension Credits from a Prior Plan

If you have pension credits under the Prior Plumbers and Gasfitters Local Union No. 48 Pension Plan or the Steam and General Pipefitters Local 438 Pension Plan, those credits are subject to periodic increases and may be used in determining your pension benefit. Pension credits that you’ve earned between December 31, 1995 and December 31, 2015 have a benefit rate of \$88. Benefits on or after January 1, 2016 currently have a benefit rate of \$96. For Participants of the Prior Local 782 Plan, the current benefit rate is \$73.

For example: Mark had an accrued pension benefit of \$750 per month under the Local 48 Pension Plan. Mark earned 5 pension credits since 1996. $5 \times \$88 = \440 . If Mark were to retire today under a normal pension, he’d receive an unreduced monthly benefit of \$1,190. $\$750 + \$440 = \$1,190$.

Service Pension

In general, a service pension is offered to participants with long careers but who have not yet reached normal retirement age. You may receive a service pension if you are at least age 55 and you have at least 30 pension credits. However, pension credits earned under the Prior 782 Plan are not counted for the purposes of determining eligibility for the Service Pension.

Calculating the Amount of the Service Pension

The service pension is calculated in the same way as a normal pension — your pension credits are multiplied by the applicable benefit rate.

Early Pension

If you have at least 10 pension credits, you may choose to retire as early as age 55 with an early pension. The amount of your benefit will be reduced because your benefits will have to be paid over a longer period of time.

Calculating the Amount of the Early Pension

The early pension is calculated in the same way as the normal pension, but the monthly amount is reduced by 1/4% for each month you are under normal retirement age when you retire.

For example: Ed is age 58 (exactly 48 months younger than normal retirement age) when he chooses to retire with an early pension. His unreduced benefit, payable at age 62, would be \$1,100 per month. However, because he wants to retire early, his benefit will be reduced to \$968 per month. Here's how the reduction is calculated:

$$1/4\% \times 48 = 12\%. \quad 12\% \times \$1,100 = \$132.$$

$$\$1,100 - \$132 = \$968.$$

Vested Pension

If you have at least five years of vesting service, you may be eligible to receive a vested pension if you leave covered employment before you are eligible to retire under one of the other pensions that the Plan offers. To be eligible for a vested pension, you must:

- have worked for at least one hour in covered employment on or after December 31, 1998; or
- have at least 10 years of vesting service if you have not worked at least one hour in covered employment on or after December 31, 1998.

You will be eligible to receive your vested pension when you turn age 62, or, if later, on your fifth anniversary of Plan participation.

Calculating the Amount of the Vested Pension

The vested pension is calculated in the same way as a normal pension — by multiplying your pension credits by the applicable benefit rate.

Disability Pension

If you are permanently and totally disabled and you cannot work, you may be eligible to retire with a disability pension. To be eligible you must satisfy the following four requirements:

- have at least 15 pension credits;
- be entitled to receive a Social Security Disability benefit;
- be younger than age 62; and
- have worked in covered employment in the Plan Year in which you became disabled or in either of the two Plan Years immediately prior to that year.

The disability pension continues for life, as long as you remain permanently and totally disabled. If you recover from your disability, you may apply for another type of pension from the Plan when you become eligible.

What is permanent and total disability?

You are considered permanently and totally disabled by this Plan when you provide a determination of your disability from the Social Security Administration. You may be required to continue to submit evidence to the Trustees at any time until you reach age 62.

Social Security Disability Determination

When you become disabled, you must contact the Social Security Administration to receive a “determination” of your disability. Once the Social Security Administration determines that you are permanently and totally disabled, you may begin receiving a Social Security disability benefit. The date that this determination is effective is called your “effective date.” In certain circumstances, the Trustees may accept other proof of disability.

Calculating the Amount of the Disability Pension

The disability pension is calculated in the same way as the normal pension — your pension credits are multiplied by the applicable benefit rate.

When the Disability Pension Begins

There may be a waiting period from the time you apply for a disability pension from this Plan until the time your payments start. Your benefit is payable on the later of:

- the first day of the month following the end of the fifth month after the effective date (“Social Security Waiting Period”); or
- the first day of the month following approval of your application by the Board of Trustees.

For example: Carl has a condition that leaves him permanently and totally disabled. He applies for a disability benefit from the Social Security Administration in February 2015. Social Security makes a determination on April 15, 2015 that Carl’s effective date of permanent and total disability is September 25, 2014. Carl’s benefit payments from Social Security begin on March 1, 2015.

Carl also applies for a pension from this Plan in February 2015. The Board of Trustees approves his pension application on April 24, 2015. Carl’s pension is payable the later of: five months after his Social Security effective date, which is March 1, 2015, or the month following the Board’s approval, which is May 1, 2015. In this case, Carl’s disability pension is payable May 1, 2015.

Amount of the Disability Pension

If you file your application with this Plan as soon as possible, and your Social Security Disability benefit begins before your pension from this Plan is payable, your first monthly benefit payment from this Plan will include an “Auxiliary Disability Benefit” in addition to your regular disability pension amount. This is a lump-sum payment which is equal to the amount of your monthly disability pension multiplied by the number of complete months between the date your pension starts and the later of 1) the date you filed your application with this Plan, and 2) the end of the Social Security Waiting Period.

For example: Carl filed his application with this Plan in February, 2015. His Social Security Waiting Period ended on March 1, 2015. His Auxiliary Disability Benefit is his monthly benefit multiplied by the number of complete months between March 1, 2015 and his pension start date, which is May 1, 2015 (2 months). If Carl’s regular disability pension is \$650 per month, then his Auxiliary Disability Benefit, paid in a one-time lump sum on May 1, 2015, would be $2 \times \$650 = \$1,300$. Carl’s first benefit payment would be his regular monthly disability amount (\$650) plus the Auxiliary Disability benefit (\$1,300), which is \$1,950. Thereafter, his monthly disability benefit would be \$650 per month.

Converting an Early to a Disability Pension

If you are disabled and you need to begin receiving a pension benefit from this Plan before Social Security makes a determination as to your permanent and total disability, you may be eligible for an Early Pension (see “Early Pension” on page 15), which may be converted to a Disability Pension upon receipt of the Social Security Disability determination. You must satisfy the requirements of an Early Pension to be eligible for this benefit, and an Early Pension can be converted only if you have not reached Normal Retirement Age and Social Security determines that you were disabled on or before the date you applied to this Plan for an Early Pension.

For more information about how to apply for your pension benefit, see “Applying for Your Retirement Benefits” on page 48.

Electing a Payment Option for Your Pension Benefit

When you apply for your pension, you will have the opportunity to decide how you would like to receive your benefit.

Fast Facts:

- ✓ The standard form of payment for married participants is the spousal option.
- ✓ Once you've begun receiving your benefit in one of the payment forms described below, you may not change it.

Spousal Payment Option

If you are married when you retire, you will receive your pension benefit in the form of a spousal benefit. A spousal benefit is paid as a reduced monthly benefit so that if you die before your spouse, your spouse will continue to receive a monthly benefit from this Plan equal to 50% of the amount you were receiving prior to your death.

If your spouse dies before you do, your monthly benefit amount will increase to the amount that would be payable had you not elected a spousal benefit at retirement.

If you and your spouse divorce after you've applied for your pension benefit, your benefit will not be increased — you will continue to receive the reduced amount, unless a Qualified Domestic Relations Order (QDRO) directs a further reduction. For more information about QDROs, see page 54.

Waiving the Spousal Payment Option

You are not required to elect the spousal payment option. To elect another option, you must waive the spousal option in writing no more than 180 days before the Annuity Starting Date. You and your spouse must sign a consent form, witnessed by a Plan representative or notary public, in order to elect the other payment option. If you wish to name an alternate beneficiary for your benefit, your spouse must consent to the alternate beneficiary designation as well.

Calculating the Reduction for a Spousal Pension

The spousal pension is reduced to provide an additional benefit for your spouse's lifetime in case you die before your spouse does. The amount of the reduction for a pension benefit other than the disability pension is based on the formula below:

Monthly Pension Benefit	X 91%	- 0.4% for each full year that your spouse is younger than you are
		OR
		+ 0.4% for each full year that your spouse is older than you are
Maximum Benefit Payable: 99% of the original benefit amount		

Note that the maximum amount you can receive under the spousal payment option is 99% of the benefit you would have received if you were not married at the time you retire.

For example: Ron's unreduced retirement benefit is \$2,000 per month. Ron's wife is five full years younger than he is, so, under the spousal pension, his monthly benefit will be reduced to 89% (.4% X 5 = 2%. 91% - 2% = 89%). Ron and his wife would receive a monthly benefit of \$1,780, which is 89% of \$2,000. If Ron dies before his wife does, she would receive half of that benefit, which is \$890 per month for her lifetime.

Calculating the Reduction for a Spousal Pension (Disability Pension)

If you retire with a disability pension, the amount your benefit is reduced to is based on the formula below:

Monthly Pension Benefit	X 84%	- 0.4% for each full year that your spouse is younger than you are
		OR
		+ 0.4% for each full year that your spouse is older than you are
Maximum Benefit Payable: 92% of the original benefit amount		

75% Spousal Payment Option

If you are married when you retire, you may also elect to receive a reduced monthly benefit so that if you die before your spouse, your spouse will continue to receive a monthly benefit from this Plan equal to 75% of the amount you were receiving prior to your death. This form of payment, as well as the other optional forms of payment described below, are also available so long as the spousal option has been waived.

Calculating the Reduction for a 75% Spousal Pension

The 75% spousal pension is reduced to provide an additional benefit for your spouse's lifetime in case you die before your spouse does. The amount of the reduction for a pension benefit other than the disability pension is based on the formula below:

Monthly Pension Benefit	X 87.08%	- 0.55% for each full year that your spouse is younger than you are
		OR
		+ 0.55% for each full year that your spouse is older than you are
Maximum Benefit Payable: 99% of the original benefit amount		

Calculating the Reduction for a 75% Spousal Pension (Disability Pension)

If you retire with a disability pension, the amount your benefit is reduced to is based on the formula below:

Monthly Pension Benefit	X 77.78%	- 0.5% for each full year that your spouse is younger than you are
		OR
		+ 0.5% for each full year that your spouse is older than you are
Maximum Benefit Payable: 90% of the original benefit amount		

120-Month Guaranteed Pension

If you are not married when you retire, your pension benefit will be paid as a 120-month guaranteed pension. The 120-month guaranteed pension is an unreduced pension benefit, payable to you for your life. If you die before receiving 120 payments, your named beneficiary will receive 1/2 of the amount you were receiving until the end of the 120-month period.

If your beneficiary dies while receiving payments but before all 120 have been made, the remaining payments will be made to your beneficiary's estate, if the estate files a claim within five years of your beneficiary's death.

If you are married when you retire, but you and your spouse reject the spousal payment option according to the requirements listed on page 17, you may elect the 120-month guaranteed pension.

If you die after you've received 120 payments, your beneficiary is not eligible to receive a benefit from this Plan.

Naming a beneficiary

If you are married, your spouse is automatically your beneficiary for your pension benefit. You may elect another beneficiary with your spouse's written consent. You will not be able to elect the spousal pension if you name a beneficiary other than your spouse. If you are not married, you may name anyone you wish to be your beneficiary.

Joint and Contingent Option

The joint and contingent option provides a benefit for your beneficiary in the event of your death. You may elect 100%; 66 2/3%; or 50% of your benefit to be provided to your beneficiary when you die. Like the spousal payment option, your monthly benefit is reduced to accommodate the additional benefit that is payable to your beneficiary. The amount of the reduction for a joint and contingent benefit depends on the percentage of benefit you elect to provide.

50% Joint and Contingent Option

Monthly Pension Benefit	X 91%	- 0.4% for each full year that your beneficiary is younger than you are
		OR
		+ 0.4% for each full year that your beneficiary is older than you are
Maximum Benefit Payable: 99% of the original benefit amount		

66 2/3% Joint and Contingent Option

Monthly Pension Benefit	X 88.35%	- 0.5% for each full year that your beneficiary is younger than you are
		OR
		+ 0.5% for each full year that your beneficiary is older than you are
Maximum Benefit Payable: 99% of the original benefit amount		

100% Joint and Contingent Option

Monthly Pension Benefit	X 83.50%	- 0.67% for each full year that your beneficiary is younger than you are
		OR
		+ 0.67% for each full year that your beneficiary is older than you are
Maximum Benefit Payable: 98% of the original benefit amount		

50% Joint and Contingent Option (Disability Pension)

Monthly Pension Benefit	X 84%	- 0.4% for each full year that your beneficiary is younger than you are
		OR
		+ 0.4% for each full year that your beneficiary is older than you are
Maximum Benefit Payable: 92% of the original benefit amount		

66 2/3% Joint and Contingent Option (Disability Pension)

Monthly Pension Benefit	X 79.75%	- 0.48% for each full year that your beneficiary is younger than you are
		OR
		+ 0.48% for each full year that your beneficiary is older than you are
Maximum Benefit Payable: 90% of the original benefit amount		

100% Joint and Contingent Option (Disability Pension)

Monthly Pension Benefit	X 72.42%	- 0.6% for each full year that your beneficiary is younger than you are
		OR
		+ 0.6% for each full year that your beneficiary is older than you are
Maximum Benefit Payable: 90% of the original benefit amount		

Level Income Option

If you are eligible for a pension benefit before you begin receiving a benefit from Social Security, you may elect the level income option. To be eligible, you must retire on or after you turn 55 but before you turn 65, and your benefit from the Plan must be more than \$20 per month.

How the Level Income Option Works

If you retire under an early pension and you elect the level income option, you will receive a benefit from this Plan that will decrease when your Social Security benefits begin so that you will receive approximately the same “level” income both before and after your Social Security benefits begin.

The amount that you receive is actuarially determined based on your age and whether you receive your Social Security benefit at age 62, 65 or later. If your pension benefit is payable after December 31, 1999, federal law requires that pension plans use certain actuarial assumptions to calculate a minimum for this benefit.

If you retire under an early pension and you do not elect the level income option, you may retire as early as age 55 with a pension in a fixed amount, continuing for life. When you become eligible, you can apply for Social Security benefits from the federal government and still receive the same early pension benefit from this Plan. This means that your total retirement income (Pension Plan plus Social Security) will increase when your Social Security benefits start.

Partial Lump-Sum Payment Option

Under the partial lump-sum payment option, you may elect to have the actuarial equivalent of a portion of your 120-month guaranteed pension benefit paid in a single lump-sum payment on the date your pension benefit is payable. Factors that are used to determine the amount of your lump-sum payment are prescribed by the government and change annually.

You elect the amount to be paid as a lump sum by reducing your monthly pension in \$10 increments. The reduction may not be greater than 15% of your monthly amount.

You may elect to receive your partial lump sum payment as a direct transfer (rollover) from this Plan to an eligible plan — such as an IRA— to the extent that the lump-sum payment is not a maximum required distribution under the Internal Revenue Code. If you do not elect a direct transfer, the Plan will be required to withhold 20% of the distribution for federal income tax purposes, as well as an amount for state income taxes, depending on where you live. You will receive more information about rolling over your lump-sum payment at the time that you apply for your benefit.

Information for Participants in the Prior 782 Plan

If you were a Participant in the Local 782 Pension Plan prior to the merger on January 1, 2016, some of the benefit provisions that are described in this booklet will be slightly different for you. Please review the following pages to familiarize yourself with these differences. If you have any questions, please contact the Fund Office by calling 888-494-4443.

Fast Facts:

- ✓ The pension credit and vesting service you earned under the Prior Local 782 Pension Plan will be combined with the credit and service you earn under the 486 Plan to determine your eligibility for and the value of your Pension upon retirement.
- ✓ Your benefit rate (the rate you multiply your pension credits by to determine the monthly value of your pension) was at \$65 through December 31, 2015. From January 1, 2016 through December 31, 2020, your benefit rate is \$73.
- ✓ Pension Credits earned under the Prior 782 Plan are not counted for the purposes of determining eligibility for the Service Pension (see page 20).

Calculating Your Normal Retirement Pension

If You Retire Before January 1, 2021

If you retire on or after January 1, 2016 but before January 1, 2021, your normal retirement pension will be calculated as follows:

First, take your accrued benefit under the Local 782 Plan, prior to the merger.

PLUS

The pension credits you earned since the merger multiplied by \$73.

For example: Troy earned 15 pension credits at a benefit rate of \$65 under the Local 782 Plan before the merger. He earned 5 more pension credits since the merger and decides to retire (with a normal retirement pension) on December 1, 2020. His benefit would be calculated as follows:

15 pension credits X \$65 = \$975 PLUS

5 pension credits X \$73 = \$365

\$975 + \$365 = \$1,340. Troy would have an unreduced normal pension benefit amount of \$1,340 per month.

If You Retire On or After January 1, 2021

If you retire on or after January 1, 2021, your normal retirement pension will be calculated as follows:

First, take your accrued benefit under the Local 782 Plan, prior to the merger.

PLUS

The pension credits you earned under the 486 Pension Plan from January 1, 2016 – December 31, 2020 multiplied by \$73.

PLUS

The pension credits you earned under the 486 Pension Plan since January 1, 2021 multiplied by \$96.

For example: Let's say Troy waited another five years to retire. He earned 15 pension credits at a benefit rate of \$65 under the Local 782 Plan before the merger. He earned 5 more pension credits between the date of the merger and December 31, 2020. Then, he earned five more credits after January 1, 2021. His benefit would be calculated as follows:
15 pension credits X \$65 = \$975 PLUS
5 pension credits X \$73 = \$365 PLUS
5 pension credits X \$96 = \$480
\$975 + \$365 + \$480 = \$1,820. Troy would have an unreduced normal pension benefit amount of \$1,820 per month.

Other Types of Pensions

Service Pension

You may receive a service pension if you are at least age 55 and you have at least 30 pension credits. However, pension credits earned under the Prior 782 Plan are not counted — each credit you earn toward the Service Pension must be earned on or after the merger date — January 1, 2016 for the purposes of determining eligibility for the Service Pension.

Early Pension

If you have at least 10 pension credits, you may choose to retire as early as age 55 with an early pension. The amount of your benefit will be reduced because your benefits are generally paid over a longer period of time. The early pension is calculated in the same way as the normal pension, but the monthly amount is reduced for early retirement as follows:

- Benefits accrued prior to merger: reduced by 1/8% for each month for the first 24 months and then 1/2% for each additional month that you are under normal retirement age when you retire.
- Benefit accrued after merger: reduced by 1/4% for each month that you are under normal retirement age when you retire.

For example: Let's say that Troy is age 56 (exactly 72 months younger than normal retirement age) when he chooses to retire with an early pension. His unreduced benefit, payable at age 62, would be \$1,820 per month, assuming the same number of pension credits as the previous example. (\$975 accrued prior to the merger and \$845 accrued after the merger.) However, because he wants to retire early, his benefit will be reduced to \$1,404.65 per month. Here's how the reduction is calculated:

Reduction for benefits accrued prior to merger: $1/8\% \times 24 + 1/2\% \times 48 = 27\%$. $27\% \times \$975 = \263.25

Reduction for benefits accrued after merger: $1/4\% \times 72 = 18\%$. $18\% \times \$845 = \152.10

Total early pension: $\$1,820.00 - \$263.25 - \$152.10 = \$1,404.65$

Vested Pension

If you have at least five years of vesting service, you may be eligible to receive a vested pension if you leave covered employment before you are eligible to retire under one of the other pensions that the Plan offers. To be eligible for a vested pension, you must:

- have worked for at least one hour in covered employment on or after December 31, 1998; or
- have at least 10 years of vesting service if you have not worked at least one hour in covered employment on or after December 31, 1998.

You will be eligible to receive your vested pension when you turn age 62, or, if later, on your tenth anniversary of Plan participation. Alternatively, you will be eligible to receive your vested pension when you turn age 65, or, if later, on your fifth anniversary of Plan participation. The vested pension is calculated in the same way as a normal pension — by multiplying your pension credits by the applicable benefit rate.

Disability Pension

If you are permanently and totally disabled and you cannot work, you may be eligible to retire with a disability pension. To be eligible you must satisfy the following four requirements:

- have at least 15 pension credits;
- be entitled to receive a Social Security Disability benefit;
- be younger than age 62; and
- have worked in covered employment in the Plan Year in which you became disabled or in either of the two Plan Years immediately prior to that year.

The disability pension continues for life, as long as you remain permanently and totally disabled. If you recover from your disability, you may apply for another type of pension from the Plan when you become eligible.

Forms of Payment

When you apply to retire, you'll be able to choose how you receive your pension benefit. The Plan offers several different payment options. See pages 17-19 for details.

If You Leave Covered Employment

If you have a vested right to a pension benefit under this Plan and you stop working in covered employment for at two consecutive Plan Years, you will have your pension benefit for that vested service determined according to the benefit rate in effect when you last worked in covered employment.

Your Severance and Annuity/401(k) Plan

How Your Severance and Annuity/401(k) Plan Works

The Plumbers and Steamfitters Severance and Annuity/401(k) Plan provides a retirement benefit for eligible members. This benefit is offered — in addition to the Pension Fund benefit — to help you prepare financially for the future.

Fast Facts:

- ✓ When you become eligible to participate in the Plan, an individual account is set up for you.
- ✓ You invest the money that you and/or your employer contribute to your individual account by selecting from the many investment options that the Plan offers.
- ✓ If you elect to make contributions to your individual account, your contributions will be deducted from your salary before taxes are taken out, thereby saving you money.

The Severance and Annuity/401(k) Plan is actually two Plans in one. The Severance and Annuity portion of your Plan is employer-funded. If your employer is required to contribute to the Plan under the terms of a collective bargaining agreement or other participation agreement, these contributions will be deposited into your “individual account.”

You may elect to make deferrals from your gross wages to the 401(k) portion of this Plan. By doing so:

- you save money while you’re working by paying less money in taxes, and
- you save money for the future by setting aside a portion of your income and investing it.

Your wage deferrals — if you choose to make them — are also deposited into your individual account. You decide how to allocate the money in your account by choosing from the Plan’s wide variety of investment options.

Your wage deferrals, the contributions from your employer, and any investment income that the contributions earn will accumulate in your individual account. You are not responsible for paying taxes on these contributions until you make a withdrawal (receive a “distribution”) from your account.

Investing Your Money

To invest the contributions in your individual account, you choose from the investment options that the Plan offers. You may change the investment allocations whenever you’d like, either by phone or by visiting the MassMutual (the investment manager for the Severance and Annuity/401(k) Plan) website at www.massmutual.com/retire. For more information about investment options see page 28, or refer to the information that was provided to you by MassMutual when you became eligible to participate in the Plan.

Vesting

You are always 100% “vested” in the contributions in your individual account. Being vested means that once contributions are made to your individual account, they cannot be taken away from you — even if you leave covered employment.

Receiving Your Benefit

There are several options available to you to receive your Severance and Annuity/401(k) benefit when you retire. In general, you may receive your benefit as:

- a single life annuity, if you are unmarried or if you are married and your spouse provides written consent;
- a 50% spousal payment, if you are married;
- an interim monthly distribution — which allows you to adjust the amount you receive over a specified period of time;
- a fixed monthly amount payable for up to 15 years;
- a profit sharing distribution, payable in up to twelve monthly installments per Plan Year;
- a lump-sum payment; or
- a fixed monthly amount and lump-sum payment combination.

Benefit payment options are described in detail on page 35.

For information about what happens to your Severance and Annuity/401(k) benefit when you experience a life event such as marriage, divorce, retirement or death, see pages 42-46.

Profit Sharing Distributions

Profit sharing distributions are available to participants who are:

- at least age 59½; and
- have not reached the next April 1st following the calendar year in which they reached age 70½.

Profit sharing distributions can be requested once per month in each Plan Year. You can not receive more than 12 profit sharing distributions in any Plan Year.

Severance Distributions

You will receive the balance of your account at the end of the quarter in which you terminate employment if:

- No employer contributions and no tax-deferred savings contributions have been made to the Plan on your behalf for 12 consecutive calendar months;
- You have permanently withdrawn from employment covered by a Collective Bargaining Agreement which requires contributions to the Plan;
- You are not registered as available to work with the Union; and
- No contributions have been received under a reciprocal agreement by any fringe benefit program sponsored by the Union for Hours of Service earned within the 12 consecutive prior months.

Becoming a Participant in the Severance and Annuity/401(k) Plan

You are eligible to participate in the Severance and Annuity/401(k) Plan if you are an employee of an employer that participates in the Plan.

Fast Facts:

- ✓ You're not required to defer wages to the 401(k) Plan. If you decide not to contribute, you may choose how to invest the contributions that your employer makes to your individual account on your behalf.
- ✓ You will remain a participant in the Plan while you are working. Your participation in the Plan will end when all contributions to your individual account stop and you request a distribution of your account.

When Your Participation Begins

You are considered a participant in the Plan on the first date that the Plan receives a contribution from you or from your employer on your behalf, whichever comes first.

You'll need to complete and submit a wage reduction form to your employer before you can begin making 401(k) contributions. You will also need to complete a Tax Deferred Savings Authorization Form requesting your employer to reduce your hourly wage rate by a designated percentage between 1% and 25% of your salary.

If you do not want to make contributions to the 401(k) Plan, you must complete a form stating that you do not want to participate. However, if you want to increase or change your deferral, you can change it up to three times per year. Contact the Fund Office or your employer for a wage reduction form.

If you had been participating in another eligible plan — for example, through previous employment — you may be able to “roll over” the balance from your former plan into this Plan. Check with the Fund Office for information.

What Happens When You Become Eligible

The Fund Office will ask you to complete a beneficiary form to have on file. If you are married, your beneficiary is legally your spouse, unless you and your spouse sign a consent form electing an alternate beneficiary. This consent form must be witnessed by a Plan representative or notary public.

You will also be made aware of the death benefits available to your survivor in the event that you die before you retire. You have the option to waive the standard survivor benefit for married participants — the preretirement surviving spouse benefit. Again, this waiver must be signed by you and your spouse and witnessed by a Plan representative or notary public. Survivor benefits are described on page 38.

Stopping Your Contributions

You may stop making 401(k) contributions to your account at any time by revoking your authorization for payroll deduction at the end of any payroll period as long as you give at least two weeks' notice.

When Your Participation Ends

Your participation in the Severance and Annuity/401(k) Plan ends when you've received a withdrawal from your individual account balance. In general, you (or your beneficiary, if you die) may begin receiving withdrawals when you:

- retire;
- become permanently and totally disabled;
- terminate covered employment; or
- die.

Retirement Under the Severance and Annuity/401(k) Plan

Retirement under the Plan is established when any of the following occurs:

- You reach age 62.
- You are receiving a normal or early pension from the Plumbers & Steamfitters Local 486 Pension Fund.
- You have accumulated at least 30 Pension Credits (see page 11) under the terms of the Pension Fund.
- You are determined to be permanently and totally disabled.

Earning Your Benefit

Your individual account balance can grow based on your wage deferrals and your employer's contributions to your account. You choose how to invest these contributions with the goal of earning investment income over time.

Fast Facts:

- ✓ There are three ways the money in your individual account can grow — your own wage deferrals, your employer's contributions and any investment income that you earn on those contributions.
- ✓ You are responsible for investing the money in your account by selecting from the Plan's investment options.
- ✓ Your contributions are deducted from your salary before taxes are taken out, so that you pay taxes on a lower income.

Contributing to Your Account

As a participant in the Plan, you may elect to redirect a portion of your salary before taxes have been taken out into your individual account. To do this, you must authorize your employer to reduce your hourly wage by signing a Tax Deferred Savings Authorization Form.

You may elect to contribute between 1% and 25% of your salary however, the Internal Revenue Code (IRC) limits the contribution amount you can make in any calendar year. The amount is adjusted annually for changes in the Consumer Price Index. The limit for 2017 is \$18,000. The limit may be lower for some highly paid participants under certain circumstances. You will be notified if and when a lower limit applies to you.

If you had been participating in another eligible plan — for example, through previous employment — you may be able to “roll over” the balance from your former plan into this Plan. Check with the Fund Office for information.

Changing the Amount You Contribute

You may change the amount of your wage deferral to the 401(k) Plan by submitting a form to your employer. If you want to increase or change the amount that you defer, you may do so up to three times per year. Contact the Fund Office or your employer for a wage reduction form.

Catch-Up Contributions

If you will be age 50 or older at any point during the Plan Year, you can make contributions known as “catch-up contributions.” Catch-up contributions are contributions that you can make on a pre-tax basis once you have exceeded any Plan limits (and legally imposed limits) that apply to employee pre-tax contributions for the Plan Year.

The maximum catch-up contribution for the 2017 Plan Year is \$6,000. This figure is indexed for inflation each year.

Stopping Your Contributions

You may cancel your 401(k) catch-up contributions at any time by revoking the authorization for payroll deduction as of the end of any payroll period with two weeks advance written notice.

Employer Contributions

Your employer may be required to contribute to the Plan on your behalf, if it's required under a collective bargaining or participation agreement. To find out how much your employer is required to contribute, consult the collective bargaining agreement or other participation agreement that applies to your employment.

The Internal Revenue Code also sets a maximum limit on the total amount of contributions made on your behalf from your employer each year. Currently, the limit is the lesser of \$54,000 (as indexed by the Internal Revenue Service) or 100% of your taxable compensation for the 2017 Plan Year.

In addition, the Internal Revenue Code requires the Plan to pass special non-discrimination tests to ensure that it does not discriminate in favor of highly paid employees. You will be notified if your contributions must be adjusted because of these tests.

Making the Investment

When you become eligible to participate in the Plan, MassMutual will provide you with an information packet that describes the variety of investment options that are available to you.

You choose how you'd like to invest your contributions and your employer contributions. In general, you're able to change the way your contributions are invested every day, if you'd like. To make a change in the investment fund mix for either your new contributions or your existing contributions, you must contact the investment manager — MassMutual.

For more information about investing in your 401(k) Plan, see “Investing Your Contributions” on page 28. You are in charge of directing how the contributions that are made to your individual account are invested.

Investing Your Contributions

You are in charge of directing how the contributions that are made to your individual account are invested.

Fast Facts:

- ✓ The investment company is MassMutual.
- ✓ You will receive information about your investment options when you first become eligible to participate.
- ✓ You can access information about your account and make changes to how your money is invested by visiting the MassMutual website at www.massmutual.com/retire.
- ✓ If you do not choose how you'd like to invest your money, your account will be invested in one of the "Destination Funds" — the default option — on your behalf.

Deciding How to Invest

Currently, there are 14 investment funds available under the Plan in addition to the Target Date Funds. You can direct a portion of your individual account to any one or more of these investment funds. Each investment fund is associated with different risks and returns. No one can promise how your investments will perform. For more detailed information, refer to the materials that MassMutual provided to you when you became eligible to participate in the Plan.

To begin participating, you must complete an election form and return it to MassMutual. MassMutual will invest your contributions according to the investment options you have elected.

MassMutual will provide you with a personal identification number (PIN) within one week of the date they receive your election form. You will need your PIN to transfer your investments and to obtain information on your individual account.

The Target Date Funds

If you do not select an investment for any portion of your individual account, that portion will automatically be invested in a "Target Date Fund." A Target Date Fund combines stocks (equity) and bonds and cash (fixed income) at different allocations.

The Plan offers five Target Date Funds:

- an "income" fund;
- a Fund for those whose expected retirement date is/will occur around 2020;
- a Fund for those whose expected retirement date is/will occur around 2030;
- a Fund for those whose expected retirement date is/will occur around 2040; and
- a Fund for those whose expected retirement date is/will occur around 2050.

The Target Date Fund that is selected on your behalf will be appropriate for your age group.

Note that due to unpredictable fluctuation in the market, your investments may not always earn money. It is your responsibility to manage your own investments. The Plan, the Plan Administrator, and the Trustees are not responsible for any loss that occurs as a result of your investment choices.

Changing Your Elections

You may make changes to the investment options you've elected at any time. To make changes, you can visit the MassMutual website — www.massmutual.com/retire — or you may call them on 1-800-743-5274. You'll need your PIN to access the information.

Check out the MassMutual website at www.massmutual.com/retire. You can check the performance of your investments or change your investment elections.

Excessive Trading Rules

Due to the scrutiny placed upon plan sponsors and fiduciaries by the Securities and Exchange Commission (SEC) to curb market timing and excessive trading, investment options offered under the Plan are subject to excessive trading rule policies.

Large short-term cash flows in and out of a fund can disrupt portfolio strategies and costs. To protect the interests of, and maintain a standard of fairness among, shareholders, this policy monitors exchanges in and out of the investment options under the Plan. Although you can exchange between investment options freely in the Plan (until 4 PM Eastern time on a business day), you must do so in conjunction with each option's excessive trading policy. These policies are outlined in each option's Prospectus or Fact Sheet. Please be sure to read them carefully.

Your Participant Financial Statement

Plan statements are mailed four times a year. This quarterly statement will show all of your account balances and activity, including your employer's contributions, investment results, transfers (if any), etc. You'll also get a printed confirmation of any investment change you make (normally mailed within a few days after you make the change). The DOL advises participants about diversification. Please review this information shown on your quarterly statement.

About Your Investment Decisions

The Trustees decide which investment options to offer under the Severance and Annuity/401(k) Plan. The Plan may offer or stop offering any option at any time. Please read carefully the separate investment option materials, which include a description and Prospectus or Fact Sheet of each option, to determine which option or combination of options is right for you. These materials are available from MassMutual or the Fund Office.

While the Plan's Trustees decide which investment options to make available to you under the Plan, it's up to you to select the options in which you will invest your contributions. The Fund Office can provide you with information on how the investment options work but cannot give you investment advice.

Please remember that any investment carries a degree of risk. The annual rate of return on your investment will vary depending on the options in which you invest. How an option has performed in the past does not guarantee that those results will continue.

It is up to you to monitor the performance of the investment options available under the Plan and to make investment elections that meet your own financial goals. You are responsible for your investment choices. Neither the Trustees, MassMutual nor any representative of the Fund is responsible for any losses that result from your investment decisions.

Representative Responsible for Providing Plan Investment Information

MassMutual has been designated to provide the information required under ERISA Section 404(c) and, upon request, will make available the following information to Plan participants with respect to the Plan's investment options:

- a description of the annual operating expenses of each investment alternative (including investment management fees, transaction costs, and other costs that may reduce the rate of return of such investment alternative);
- a description of the amount of any such expenses expressed as a percentage of average net assets of the investment alternative;
- copies of prospectuses, fact sheets, financial statements and reports, and any other relevant materials relating to the investment alternatives available under the Plan to the extent such information is provided to the Plan;
- a list of the assets comprising the portfolio for each investment alternative, the value of each such asset (or the proportion of the investment alternative that it comprises) and, with respect to each investment alternative that is a fixed-rate investment contract issued by a bank, savings and loan institution or an insurance company, the name of the issuer of the contract, the term of the contract and the rate of return on the contract;
- information with regard to the value of shares or units of investment alternatives, as well as on the past and current investment performance of each alternative, determined, net of expenses, on a reasonable and consistent basis; and
- information with regard to the value of shares or units of the investment options held in your account.

Valuing Your Account

Account values are determined each day the New York Stock Exchange is open for business. The value of your Individual Account will reflect all of the following factors:

- employer contributions made on your behalf
- your own voluntary contributions
- rollover contributions
- investment gains or losses
- loans and loan repayments
- distributions.

Borrowing From Your Account

If you are eligible, the Severance and Annuity/401(k) Plan allows you to borrow up to a maximum of \$50,000 or 40% of your individual Severance and Annuity account balance, whichever is less.

Fast Facts:

- ✓ If you borrow money from your Severance and Annuity account, you must pay it back — with interest — within a limited time period.
- ✓ You cannot have more than one outstanding loan at a time, unless the loans are granted for certain educational expenses.
- ✓ You have up to five years to pay back your loan, but you may pay it back sooner.

Eligibility

To be eligible to borrow money from your individual Severance and Annuity account, you must have had your account for at least five years. Only you, as the participant, may take a loan from your Severance and Annuity account. Your spouse or beneficiary is not eligible. You are not eligible for a loan if, in the five years prior to your new loan application, you have forfeited a portion of your Severance and Annuity account because you failed to repay a loan.

Loan Limits

The amount of your loan may not exceed the amount that you require for your eligible expense. You will be asked to provide proof of the expense before your loan will be approved.

The most you may borrow is the lesser of the following amounts:

- 40% of your Severance and Annuity account balance; or
- \$50,000 (reduced by the excess of your highest outstanding loan balance in the preceding year over the outstanding balance of Plan loans on the date this loan is made).

Eligible Loan Expenses

The five types of eligible loan expenses (based on IRS rules) are listed below. It is important to remember that the occurrence of one of these events does not mean that your request for a loan amount will be automatically approved. The Trustees review each loan application according to uniform standards applicable to all participants. If your loan application is approved, you will receive your loan as soon as administratively possible following the approval.

- **Medical expenses of at least \$500** incurred by you or your eligible dependents as a result of sickness or injury that were not reimbursed by the Plumbers and Steamfitters UA Local 486 Medical Fund.
- **Expenses for self-payment to maintain eligibility** in the Plumbers and Steamfitters UA Local 486 Medical Fund.
- **Funeral expenses** incurred due to the death of your spouse, child, parent, sibling or any person dependent on you for support, after a copy of the death certificate and the bill from the funeral home has been submitted to the Trustees.
- **Tuition/room and board expenses** to maintain you, your spouse or your dependent child at an accredited educational or vocational institution or to maintain a dependent child at a school for physically or mentally handicapped children.
- **Necessary residence-related expenses to prevent foreclosure** or your eviction from your principal residence and expenses (including property taxes, mortgage insurance and other properly-documented escrow amounts), and if necessary, up to three additional months of rent or mortgage payments on your principal place of residence.

Applying for a Loan

To apply for a loan:

- You must complete an application form, available from the Fund Office.
- You must complete a promissory note and other necessary documentation, as a pledge of security for the loan.
- You and your spouse must sign a legally binding waiver of any future claims that you, your spouse or future spouse may have (to the extent of the amount of the loan) to the spousal annuity (see page 35) or preretirement surviving spouse benefit (see page 39).
- You and your spouse must consent to the use of your individual account as security for the loan, and the consent must acknowledge the effect of the loan on your rights under the Plan. This consent must be witnessed by a notary public or Plan representative.

- You must provide any evidence the Trustees require to demonstrate your qualification for the loan.
- Loan distributions are made directly payable to the school, funeral home, mortgage company or other business for which the loan is needed.

There is a fee for initiating a loan, including preparation of the loan document.

Repaying Your Loan

You must repay your loan in equal, quarterly installments within a five-year period. If you miss more than two consecutive payments, your loan will be considered in “default.” Once your loan is defaulted, you may not take another loan five (5) years.

If your loan is in default:

- The outstanding balance is immediately due and payable.
- The Plan will report the outstanding principal balance and interest and consider your loan a distribution to you and the IRS. The deemed distribution will be taxable to you and you will be subject to a 10% early withdrawal tax penalty if you have not yet reached age 59½. However, this will not excuse you from any repayment.
- The Plan will foreclose on security by canceling your claims for the outstanding balance of the defaulted loan.
- All expenses incurred by the Plan in a collection action, including fees or other expenses incurred in enforcing security other than a pledge of your individual account, will be charged against your individual account balance.

You are not required to make loan payments while on active military duty. Loan repayments are suspended during military service leave under the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”).

Paying Interest on your Loan Repayments

Based on current Federal regulations, the Plan charges interest on the unpaid loan balance at a rate of 6%. The Trustees periodically review the rate and will revise it as necessary to comply with the law.

If You Leave Employment

If you have an outstanding loan and you separate from service, you may:

- elect to repay the loan; or
- have the outstanding loan amount treated as a distribution from the Plan.

If you elect to have your outstanding loan balance treated as a distribution, you will have to pay a 10% early withdrawal tax penalty if you have not yet reached age 59½ years old. If you prefer, you may delay distribution of your account and continue to repay the loan on schedule until it’s paid in full.

If you receive a cash-out of your benefit before you’ve paid back your loan, the amount of your loan will be deducted from your distribution.

If You Die

If you die before repaying a loan in full, the obligation to repay is cancelled as of the date of your death. The outstanding principal amount forgiven is not included in the amount of any surviving spouse benefit (described on page 40) payable to your spouse, but is reported to the IRS as a distribution to you as of the date of your death.

Financial Hardship Distributions

If you have a financial hardship and have deferred wages into the 401(k) Plan, you may be eligible to apply for a hardship distribution from the Severance and Annuity/401(k) Plan. You may withdraw up to the total amount of your 401(k) contributions and up to 40% of your employer profit sharing contributions.

Fast Facts:

- ✓ You may qualify for a hardship distribution if you experience a heavy and immediate financial need that cannot be met from other resources.
- ✓ You are not required to repay your hardship distribution; however, your Plan wage deferrals will be suspended for the six-month period following the date you receive the withdrawal.
- ✓ Financial hardship distributions may only be made from your 401(k) account.

Receiving a Hardship Distribution

To receive a hardship distribution, contact the Fund Office at 888-494-4443 for an application form. You must provide evidence that your financial hardship cannot be satisfied from other resources that are reasonably available to you, your spouse, or your minor children. Other resources include:

- insurance reimbursement;
- reasonable liquidation of your assets;
- stopping your salary reduction contributions; or
- loans from benefit plans or commercial lenders.

If you are married, your spouse must give written consent (witnessed by a notary public or a Plan representative) to the hardship distribution before the Trustees can approve your application if your 401(k) account balance is greater than \$1,000.

Withdrawing Your Contributions

The Fund Office will inform you of the type of evidence you need to provide to be granted a hardship distribution. If the evidence is satisfactory, you may be allowed to withdraw an amount, up to the total amount of your 401(k) contributions in your individual 401(k) account, or the amount of the financial need, plus applicable taxes that may result, whichever is less. The amount you receive as a hardship distribution is taxed as regular income. If you are under age 59½ at the time of a hardship distribution, you may also be liable to the IRS for a 10% early withdrawal tax penalty.

Withdrawing Employer Contributions

If you have had an Individual Account for five or more years and have been unemployed by a contributing employer for 12 consecutive months, you may also withdraw up to 40% of your employer profit sharing (EPS) contributions from your Individual Account—up to \$50,000 net of tax withholdings and penalties. You may only request an EPS hardship distribution one time in each Plan Year.

Penalties for Making a Hardship Distribution

Once you have been granted a hardship distribution, you may not make 401(k) deferrals to the Plan for the six months after you've received the hardship distribution. After six months have passed, you may begin to make deferrals again; however, the law limits the maximum amount of contributions you may make during the taxable year that follows the taxable year in which you received the hardship distribution. Your hardship distribution may not be "rolled over" into an eligible plan.

Qualifying Hardship Distributions

The following expenses qualify for a hardship withdrawal:

- Expenses for medical care (not covered by other insurance) incurred by you, a spouse, a dependent child or a parent you claim as a dependent on your federal tax return;
- Self-payment expenses necessary to maintain eligibility in the Plumbers and Steamfitters Local 486 Medical Fund;
- Costs, other than mortgage payments, directly related to the purchase of your primary residence;
- Education expenses (tuition and room and board) billed by an accredited college or university for up to the next 12 months for you, your spouse, children or dependents;
- Payments necessary to prevent eviction from your primary residence or mortgage foreclosure on your primary residence;
- Burial or funeral expenses incurred by you due to the death of your spouse, child, parent, or dependents; and
- Expenses for repairs for damage to your principal residence that would qualify for a casualty deduction under the federal tax code.

Employee Profit Sharing (EPS) Hardship Distributions

If you are unemployed for more than 12 consecutive months, you may apply for a hardship distribution from the EPS portion of your account. For this EPS hardship distribution, hardship is defined as the absence of contributions received by the Severance and Annuity/401(k) Plan for 12 consecutive months, as well as through the date of hardship distribution.

EPS Hardship Requirements

If you have had an Individual Account for five or more years and have been unemployed by a contributing employer for 12 consecutive months, you may be eligible to receive up to 40% of the EPS portion of your Individual Account but not more than \$50,000 net of tax withholdings and penalties. You may only request an EPS hardship distribution one time in each Plan Year. There is no spousal waiver requirement for this distribution, and there is no 10% tax penalty for distribution prior to age 59½.

Taxability of Contributions and Withdrawals

Through the Severance and Annuity/401(k) Plan, you are not subject to federal income tax on any contributions that you or your employer make, or on any earnings on the money in your account until you receive a distribution.

Fast Facts:

- ✓ The money that you defer from your pay through contributions is redirected before taxes are taken out of your paycheck, thereby saving you money in income taxes.
- ✓ While your money is in your individual account, you do not have to pay taxes on any investment earnings.
- ✓ When you withdraw the money from your account, you must pay taxes on it unless you roll it over into a qualified retirement plan, such as an Individual Retirement Account (IRA).

Get help from a professional!

Tax laws are complex — consult with a professional tax advisor before you receive a distribution from your individual account to discuss your personal financial situation. Remember, IRA rules are different from the rules for this plan.

Paying Taxes on Contributions to the 401(k) Plan

You are not subject to current federal income tax on any contributions that you or your employer make, or on any investment earnings on the money in your account. Your contributions are also exempt from most state and municipal income taxes. However, some states do not recognize your 401(k) deferrals as pre-tax contributions. You may wish to check with a tax advisor for the rules in your area.

When the money in your individual account is distributed to you, it is generally subject to federal, state and local income tax.

Advantages of Pre-Tax Contributions

There are many advantages to participating in the 401(k) Plan. Advantages include:

- You lower your taxable income;
- More of your money is working for you. Because you have not paid tax on your 401(k) deferrals, the entire contributed amount is invested; and
- You do not pay income tax on your 401(k) deferrals until you withdraw the amount from the Plan, which should be at retirement when you may be in a lower tax bracket.

Rollovers

If you are eligible to receive a distribution of your account balance, you will be given the opportunity to elect a “rollover” (direct transfer) of your account balance to another eligible plan as defined by law. Generally, an eligible plan includes an Individual Retirement Account (IRA), another employer’s tax qualified retirement plan or an annuity contract that will accept the transfer. If you roll over your account balance within 60 days, you do not have to pay taxes on it until you withdraw it from the eligible plan.

Your rollover contributions are credited to your individual account at fair market value as of the date the deposit is made and is considered as an employer contribution. If you are eligible for a direct rollover to another eligible plan and do not elect to make the rollover, the Plan must withhold 20% federal income tax from your single-sum payment.

Electing a Payment Option for Your Severance and Annuity/401(k) Benefit

When you apply for a distribution from your Severance and Annuity/401(k) account, you will have the opportunity to decide how you would like to receive your benefit.

Fast Facts:

- ✓ The standard form of payment for married participants is the spousal annuity.
- ✓ Once you've begun receiving your benefit in one of the payment forms described below, you may not change it.

Interim Monthly Distributions

If you are at least age 59½ when you retire, you may elect to receive an “interim monthly distribution.”

An interim monthly distribution offers you flexibility. Under this option, you may elect to receive a certain portion of your individual account each month for a limited amount of time. If your needs change, you may decrease or increase the amount you are receiving.

By decreasing your monthly benefit, you keep a greater balance in your account that can be used to pay you benefits over a longer period of time. On the other hand, you may choose to increase your monthly payments if an unexpected financial need arises.

For example: Jason begins to receive a monthly distribution of his Severance and Annuity/401(k) Plan individual account when he retires at age 59½. At age 62, he begins receiving his Pension benefit. Because he is receiving an additional monthly payment, Jason decides to decrease the amount of his interim monthly distribution. That way, he maintains a greater balance in his individual account that can be used to pay him benefits over a longer period of time.

Amount of the Interim Monthly Distribution

Your monthly distribution cannot be greater than 1.25% of your individual account balance (which equals one-twelfth of 15%) on the December 31 of the most recently concluded Plan Year.

So, for example, if your individual account balance is \$100,000 on December 31, 2014, you can receive up to \$1,250 per month during the 2015 Plan Year. The interim monthly distribution is payable starting at age 59½ and ending on the earlier of:

- your return to employment with an employer that participates in this Plan;
- April 1 of the calendar year in which you turn age 70½;
- your election to terminate the interim distribution; or
- your election to receive the entire amount of your individual account in the automatic form of payment or under one of the optional forms of payment.

If you elect this option and you are married, both you and your spouse must formally waive the spousal option (described below).

Fifty Percent Spousal Payment Option

If you are married when your benefits are payable, the automatic form of payment for your Severance and Annuity/401(k) benefit is the spousal payment option. Under the spousal payment option, your benefit is paid to you in monthly installments, payable to you for the rest of your life.

If you die before your spouse, your spouse will continue to receive 50% of the amount you were receiving prior to your death. Your individual account balance is used to purchase an annuity through a licensed commercial insurance carrier.

If your spouse dies before you do, you will continue to receive your monthly payments. All payments will stop at your death.

Rejecting the Spousal Benefit

You do not have to choose the spousal payment option if you are married. You may elect another form of payment as long as your spouse formally consents to the other form of payment. To formally reject the spousal payment option, you and your spouse must sign a rejection form that is witnessed by a notary public or Plan representative within the 90-day period prior to the date your benefit is payable. You and your spouse can change or revoke your waiver at any time during the 90-day period; however, once your benefit becomes payable, you may not change your form of payment.

In certain circumstances, such as if your spouse cannot be located, you may be eligible to waive this option without the consent of your spouse.

Thirty-Day Waiting Period

Within the 90-day period, but at least 30 days before the date your benefit payments start, you will receive a written notice explaining the terms and conditions of electing a certain form of payment and waiving an automatic form of payment.

You may elect to start receiving your benefit before the end of the 30-day waiting period by formally waiving the 30-day period.

You and your spouse have at least seven days to review the written notice about the automatic form of payment. You and your spouse must both consent in writing to the waiver of the 30-day period.

Single Life Annuity

If you are not married on the date your benefit payments start, and the balance of your individual account is more than \$5,000, the automatic form of payment for you is the single life annuity. Under the single life annuity, you receive your individual account balance as a monthly benefit payable for the rest of your life. Your account balance is used to purchase a single life annuity from a commercial life insurance carrier.

Other Payment Options

In general, if you are not married when you receive your Severance and Annuity/401(k) benefit, or if you are married and you and your spouse formally waive the spousal option, you may receive your benefit as a:

- fixed monthly amount in equal monthly installments for up to 15 years;
- lump-sum payment;
- profit sharing distribution, which can be made once per month, per Plan Year;
- combination of the fixed monthly amount and the lump-sum payment; or
- single life annuity.

These optional payment forms may also be available to your beneficiary. For example, if you die before you retire and terminate participation, your beneficiary may choose payment of your individual account balance in any of the optional forms described above.

Fixed monthly installments

Under the fixed monthly installment option, you may elect, at any time, to receive the balance of your individual account in a lump-sum payment, with your spouse's consent.

Mandatory Cash-Out

If your individual account balance is \$1,000 or less (excluding rollover contributions), it will be paid in a lump sum only. You and your spouse may elect to receive the lump-sum payment as a direct rollover from this Plan to an eligible plan that accepts your rollover distribution. If you do not elect a direct rollover, the Plan is required by law to withhold 20% of the distribution for federal income tax purposes, as well as an amount for state income taxes, depending on where you live. For more information about paying taxes on your distribution, see page 34.

Survivor Benefits

Death Benefits for Your Survivor

Both the Pension Plan and the Severance and Annuity/401(k) Plan offer benefits for your survivor in the event that you die before you've received your entire retirement benefit.

Fast Facts:

- ✓ Your Retirement Plans provide benefits for your spouse or other designated beneficiary if you die.
- ✓ If you elect a spousal payment option when you retire and you die before your spouse does, your spouse will receive a percentage of the retirement benefit you had been receiving prior to your death.

Pension Plan Pre-Retirement Spousal Annuity Death Benefit

If you are vested in the Pension Plan but have not yet retired when you die, your spouse will be eligible for a monthly benefit from the Plan for the rest of his or her life. To be eligible, you and your spouse must have been married for at least one year at the time of your death.

The amount of the spousal annuity death benefit is based on your pension credits and is paid as if you had lived to your retirement date, retired, selected a spousal payment option and then died the next day.

When the Spousal Annuity Death Benefit Begins

If you die before you retire and before you turn 55, your surviving spouse's benefit will be payable on the first day of the month following the date on which you would have turned 55 if you had lived. If you are 55 or older when you die, the starting date for your surviving spouse's benefit is effective the first of the month following your death.

Calculating the Spousal Annuity Death Benefit

If you are an active participant when you die and you've earned fewer than 25 pension credits, the spousal annuity death benefit is based on the amount that would have been payable to your surviving spouse (50%) under the spousal payment option. See page 17 for details about the spousal payment option.

If you are an active participant and you die after you've earned at least 25 but less than 35 pension credits, the spousal annuity death benefit is the amount that would have been payable to your surviving spouse under the 66⅔% joint and contingent option.

If you are an active participant when you die and you've earned at least 35 pension credits, the spousal annuity death benefit is based on the amount that would have been payable to your surviving spouse under the 100% joint and contingent option (explained on page 18).

What is an "active participant?"

An active participant — for the purpose of calculating survivor benefits — is a participant who worked in covered employment at any time during the Plan Year in which he or she died OR in either of the two previous Plan Years.

Rejecting the Spousal Annuity Death Benefit

If you waive the spousal annuity death benefit or revoke a previous election, you must notify the Fund Office. The Fund Office will provide you with forms to complete. You and your spouse must both sign these forms and your signatures must be witnessed by a notary public or a Plan representative.

Electing the 120-Month Option Instead of the Spousal Annuity Death Benefit

If you are an active participant and you die after you've earned at least 15 pension credits, your surviving spouse may elect the 120-month benefit instead of the spousal annuity death benefit. The 120-month benefit will pay your spouse 120 monthly payments equal to one-half of the amount you would have received if you had continuously worked in covered employment until normal retirement age.

If your spouse elects this option and the actuarial present value of the 120-month benefit is less than what the spousal annuity death benefit would be, your spouse will receive a lump-sum payment to make up the difference.

If you are not an active participant but you have at least 15 pension credits, your designated beneficiary is eligible to receive 120 monthly payments equal to one half of the monthly benefit you would have received if you had retired on the day before your death.

Pension Plan 120-Month Survivor Benefit

If you are a single active participant, or if you are married and you and your spouse formally rejected the spousal annuity death benefit, your beneficiary is eligible to receive 120 monthly payments. These monthly payments equal one-half of the monthly benefit you would have received if you had continuously worked in covered employment until your normal retirement age. To be eligible for this benefit, you must have earned at least 15 pension credits prior to your death.

Designating your beneficiary

If you're married, by law your spouse is your beneficiary. You and your spouse both must consent in writing if you want to name a different beneficiary. If you are single, you can name anyone you'd like to be your beneficiary. The Fund Office must have your beneficiary form on file for your designation to be valid.

Pension Plan Lump-Sum Benefit

If you do not meet the requirements for the spousal annuity death benefit or the 120-month benefit, your designated beneficiary will receive a lump-sum payment equal to \$1,000 times your earned pension credits.

Pension Plan — If You Die After You Retire

Your designated beneficiary will receive a benefit if you die after you retire if you elect a payment option that provides for a death benefit at the time you retire. For information about the payment options that provide a death benefit for your spouse or other beneficiary, see page 17.

Severance and Annuity/401(k) Preretirement Surviving Spouse Benefit

If you are married and you die before you start receiving your benefit from the Severance and Annuity/401(k) Plan, your surviving spouse will receive a preretirement surviving spouse benefit.

The preretirement surviving spouse benefit provides a monthly annuity for your spouse's lifetime that is the actuarial equivalent of 50% of your individual account balance as of the date of your death. The other 50% will be paid to your spouse as a death benefit (described below). Your individual account balance is used to purchase an annuity through a licensed commercial insurance carrier.

Instead of a lifetime annuity, your spouse may elect in writing to receive the preretirement surviving spouse benefit in any of the following payment options:

- a fixed monthly amount in equal installments for up to 15 years;
- a lump-sum payment; or
- a combination of the fixed monthly amount and the lump-sum payment.

Receiving a survivor benefit

In order to receive a survivor benefit from this Plan, your survivor must submit an application to the Fund Office for approval. Payments do not start automatically.

Your spouse's benefit will begin no later than the first day of the month starting 90 days after:

- the date you would have reached age 62; or
 - the date of your death.
-

Rejecting the Preretirement Surviving Spouse Benefit

If you and your spouse prefer, you may reject the preretirement surviving spouse benefit. To reject the benefit, contact the Fund Office for a waiver form. You and your spouse must consent to the rejection in writing, witnessed by a notary public or a Plan representative.

You and your spouse may waive the preretirement surviving spouse benefit or revoke any previous waivers and file a new waiver after you turn 35 but before you terminate from employment or before you die (whichever happens first).

You will receive a written notice about the preretirement surviving spouse benefit within a reasonable period of time after the latest of the following occurs:

- you begin participating in the Plan,
- you get married, or
- you turn 32.

The written notice will describe the terms and conditions of the preretirement surviving spouse benefit, your spouse's rights, and the effect of waiving the preretirement surviving spouse benefit and of electing the death benefit instead of the preretirement surviving spouse benefit.

Severance and Annuity/401(k) Death Benefit

If you die before you've begun to receive a distribution from your Severance and Annuity/401(k) Plan individual account and you are not married, your designated beneficiary will receive your individual account balance. Your beneficiary may elect to receive your balance as a:

- fixed monthly amount in equal installments for up to 15 years;
- lump-sum payment;
- combination of the fixed monthly amount and the lump-sum payment;
- lifetime monthly benefit in the form of a single life annuity from a commercial insurance carrier purchased with the amount of your individual account balance; or
- direct rollover to an individual retirement account.

If you are married and you die before you've begun to receive a distribution from your Severance and Annuity/401(k) Plan individual account, your spouse will receive one-half of your balance as a preretirement surviving spouse benefit (described above) and the other half as a death benefit.

If you are not married and there is no beneficiary on file, your benefit will be paid to your estate. If there is no estate, any remaining amount in your individual account will be forfeited and allocated to the Plan's suspense account and used to offset future Plan administrative expenses.

Life Events

At certain times in your life, you may experience “events” that can affect your Pension and your Severance and Annuity/401(k) benefit — such as marriage, divorce or stopping work.

Fast Facts:

- ✓ If you marry, your spouse is by law your beneficiary for your retirement benefits. You may name someone other than your spouse to be your beneficiary with your spouse’s written consent.
- ✓ If you divorce after you retire, your retirement benefits will remain the same unless a Qualified Domestic Relations Order (QDRO) is filed that directs otherwise.
- ✓ If you become disabled, you may be entitled to a disability pension and a distribution from your Severance and Annuity/401(k) individual account.

If You Marry

When you are legally married, certain Plan rules and provisions apply to you and your spouse. You should contact the Fund Office to make sure your beneficiary information is up to date.

If you marry before you retire, your spouse is automatically your beneficiary, as required by law, provided you have been married at least one year prior to your death.

If you both decide to name another person(s) as your beneficiary, your spouse must waive his or her rights as beneficiary in writing and before a Plan representative or a notary public.

The automatic form of payment for married members is the spousal option, described on pages 17 and 35. In order to elect another payment option, you and your spouse must waive the spousal option in writing and it must be witnessed by a Plan representative or notary public.

If you get married after you retire, you cannot change your method of payment to a spousal benefit.

If You Divorce

If you divorce either before or after retirement, your spouse may decide to contact his or her attorney and file a Qualified Domestic Relations Order (QDRO). Under the terms of a QDRO, certain payments could be made from your benefits to pay alimony, child support, or marital property rights of your spouse, former spouse, child or other dependent.

A copy of the Plan’s QDRO procedures are available from the Fund Office. You may request a copy of these procedures at no charge.

If you divorce after your pension benefit payments begin in the form of a spousal pension, payments will continue in effect and benefits will be paid to your former spouse when you die, unless otherwise required under the terms of a QDRO. You may submit a QDRO to the Fund even if one of the parties is deceased.

If you move. . .

If you move, send a signed statement to the Fund Office advising of your new address as soon as possible to make sure your records are kept up to date.

If You Have a Break-In-Service

Your Pension Benefit

Leaving active employment or not working enough hours in a calendar year can cause a break-in-service. If you are not vested in the Pension Plan and you incur a break-in-service, you may lose your status as a participant and the vesting service and pension credits you’ve accumulated. There are two types of breaks-in-service:

- A one-year break-in-service; and
- A permanent break-in-service.

One-Year Break-In-Service

If you do not work at least 350 hours in covered employment in a Plan Year, you will incur a one-year break-in-service. You will lose the vesting service and pension credits that you had previously earned under the Pension Plan if you are not vested in the Plan.

Your pension credits and vesting service may be restored to you if, before incurring a permanent break-in-service (described below), you return to covered employment and earn one year of vesting service.

Permanent Breaks-In-Service

If you have not met the requirements for a pension, and you are not vested in the Plan, you will lose all of your pension credits and years of vesting service if you have a permanent break-in-service. A permanent break-in-service happens if the total of your consecutive one-year breaks-in-service equal or exceed the greater of:

- five one-year breaks in service; or
- the number of years of vesting service you’ve earned.

In order to begin earning pension credits and years of vesting service again, you must meet the initial eligibility requirements for participation in this Plan.

If you work in covered employment on or after July 1, 2006, you may repair your permanent break in service and restore your previously earned pension credits and vesting service if you earn 10 or more pension credits.

When Breaks-In-Service Don't Apply

If you are absent from covered employment due to one of the following reasons, you may be credited with hours solely for the purpose of preventing a break-in-service:

- **Caring for a Child** — If you left covered employment because you were pregnant, your child was born, you adopted a child, or you spent time caring for your newly born or adopted child, your leave will not be counted toward a break-in-service.
- **Family and Medical Leave Act** — If your period of absence is covered by the Family and Medical Leave Act (FMLA) to a maximum of 12 weeks, your leave will not be counted toward a break-in-service.
- **Military Service** — If you leave covered employment to enter service in the U.S. armed forces, the period of your military service will not be counted toward a break-in-service provided you meet the requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA). You can receive as much as five years of pension credits while away on military leave.

Your pension credits cannot be cancelled if you're vested!

Once you're vested in the Plan, the vesting service and pension credits you've earned cannot be cancelled.

If You Stop Working

Your Pension Benefit

If you leave covered employment, as well as establish a bona fide retirement with your employer, and you are vested in the Plumbers and Steamfitters Local 486 Pension Plan, you may apply for a pension benefit. Generally, you'll be able to receive a pension benefit when you turn 62, unless you qualify for an early pension or a service pension, in which case you may be eligible as early as age 55. See page 15 for more information.

If you are not vested in the Pension Plan when you leave covered employment, you are not eligible for a pension benefit from this Plan.

Your Severance and Annuity/401(k) Benefit

If you terminate employment with an employer before you are eligible for retirement, you will be eligible to receive a distribution of your individual account balance as long as the following four conditions are met:

- no employer contributions and no 401(k) contributions have been made to the Plan on your behalf for 12 consecutive calendar months; and
- you have permanently withdrawn from employment covered by a Collective Bargaining Agreement which requires contributions to this Plan; and
- you are not registered as available for work with the Union; and
- no contributions have been received under a reciprocal agreement by any fringe benefit program sponsored by the Union and the Mechanical Contractors' Association of Maryland, Inc. for work that you performed within the 12 consecutive prior months; and
- you have severed employment with the employer you worked for at the time the above-mentioned contributions ceased.

If you are a member of a local union affiliated with the United Association other than Local 486, you will be eligible to receive the balance of your individual account at the end of the calendar quarter in which you terminate employment within the jurisdiction of the UA Local 486.

If You Retire

When you have decided to retire, you must contact the Fund Office at 888-494-4443 to receive an application form and file it with the Fund Office at least two calendar months before the date on which you'd like to retire. You may be required to submit certain types of proof in order to receive your retirement benefits.

If your application is approved, you will be given a description of the payment options that apply to your personal situation, information about rollovers for your Severance and Annuity/401(k) benefit, and information about benefits for your spouse or beneficiary in the event of your death.

For more information, see "Applying for Your Retirement Benefits" on page 48.

If You Return to Work after Retirement

Your Pension Benefit

If you're receiving a pension benefit from this Plan, there are certain limits on the work you can do after retirement. Your pension benefit may be suspended if you are engaged in "unauthorized employment." Unauthorized employment is 40 hours or more of work in a calendar month in:

- the same industry and job covered by the Plan when you reached normal retirement age, or if earlier, when you first retired;
- the trade or craft that you were employed in when you were covered by the Plan; and
- the geographic area covered by the Plan when you started receiving your pension benefit.

In accordance with Department of Labor regulations, the industry is the mechanical contracting and service industry. Trade or craft includes trade design work and supervisory employment such as Project Managers and other supervisors, company ownership of a company with less than 25 employees, and any supervisors below the executive level of a company with 25 or more employees. These descriptions include self-employment in the industry, trade or craft, and geographic area.

If you are younger than age 62, any pension you earn beginning January 1, 2015 will be suspended for work in unauthorized employment as described below.

40 hours or more of work in a calendar month in:

- **Construction Employment** — working in any capacity for an employer who is a mechanical contractor (i.e., work for any mechanical contractor, union or non-union) in any geographical jurisdiction; or
- **Substantial Non-Construction Employment** — working in any capacity for any employer in any industry, including self-employment, which results in annual earnings of more than four times the Social Security Annual Earnings Limitation in any geographical jurisdiction.

If you begin working in unauthorized employment, you must notify the Fund Office in writing within 15 days. Your benefit will generally be suspended for each month during your unauthorized employment. Once you reach age 70½, your pension benefits will no longer be suspended; however, you may still defer re-commencement of your monthly benefits as long as you continue to work in unauthorized employment.

If you are working in covered employment, your employment is not considered "unauthorized" by the Plan as long as your employment is at the request of the Business Manager of the Union because there is full employment in the industry within that

geographic jurisdiction. You must inform the Fund Office with written notice within 15 days of your employment.

Receiving your benefit

Your pension benefit is payable each month on the first of the calendar month.

Retiring Again

If you return to covered employment and you earn additional pension credits, your pension benefit will be recalculated to reflect the total number of credits you've earned and your age when you retire again. Any reduction for early retirement that you made when you first retired will be adjusted for the months during which your benefit was suspended and/or for which you have already received benefits.

If you retire before normal retirement age, return to covered employment and accrue additional benefits, you will be able to elect a new payment option when you retire again. If you retire after normal retirement age, return to covered employment and retire again, your payments will continue in the same form as when you retired the first time.

If Your Benefit Is Suspended

If you've retired from the Plan, you may be asked periodically to sign a statement confirming that you are not working in unauthorized employment. The Fund does receive work information if you return to work that is covered by this Plan. If there is evidence provided from any source that you are working in unauthorized employment, the Trustees may suspend your pension for each month that you are employed. If an error is made, it will be corrected as soon as you provide satisfactory information regarding your actual employment.

If your pension is suspended for months for which you have already received pension payments, the amount you owe the Fund is deducted from your pension when it starts again. No more than 25% of your pension check may be deducted, except for the first check following your suspension, which may be withheld completely.

If you receive notification of suspension that you believe is wrong, you may make a written request that the Trustees review the suspension. Your request must be made within 60 days after you are notified of the suspension. During the time the Trustees consider your appeal, you or your authorized representative may review pertinent Plan documents and submit issues and comments to the Trustees in writing. You may request in writing that the Trustees consider in advance whether employment that you are planning will result in the suspension of your benefit.

How do I know if my employment is unauthorized?

Contact the Fund Office within 15 days of your employment to find out if your employment is unauthorized.

Benefit Payments After Age 70½

You must begin to receive your Pension and Severance and Annuity/401(k) benefits as of April 1 of the calendar year following the year in which the later of the following occurs:

- you reach age 70½; or
- you stop working in covered employment with all contributing employers.

You may elect to receive your benefit in any of the payment forms available to you except for the interim monthly distribution option.

Once your benefit payments have started under this provision, they can never be suspended.

Social Security Benefits

Your Plan benefits do not affect your entitlement to Social Security benefits. You are entitled to Social Security benefits independently.

If You Become Disabled

Your Pension Benefit

The Plan provides a disability pension for you if you:

- were awarded a Social Security disability benefit;
- have at least 15 pension credits;
- are not yet age 62; and
- have worked in covered employment in the Plan Year in which you became disabled or in either of the two Plan Years immediately prior to that year.

To apply for a disability pension, you may be required to have a physical exam by a physician selected by the Trustees. Throughout your disability, the Trustees may require you to be re-examined periodically.

If you can't work due to a disability, but you do not yet qualify for a disability pension, you may be permitted to make contributions to the Pension Fund during your disability (see page 11). To be eligible, you must have at least 350 hours in covered employment during the Plan Year that you are making contributions for. Your rate for self-contribution is the same rate that your employer contributed to the Fund on your behalf. The maximum amount you may contribute may not exceed the number of hours that you'd need to give yourself one full pension credit for that year.

The Fund Office must receive your contributions by the first October 1st following the end of the Plan Year to which your contributions are applied. You are always fully vested in your self-contributions — therefore, if you do not qualify for a disability pension benefit under the Plan, you or your estate may recover your self-contributions, with interest.

Your Severance and Annuity/401(k) Benefit

If you become permanently and totally disabled, you are eligible to receive your individual account balance. You are considered permanently and totally disabled if you are unable to work in employment as a result of an injury or illness that is likely to continue for the rest of your life.

To receive your account balance, you may have to:

- provide medical proof of your disability to the Trustees;
- undergo a physical exam by a physician of the Trustees' choosing; and
- meet the eligibility requirements to receive disability benefits from the Social Security Administration; or
- meet the requirements to receive a disability pension from the Pension Plan.

The Trustees are the sole and final judges of total and permanent disability, based on all accumulated medical evidence.

If Your Spouse Dies

If your spouse dies before you retire, you should contact the Fund Office to fill out a new beneficiary designation.

Your Pension Benefit

If your spouse dies while you're receiving a spousal or joint and contingent pension, you may apply to the Fund Office to have your monthly pension benefit increased to the amount it would have been if you hadn't elected the spousal or joint and contingent pension when you retired.

Your Severance and Annuity/401(k) Benefit

If your spouse dies while you're receiving a spousal annuity, your monthly annuity benefit will remain the same. You may not change a payment option after you begin receiving your distribution. The annuity may be paid by a third party under an annuity contract.

If You Die Before You Retire

If you are married at the time of your death, your spouse should contact the Fund Office as soon as is practical to learn about benefits that he or she may be entitled to under the Pension Plan and the Severance and Annuity/401(k) Plan. Detailed information about survivor benefits appears on pages 38-40.

Pension Plan Spousal Annuity Death Benefit

If you are an active participant and are vested in the Pension Plan but have not yet retired when you die, your spouse will be eligible for a monthly benefit from the Plan for the rest of his or her life. To be eligible, you and your spouse must have been married for at least one year at the time of your death.

The amount of the spousal annuity death benefit is based on your pension credits. It is paid as if you had lived to your earliest retirement date, retired, selected a spousal payment option and then died the next day. Based on the number of pension credits you've earned throughout your career, your spouse may be entitled to 50%, 66 2/3% 75%, or 100% of your joint and contingent pension benefit. See page 18 for more information.

Pension Plan 120-Month Survivor Benefit

If you are a single active participant, or if you are married and you and your spouse formally rejected the spousal annuity death benefit, your beneficiary is eligible to receive 120 monthly payments. These monthly payments equal one-half of the monthly benefit you would have received if you had continuously worked in covered employment until your normal retirement age. To be eligible for this benefit, you must have earned at least 15 pension credits prior to your death.

If you are not an active participant but you have at least 15 pension credits, your designated beneficiary is eligible to receive 120 monthly payments equal to one half of the monthly benefit you would have received if you had met the requirements for retirement and retired on the day before your death.

For example, if you would have been eligible for \$1,500 per month if you'd retired on the day before you died, your beneficiary would receive a benefit of 120 monthly payments of \$750 each.

Pension Plan Lump-Sum Benefit

If you do not meet the requirements for the spousal annuity death benefit or the 120-month benefit, your designated beneficiary will receive a lump-sum payment equal to \$1,000 times your earned pension credits.

Severance and Annuity/401(k) Plan Preretirement Surviving Spouse Benefit

If you are married and you die before you've started receiving a distribution from your individual account, your spouse will receive one half of your account balance as a "preretirement surviving spouse benefit." The preretirement surviving spouse benefit is generally paid as an annuity for life; however, your surviving spouse may elect another form of payment.

The remaining half of the preretirement surviving spouse benefit is payable to your designated beneficiary. If your spouse is your beneficiary, your spouse will receive the other half of your individual account as a "death benefit." This benefit will be paid to your spouse at the same time and in the same payment form that he or she elected for the preretirement surviving spouse benefit.

Severance and Annuity/401(k) Plan Death Benefit

If you are single or if you and your spouse have formally rejected the preretirement surviving spouse benefit in writing, your designated beneficiary will receive your individual account balance in one of the forms of payment described on page 35.

If there is no beneficiary designation on file, your benefit will be paid in the following order:

- to your spouse, if you're married;
- to your estate.

In the event that there is no beneficiary, spouse or estate, your individual account will be forfeited and allocated to the Plan's suspense account and used to offset future Plan administrative expenses.

The preretirement surviving spouse benefit and the death benefit for your Severance and Annuity/401(k) Plan are described in greater detail on pages 39 and 40.

If You Die After You Retire

Pension Plan

Your designated beneficiary will receive a benefit if you die after you retire if you elect a payment option that provides for a benefit to your beneficiary. For information about the payment options that provide a benefit for your spouse or other beneficiary, see page 17.

If you have no designated beneficiary or your beneficiary predeceases you, any benefit due to your beneficiary will be paid in a lump sum to your estate. If no personal representative of your estate claims the benefit within 5 years of your death, the amount will remain in the Trust Fund and be used for general purposes.

Severance and Annuity/401(k) Plan

If you die after you retire and you are married at the time of your death, your surviving spouse will continue to receive 50% of the benefit you had been receiving in equal monthly installments if you did not reject the spousal payment form when you retired. The profit-sharing portion of your account will go to your designated beneficiary.

Applying for Your Retirement Benefits

You must apply by completing an application available from the Fund Office to receive your Pension and your Severance and Annuity/401(k) Plan retirement benefits.

Fast Facts:

- ✓ You must apply for your retirement benefits. Contact the Fund Office at 888-494-4443 to request an application form.
- ✓ When you apply for your retirement benefits, the Fund Office will provide you with information about the payment forms that are available to you.

Applying for Your Pension Benefit

You are required to apply and file for your pension benefit at least two calendar months before your intended retirement date. This will avoid a delay in the processing of your application and payment of benefits. However, because of certain government requirements, you should not file more than 90 days before your intended retirement date.

When the Fund Office receives your request for an application form, they will mail an application to you. Complete the application form and return it to the Fund Office along with any additional information or proof requested and reasonably required for processing your claim.

When Benefits Begin

Your pension benefits are payable beginning on the first day of the month following the month you have fulfilled all of the conditions required for eligibility, including filing an application for benefits. You may not delay the receipt of your benefit payments beyond the April 1st following the calendar year in which the later of the following events occurs:

- you turn age 70½; or
- you retire.

Your benefit will not begin until the Fund Office receives your completed and signed application.

You may choose to defer your pension start date so that you begin receiving payments after your normal retirement date. The monthly benefit amount for a deferred pension is the greater of:

- the benefit you would have been paid on your annuity start date; or
- the benefit you had earned at your normal retirement age, increased by an actuarial equivalent factor for the period between the annuity start date and the date you reached normal retirement age.

For example: Bob retired from covered employment at age 65. He had 20 pension credits and the benefit rate was \$88 at that time. Therefore, his accrued monthly benefit at age 65 was \$1,760. At normal retirement age (age 62) he had 17 pension credits and the benefit rate was also \$88. His accrued monthly benefit at normal retirement age was \$1,496. If an actuarial equivalent factor of 1.066 is applied to the benefit he would have been eligible for at age 62, the monthly benefit would equal \$1,595. Since \$1,595 is less than \$1,760, Bob would receive the greater benefit of \$1,760 at retirement (age 65).

Normal retirement age is the later of age 62, or the date you meet the following participation requirements:

- the 10th anniversary of the date on which you become a participant in the Plan (counting all your service); or
- the fifth anniversary of the date on which you become a participant in the Plan (counting your service on or after January 1, 1999).

Different payment options for different retirement benefits

If you elect a spousal payment option for your pension benefit, you do not have to elect the same form of payment for your Severance and Annuity/401(k) benefit. Note, however, that your spouse must formally reject the spousal form of payment if you are married and would like to choose another payment option.

Paying Taxes

If you receive all or some of your pension benefit as a lump sum, it will be subject to 20% federal mandatory withholding tax and possibly state mandatory withholding tax (for example, Maryland and Delaware) unless you opt to roll it over into a qualified retirement plan, such as an IRA. The Fund Office will provide you with information about paying taxes on your benefit when you retire.

Incompetence or Incapacity

If it is determined to the satisfaction of the Board of Trustees that you or a beneficiary are unable to care for your affairs because of mental or physical incapacity, any payment due may be applied to your maintenance and support in a manner decided by the Trustees.

Applying for Your Severance and Annuity/401(k) Benefit

Contact the Fund Office for an application to apply for your Severance and Annuity/401(k) benefit. You will not receive a distribution from your individual account until the Fund Office receives your application and any additional information or proof requested and reasonably required for processing your claim.

Please note that your individual account holds BOTH your Severance and Annuity AND 401(k) earnings. You cannot receive a distribution of one or the other — your benefit consists of the total dollars you've accumulated in your individual account.

Electing a Payment Option

The Fund Office will provide you with an estimate of the amounts payable under the standard form of payment (spousal payment form, if you are married, and single life annuity if you are single). They will also provide you with the amounts payable for the other benefit payment options.

If you are married and you elect one of the other benefit payment options, you must provide the Fund Office with a waiver form (available from the Fund Office).

Benefit payment options are described in detail on page 35.

Lump-Sum Payment

If your individual account balance is less than \$1,000, you will receive your benefit as a lump-sum payment. You or your spouse may elect to receive the lump sum as a direct rollover from this Plan to another eligible plan. Tax advantages to a rollover are described below.

Deferring Taxes on Your Severance and Annuity/401(k) Benefit

When you receive a distribution from the Severance and Annuity/401(k) Plan, it is generally subject to income taxes. The Fund Office will provide you with information about options that are available to you to help you reduce or defer the amount of taxes that you will be required to pay. If all or a portion of your distribution is eligible to be “rolled over” — that is, to be transferred into an eligible plan — you have two options:

- **Direct Rollover** — You may “roll over” all or some of your distribution into an eligible plan. By doing this, you will not have to pay tax until you withdraw funds from the eligible plan, such as an IRA. You may withdraw your investment earnings; however, any withdrawal is subject to tax.
- **Payment to You** — You may elect to have your distribution paid to you in cash; however, it is subject to 20% federal income tax withholding and possibly state withholding tax. For example, if your distribution amount is \$10,000, you will receive \$8,000. The payment is taxed in the year you receive it, unless, within 60 days, you roll it over to an eligible plan.

Under certain circumstances, all or some of your distribution may not qualify to be rolled over into an eligible plan. The Fund Office will explain your options to you when you apply for your distribution. However, because tax laws are complex, you should consult with a professional tax advisor before you take a payment of benefits from the Plan.

If Your Retirement Benefit Application Is Denied

If you are a participant, pensioner, or a beneficiary of a deceased participant or pensioner, you must file an application for benefits with the Fund Office. Submitting an application for benefits to the Fund Office constitutes a benefit claim, and an individual who submits a claim is referred to as a claimant.

Denial of Claims

If your application for benefits is denied, in whole or in part, the Fund Office must provide you with a written notice of the denial within 90 days of receiving your written claim for benefits. Special circumstances may require up to an additional 90 days, in which case you will receive written notice of the extension before the end of the initial 90-day period and the date when a decision will be made.

If your claim for benefits is for a disability pension, the Fund Office will make a decision about your application within 45 days of receiving it. This 45-day time period may be extended twice for up to 30 days under special circumstances. If an extension is needed, written notification will be provided of the special circumstances requiring an extension and the date by which a final decision is expected to be made, before the 30-day period ends (for the first extension) and before the 30-day period ends (for the second extension).

If an extension is required because of failure to provide necessary information, the period for making the benefit determination will be counted from the date on which the notification of the extension is sent to the claimant until the date when the claimant responds to the additional information.

The notice of denial will describe the specific reason(s) for the denial; the Plan provisions on which the denial is based; any additional information or material that you need to provide in order to support your application and an explanation of why it is necessary; the Plan's review procedures; and, a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. In addition, if an internal rule, guideline, protocol or other similar criterion was relied upon in making the adverse determination on a claim for disability benefits, the notice will include either the specific rule, guideline, protocol, or other similar criterion, or a statement that such a rule, guideline, protocol or other similar criterion was relied upon in making the adverse determination, and that a copy of such rule, guideline, protocol or other criterion will be provided free of charge to the claimant upon request.

Right to an Authorized Representative

You can appoint an authorized representative to act on your behalf in filing a claim and seeking a review of a denied claim. You must, however, notify the Fund Office in advance in writing of the name, address, and phone number of your authorized representative.

Review of Documents

Upon request and free of charge, you or your authorized representative will be allowed to review relevant documents and submit issues and comments to the Fund Office in writing. A document, record or other information is “relevant” and is required to be made available to you only if it was relied upon by the Fund Office in making the benefit determination; was submitted, considered, or generated in the course of making the benefit determination; and demonstrates compliance with the Plan’s administrative processes and safeguards required under federal law.

Right to Appeal

Within 60 days after receiving a notice of denial (or within 180 days in the case of the denial of a claim for disability benefits), you or your authorized representative may request the Board of Trustees to review the denial. A petition for review must be in writing and must state, in clear and concise terms, the reason(s) for disputing the denial, and be accompanied by any pertinent or relevant document or material not already furnished to the Fund, and must be filed by you or your authorized representative with the Fund Office within 60 days after you receive notice of the initial denial. The Fund Office will present all petitions for review to the Board of Trustees or the subcommittee appointed by the Board of Trustees.

Failure to file a petition for review of the denial within the 60- or 180-day period will constitute a waiver of your right to a review of the denial. However, the Board of Trustees may relieve a claimant of any such waiver for good cause shown, provided application for relief is made within one year after the date shown on the notice of denial.

Important: You must submit any written proof or documentation you have in your written appeal to the Trustees if you are applying for benefits for covered employment that is not included in the Fund Office’s records of your employment history.

Review of Appeal

The Board of Trustees will make their decision on review of the appeal no later than the next meeting of the Board that immediately follows their receipt of the appeal. If the appeal of the denied claim is received within 30 days before the date of the next regularly scheduled Board meeting, the decision may be made no later than the date of the second meeting following their receipt of the appeal. If special circumstances require an extension of time,

written notification will be provided of such extension and the Board of Trustees will make their decision at the following meeting but in no case later than the third regularly scheduled meeting. Written notice of the decision will be provided as soon as possible but no later than five days after a final decision is made.

In the case of disability benefits, such decision on review of the denial will be made promptly and not more than 45 days after the Fund’s receipt of the petition for review. If special circumstances require an extension of time for processing the review, notice of such extension will be furnished to the petitioner before the expiration of the 45-day period. A decision will then be made as soon as possible, but not later than 90 days after the receipt of the petition for review.

In reviewing a denial of disability benefits that is based in whole or in part on medical judgment, the Board of Trustees or the subcommittee appointed by the Board of Trustees will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. The health care professional engaged for purposes of a consultation will be an individual who is neither an individual who was consulted in connection with the adverse determination that is the subject of the appeal, nor the subordinate of any such individual. Upon request, the claimant will be provided with the names of the medical or vocational experts, if any, who gave advice to the Trustees in making the determination on the claim, regardless of whether their advice was relied upon in making the determination.

The notice will include specific reasons for the decision, and will cite the Plan provisions on which the decision is based. The notice will also include a statement indicating that you or your authorized representative are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to your claim for benefits and a statement explaining your right to bring a civil lawsuit under ERISA following an adverse benefit determination upon your appeal. With respect to denials of disability benefits, if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, the notice will include either the specific rule, guideline, protocol, or other similar criterion, or a statement that such rule, guideline, protocol or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol or similar criterion will be provided free of charge to the claimant upon request.

If the Board of Trustees rules in your favor on the appeal, this ruling will be binding and conclusive. If the Board of Trustees rules against your appeal, the ruling will also be binding and conclusive unless you start legal proceedings challenging the Board’s ruling.

Important Information about Your Retirement Plans

Plan Facts

The chart below provides a fast reference for administrative information about the Plumbers and Steamfitters Local 486 Pension Plan and Severance and Annuity/401(k) Plan.

Plan Administration

Two Boards of Trustees, consisting of an equal number of Union representatives and Employer representatives, are the Plan Administrators of your Retirement Plans. The Boards of Trustees and Associated Administrators, LLC, third-party administrator at the Fund Office, have been designated as the agents for the service of legal process. Process may be served at the Fund Office or on any of the Trustees at the addresses shown on the inside back cover of this booklet.

Plan Continuation

The Boards of Trustees intend to continue the Pension Plan and the Severance and Annuity/401(k) Plan indefinitely but reserve the right to amend, change or terminate the Plans at any time if necessary. If the Plans are changed or terminated, you will be entitled to any benefit you have accrued to the extent then funded.

Plan Funding

All contributions to the Plans are made by employers in accordance with their collective bargaining agreements with the Union. The collective bargaining agreements and participation agreements require contributions to the Plan at fixed rates per hour worked. You may also choose to participate in the 401(k) portion of your Severance and Annuity/401(k) Plan.

The Fund Office will provide you, upon written request, with information as to whether a particular employer is contributing to the Plans on behalf of employees who are working under the Union contract and, if so, that employer's address.

Pension benefits are provided from the Funds' assets. Assets are accumulated under the provisions of the collective bargaining agreement and trust agreement and are held in a trust fund to provide benefits to covered participants and to pay reasonable administrative expenses.

Legal Name of the Plan	Plumbers and Steamfitters Local 486 Pension Plan	Plumbers and Steamfitters Local 486 Severance and Annuity/401(k) Plan
Plan Number	001	001
Employer Identification Number (EIN)	52-6124449	52-1190205
Plan Type	Defined Benefit Pension Plan	Defined Contribution, Severance And Annuity Plan with an Internal Revenue Code Section 401(k) tax deferred compensation arrangement.
Plan Year	January 1 – December 31	January 1 – December 31
Plan Administrator	The Board of Trustees of the Plumbers and Steamfitters Local 486 Pension Fund 911 Ridgebrook Road Sparks, MD 21152	The Board of Trustees of the Plumbers and Steamfitters Local 486 Severance and Annuity/401(k) Plan 911 Ridgebrook Road Sparks, MD 21152
Agent for Service of Legal Process	The Board of Trustees or Associated Administrators, LLC, Plan Administrator at the Fund Office	The Board of Trustees or Associated Administrators, LLC, Plan Administrator at the Fund Office

PBGC Protection

Your Pension Benefit is Protected

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

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

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by:

- 100% of the first \$11 of the monthly benefit accrual rate; and
- 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 guarantee for a retiree with 30 years of service would be \$12,870 per year.

The PBGC guarantee generally covers:

- normal and early pension benefits;
- disability benefits if you become disabled before the plan becomes insolvent; and
- certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- benefits greater than the maximum guaranteed amount set by law;
- 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.
- benefits that are not vested because you have not worked long enough;
- benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and
- non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

PBGC Insurance Does Not Apply to Your Severance and Annuity/401(k) Plan

Although the PBGC insures your Pension Plan, it does not provide insurance for your Severance and Annuity/401(k) Plan because it is a defined contribution plan.

For More Information

To find out more 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, DC 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 insurance program is available through the PBGC website on the Internet at www.pbgc.gov.

Top-Heavy Plan

A plan is "top heavy" if key employees (officers and certain other highly paid participants) receive more than a limited percentage of Plan benefits. In the unlikely event that your retirement plans become top heavy, requirements of federal law that state that a top-heavy plan must provide minimum contributions and/or minimum pension benefits and favorable vesting will be met.

Tax-Qualified Plan

The Pension Plan and the Severance and Annuity/401(k) Plan have been qualified by the Internal Revenue Service, which means that the retirement Plans have met the requirements of the IRC and therefore may receive tax advantages.

Non-Assignment of Benefits

Your retirement benefits are intended for your personal financial security. They cannot be sold, borrowed against (except in the case of a loan from your Severance and Annuity/401(k) Plan), garnished or attached in any way. However, your retirement Plans are required by law to honor a Qualified Domestic Relations Order (QDRO) to settle property rights, pay child support or pay alimony in a divorce. The Funds must also honor a federal tax lien against your benefits, if you are in pay status.

Limits on Retirement Benefits

Under federal law, there are limits on the amount that the retirement Plans can pay as well as limits on the amount your employer can contribute on your behalf. You will be notified if these limits affect your Pension or Severance and Annuity/401(k) benefit; however, because these limits are quite high, it is unlikely.

Your Rights Under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)

Pension Plan

If you leave covered employment to enter service in the U.S. armed forces, the period of your military service will not be counted toward a break-in-service provided you meet the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). You can receive as much as five years of pension credits while away on military leave.

Severance and Annuity/401(k) Plan

If you are on active military duty, you are entitled to certain rights in accordance with USERRA. Specifically, USERRA entitles you to prompt reinstatement in your job following completion of military service, with the same seniority, pay and benefits you would have had if you had not entered military service. In addition, your employer is required to continue making contributions to your Account. The amount of contributions will be based on an estimate of the hours for which contributions would have been made if you had not been on military leave or, if an accurate estimate cannot be determined, the hours for which contributions were made on your behalf in the 12 months before your military leave began.

Both Plans

To qualify for “reemployment rights” under USERRA, you must receive an honorable discharge and return to active employment within one of the following time frames:

- 90 days of the date of discharge, if the period of service is more than 180 days;
- 14 days from the date of discharge, if the period of service was 31 days or more but less than 180 days; or
- one day after discharge (allowing 8 hours for travel) if the period of service was less than 31 days.

If you are hospitalized or convalescing from an injury caused by active duty, these time limits may be extended up to two years.

Under USERRA an active employee is required to notify the employer (in writing or orally) that he or she is leaving for military service unless circumstances or military necessity make notification impossible or unreasonable. Your employer is required to notify the Plans within 30 days after you are re-employed following military service. It’s a good idea for you to notify the Fund Office as well.

If you die while performing qualified military service on or after January 1, 2007, your survivors are entitled to any additional benefits provided under the Plan had you resumed, then terminated employment on account of death.

Qualified Domestic Relations Orders (QDRO)

A QDRO is a court order or judgment that directs the Plan to pay benefits to your spouse, former spouse, child or other dependent in connection with child support, alimony, or marital property rights.

In addition, until the Plan has complied with the terms of the QDRO, the Board of Trustees may restrict the pension benefits that are payable to you. These restrictions could also apply during any period when the Board of Trustees is determining whether a written order satisfies the QDRO requirements in the Internal Revenue Code.

You will be notified if either of the Plans ever receives a proposed QDRO with respect to your pension. For more information on QDROs, or to receive a free copy of the procedures the Trustees follow in determining whether an order is qualified, contact the Fund Office.

Offsets under Section 401(a) (13) of the Internal Revenue Code

Offsets permitted under this section of the Internal Revenue Code generally involve convictions, judgments, settlements and similar dispositions entered on or after August 5, 1997 of breaches or alleged breaches of fiduciary duties under the Employee Retirement Income Security Act of 1974 (“ERISA”).

An offset can be valid with respect to a married participant’s benefits only if one of the following conditions is satisfied:

- Written spousal consent is obtained;
- The spouse is required by judgment, order, decree or agreement to pay the Plan any amount; or
- A judgment, order, decree or agreement provides that the spouse will be entitled to a survivor annuity equal to 50% of the benefit accrued by the participant on the offset date.

Compliance with Federal Law

The Plans are governed by regulations and rulings of the Internal Revenue Service and the Department of Labor, and current federal tax law. The Plans will always be construed to comply with these regulations, rulings and laws. Generally, federal law takes precedence over state law.

Amendment and Termination of the Plans

The Trustees of the Pension Plan and the Severance and Annuity/401(k) Plan have the authority to amend or terminate the Plans at any time and for any reason. You will be notified if the Pension Plan or the Severance and Annuity/401(k) Plan is amended or terminated; however, the change may be effective before a notice is delivered to you.

If either Plan is ended, you will be fully vested in any benefit you have accrued to the extent then funded. Plan assets will be applied to provide benefits in accordance with the applicable provisions of federal law.

Recovery of Overpayment

If you or your beneficiary are overpaid or otherwise paid in error, you must return the overpayment. The Boards of Trustees will have the right to recover any benefit payments made that were based on false or fraudulent statements, information or proof submitted, as well as any benefit payments made in error. Amounts recovered may include interest and costs.

In the event you are overpaid, the Fund Office will request a refund or the overpayment will be deducted from future benefits. If the refund is not received, the amount of the overpayment will be deducted from future benefits, or a lawsuit may be initiated to recover the overpayment. If any participant or beneficiary is ordered by a court or the Department of Labor to repay any amount to the Plans based on a violation of ERISA's fiduciary rules, the Plans may recover that amount by reducing benefits payable to that person in the future.

Your Disclosures to the Plans

If you provide false information to the Plans or commit fraud, you may be required to indemnify and repay the Plans for any losses or damages caused by your false statements or fraudulent actions. Some examples of fraud include altering a check and knowingly cashing a voided check. In addition, if the Plans make payments as a result of false statements or fraudulent actions, the Fund Office may elect to pursue the matter by pressing criminal charges.

Plan Administration

The Pension Plan is a defined benefit pension plan while the Severance and Annuity/401(k) Plan is a defined contribution pension plan. Benefits are provided from the Plans' assets. Those assets are accumulated under the provisions of trust agreements and are held in trust funds for the purpose of providing benefits to participants. The Funds are administered by two joint Boards of Trustees consisting of Union Trustees and Employer Trustees with equal voting power.

Discretionary Authority of the Boards of Trustees

Separate Boards of Trustees govern the Pension Plan and the Severance and Annuity/401(k) Plan, each in accordance with an Agreement and Declaration of Trust. The Trustees have the sole and absolute discretionary authority to interpret the terms of the Plans, determine benefit eligibility, and resolve ambiguities or inconsistencies in the Plans. All determinations and interpretations made by the Boards of Trustees and/or their duly authorized designee(s) shall be final and binding upon all participants, beneficiaries and any other individuals claiming benefits under the Plans.

The Boards of Trustees have delegated certain administrative and operational functions to the Fund Office and its staff. Most of your day-to-day questions can be answered by the Fund Office staff.

Your ERISA Rights

As a participant in the Plumbers and Steamfitters Local 486 Pension Plan and Severance and Annuity/401(k) Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plans and Benefits

- Examine, without charge, at the Fund Office and at other specified locations, such as worksites and union halls, all documents governing the Plans, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plans, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plans' annual financial reports. The Plan Administrator is required by law to furnish each participant with copies of these summary annual reports.
- Obtain a statement telling you whether you have a right to receive a retirement benefit at normal retirement age (see page 14) and if so, what your benefits would be at normal retirement age if you stop working under the Plans now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plans must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plans. The people who operate your Plans, called "fiduciaries" of the Plans, 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 benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to 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 Plans and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits that 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 or a medical child support order, you may file suit in 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 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.

Assistance With Your Questions

If you have any questions about your Plan you should contact the Fund Office. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Fund Office, 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 or visiting www.dol.gov/ebsa.

Pension Plan

Union Trustees

Wayne Adkins
Mark Jackman
Gerald Jackson
Will Welsh

Employer Trustees

Spencer Matusky
Joel Meredith
Robert Rimel
Stephen Weissenberger

Severance and Annuity/401(k) Plan

Union Trustees

Andrew Gannon, III
Gary Glab
Leonard G. Schuler Jr.
Will Welsh

Employer Trustees

Joseph P. Domiano
Tim Herbert
Shannon Shagoury
John Wontrop



**Plumbers and Pipefitters Local 486 Pension Fund
Severance and Annuity/401(k) Fund**

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