

**RESTATED  
SACRAMENTO  
INDEPENDENT HOTEL,  
RESTAURANT AND TAVERN  
EMPLOYEES PENSION PLAN  
(DEFINED BENEFIT PENSION PLAN)**

**SUMMARY PLAN  
DESCRIPTION**

**SEPTEMBER 2016**

**KEEP THIS BOOKLET FOR  
FUTURE REFERENCE!**

Dear Participant:

We are pleased to provide this new booklet, known as a Summary Plan Description, for the Sacramento Independent Hotel, Restaurant and Tavern Employees Pension Plan (“Plan”). The Plan provides retirement benefits primarily to members working for employers pursuant to a collective bargaining agreement with UNITE HERE Local 49.

The Sacramento Independent Hotel, Restaurant and Tavern Employees Pension Plan is managed by a Board of Trustees comprised of both union and employer representatives. The plan’s website, [www.SIHRTEbenefits.org](http://www.SIHRTEbenefits.org), provides Participants and their dependents with online access to information about your Pension Plan.

This booklet summarizes the key provisions of the Plan including how you earn benefits, when you may commence receiving your benefits and the choices you have when your benefits are paid to you. The formal text of the Plan controls eligibility, benefit payments, and other aspects of the Plan. **In the event of any ambiguity or conflict between this booklet and the Plan, the Plan will govern.**

You should read this booklet carefully. Moreover, if you are married you should discuss the Plan’s benefits, options and other rules with your spouse.

**KEEP THIS BOOKLET FOR FUTURE REFERENCE**

Only the Board of Trustees is authorized to interpret the Plan of benefits described in this booklet. The Board of Trustees has the full discretionary authority to determine eligibility for benefits, claims and appeals and to construe and interpret the Plan and related documents, and any rules.

If you have any questions about the Plan or desire additional information, please contact the Plan Office at the address listed above.

Sincerely,

Board of Trustees

**SACRAMENTO INDEPENDENT HOTEL, RESTAURANT AND TAVERN EMPLOYEES  
PENSION PLAN**

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## **IMPORTANT NOTICES**

### **LIMITATION UPON RELIANCE ON BOOKLET AND STATEMENTS**

This booklet provides a brief, general summary of the Plans. It is not intended to cover all of the details of the Plans. Nothing in this Summary Plan Description is meant to change the Plans' provisions. You should review the Plans to fully determine your rights. The Plans, as amended, are available for your review at the Trust Fund Office upon written request.

You are not entitled to rely upon oral statements of Employees of the Trust Fund Office, a Trustee, an Employer, any Union officer, or any other person or entity. As a courtesy to you, the Trust Fund Office may respond orally to questions; however, oral information and answers are not binding upon the Plans and cannot be relied upon in any dispute concerning your benefits.

If you wish an interpretation of the Plans you should address your request in writing to the Board of Trustees at the Trust Fund Office. To make their decision, the Trustees must be furnished with full and accurate information concerning your situation. You should further understand that, from time to time, there may be an error in a statement that you receive which may be corrected upon an audit or review. The Board of Trustees reserves the right to make corrections whenever any error is discovered.

### **C A U T I O N—FUTURE PLAN AMENDMENTS**

Future amendments to the Plan may have to be made from time to time to comply with new laws or amendments passed by Congress, rulings by federal agencies or courts, and other changes deemed necessary by the Trustees. You will be notified if there are important amendments to the Plans. Before you decide to retire, you may want to contact the Trust Fund Office to determine if there have been Plan amendments or other developments that may affect your retirement.

### **SEEK ADVICE OF TAX CONSULTANT**

The Trust Fund Office does not provide tax advice. You should discuss with a tax advisor the tax consequences of the selection of your benefit option.

### **ONE YEAR TO FILE LAWSUIT AFTER DENIAL ON APPEAL OR OTHERWISE**

You have one year from the date of a denial of an appeal or other adverse determination if there was no formal appeal to file a lawsuit against the Plan, the Board of Trustees, any individual Trustee or any other person involved with the Plan. Failure to do so means that you would not be able to pursue such litigation.

## **CHECKLIST: THINGS FOR YOU TO DO**

### **A. If You Move.**

Keep the Trust Fund informed of any change in your mailing address to ensure that you receive the Plan's communications. The Plan's website is [www.SIHRTEbenefits.org](http://www.SIHRTEbenefits.org). The Plan's address and phone number are: BeneSys Administrators, 7180 Koll Center Parkway, Suite 200, Pleasanton, CA 94566; Toll Free: (877) 893-1500, or (925) 398-7044.

### **YOUR UNION IS A SEPARATE ENTITY FROM THE PLAN**

The Pension Plan and your Local Union are two separate entities. You must provide separate written notice to both of these entities of any change of address or other key changes.

### **B. If Your Marital Status Changes.**

Inform the Trust Fund Office if your marital status changes. If you are getting a divorce, your former spouse may be entitled to receive a portion of your pension payments. Under federal law, the Plan must comply with any order issued by the state divorce court that is a Qualified Domestic Relations Order (QDRO). If you or your attorney have any questions or would like assistance before the QDRO is finalized, please contact the Trust Fund Office for a Sample Order and the Plan's Procedures for Administering Domestic Relations Orders.

### **C. If You Are Thinking About Retirement—Documents You Will Need.**

Please file your application in plenty of time (within at least 90 days of your anticipated retirement). You will need certain documents such as your birth certificate, marriage certificate, and your final judgment and marital settlement agreement in your divorce action. The Trust Fund Office can tell you what you need. See page 15 for a list of items.

### **D. Save This Booklet For Future Reference.**

Put this booklet in a safe place. If you lose your copy you may ask the Trust Fund Office for another.

### **E. Contact the Trust Fund Office If You Have Additional Questions.**

You should contact the Trust Fund Office if you have any questions. You can call (916) 921-3388.

## **QUESTIONS AND ANSWERS/SUMMARY OF KEY PROVISIONS**

### **1. WHAT IS THE PLAN'S PURPOSE, WHEN DID THE PLAN START AND WHO IS ELIGIBLE TO PARTICIPATE?**

The Plan's primary purpose is to provide eligible Participants and their beneficiaries with retirement benefits in addition to their savings and Social Security benefits. Each employee covered by the terms of a Collective Bargaining Agreement that provides for Employer contributions to be made on the Employee's behalf, or an Employee of the Union on whose behalf Employer Contributions are made in accordance with rules established by the Board of Trustees are eligible to participate in the Plan.

The Plan started on June 1, 1971. The Plan has since been restated effective June 1, 1976, June 1, 1984, June 1, 1987, June 1, 1989, June 1, 2000, June 1, 2008 and June 2014. The Plan Year commence June 1 and ends May 31 of the following year.

### **2. WHO IS ELIGIBLE AND HOW DO I BECOME A PARTICIPANT AND EARN A PENSION?**

Each employee covered by a Collective Bargaining Agreement with UNITE HERE Local 49 that provides for Employer contributions to be made on the employee's behalf to this Pension Plan is eligible to participate in the Plan. In addition, a non-bargaining unit employee may be eligible to participate in the Plan subject to rules established by the Board of Trustees.

You become a Participant in the Plan on the earlier of:

a. the first day of the month after you have had Employer Contributions made on your behalf for at least five calendar months in a Plan Year; or

b. the June 1 or December 1 coincident with or immediately following the date you complete at least 1,000 Hours of Service in a period of twelve consecutive months beginning with your initial date of coverage. Provided that if the Employee has not completed 1,000 Hours of Service within such twelve-month period, he or she shall commence participation on the earlier of the date described under subparagraph (a) above or the June 1 or December 1 coincident with or immediately following the date the Employee completes at least 1,000 Hours of Service in a Plan Year commencing on or after the Employee's Initial Date of Coverage.

An Hour of Service is any hour for which you have a right to be paid. This includes hours of paid vacation, holidays, illness, incapacity, layoff, jury duty, military duty, back pay and the time you are on a paid approved leave of absence.

Employees of the Union are also eligible to participate in the Plan subject to rules established by the Board of Trustees.

### **3. HOW DO YOU BECOME VESTED UNDER THE PLAN?**

To be entitled to benefits under the Plan, you have to earn sufficient service to become "Vested" under the Plan. One year of Vesting Pension Credit is credited to you for each Plan year during which you have worked at least 1,000 hours of Covered Employment or contributions were made on your behalf

for at least nine calendar months during the Plan Year. One-half year of Vesting Credit is granted to you for each Plan year during which you worked at least 500 hours of Covered Employment or contributions were made on your behalf for at least five calendar months during the Plan Year.

Vesting Credit includes:

- a. hours worked under a Collective Bargaining Agreement with UNITE-HERE Local 49;
- b. hours worked for a participating Individual Employer in non-covered contiguous employment, such as a supervisory or other non-bargaining unit position, provided there was no quit, layoff, other discharge or retirement between the covered and non-covered employment;
- c. hours of Covered Employment as a full-time Employee of the Union and
- d. hours recognized under a reciprocal agreement between this Trust Fund and another UNITE-HERE Defined Benefit Pension Trust Fund.

To be vested and retire with a Normal Retirement Benefit upon reaching age 65, and the earliest of the following has occurred:

- (1) you worked one or more hours in Covered Employment on or after June 1, 1999, and you have been credited with at least 5 years of Vested Pension Credit in the Plan, of which at least 2 years must be Future Service Credit; or
- (2) the 10<sup>th</sup> anniversary of the year in which your participation in the Plan commenced; or
- (3) the later of age 65 and the fifth anniversary of your participation in the Plan after June 1, 1988, without a permanent break in service;

Years of service that have been canceled due to a Permanent Break in Service are not included in the calculation. Please note that different vesting rules applied prior to June 1, 1999. If you have had no Covered Employment on or after June 1, 1999, you had to have earned ten years of Vesting Credit to be entitled to a benefit under the Plan.

For periods commencing on or after June 1, 1976, Contiguous non-covered service (as defined in Department of Labor Regulation Section 2530.210(c)) with the same Employer or an Affiliated Employer shall be counted in determining a full Plan Year for vesting purposes.

#### **4. ANNUAL STATEMENT OF YOUR BENEFITS.**

Each year the Plan will send you a statement showing your current hours of covered employment and your anticipated monthly pension at Normal Retirement Age (age 65) as of the end of the prior calendar year. You should review your statement for accuracy and notify the Trust Fund Office in writing immediately if corrections are needed or you have any questions. If you do not receive a statement by **April** of each year, please contact the Trust Fund Office.

### **ALERT-IF YOU FIND ERRORS IN YOUR STATEMENT**

**Please notify the Trust Fund Office in writing immediately if you notice any errors regarding your hours, rates and benefits or if you have any questions.**

## **5. CREDIT FOR CERTAIN MILITARY SERVICE.**

Pursuant to the Veterans Readjustment Assistance Act, the Uniformed Service and Reemployment Rights Act of 1994 and other applicable federal laws, an authorized leave of absence due to military service in the U.S. Armed Forces is considered Credited Future Service and Vesting Service, provided that you comply with all of the requirements of applicable federal law, the Plan, and any rules established by the Board of Trustees. This Plan provides such credit only for military service for which Credited Future Service is required to be granted under applicable federal law. You will need to provide a copy of your Military Discharge Papers for verification.

To be entitled to Credited Future Service and Vesting Service for the period in the Armed Services, a Participant whose active duty exceeded 90 days must have:

- a. been working as a Covered Employee during the 90 days prior to commencement of his Armed Service,
- b. returned to work as a Covered Employee within 90 days following termination of his service in the Armed Service,
- c. been honorably discharged from the service or its equivalent under U.S. Military law, and
- d. served no more than five years in the Armed Service (with certain exceptions).

Not all types of military service count under these rules. For Participants whose active duty did not exceed 90 days, an application for reemployment or being signed-up on the Union's out-of-work list must be made within the time periods required by the Uniform Services Employment and Reemployment Rights Act of 1994, and any other applicable law.

The Board of Trustees will determine the Employer contributions that would have been made to the Plan on the Participant's behalf for the period of absence by taking an average of the contributions made to the Plan on the Participant's behalf during the two Plan years (or a lesser number of years if the Participant has shorter service) immediately preceding the date the Participant commenced his service in the Armed Services, or if greater, using the 12 months just before the Participant entered the Armed Service as one of the two Plan Years being averaged. The Board of Trustees has sole and absolute discretion to determine the appropriate contributions to be allocated to a Participant in this situation.

The Plan incorporates the requirements of Heroes Earnings Assistance and Relief Act ("HEART"). The Plan shall provide a beneficiary of a Participant who dies while performing a qualified military service, as defined in the Internal Revenue Code, with any additional benefits that would have been provided under the Plan had the Participant resumed employment and then terminated employment on the account of death, including vesting service credit for the period of the deceased Participant's period of qualified military service. This applies too if the Participant becomes disabled while in Qualified Military Service.

and is unable to return to Covered Employment. This provision applies to deaths or individuals who become disabled occurring on or after January 1, 2007.

## 6. CAN I LOSE MY PENSION IF I STOP WORKING IN COVERED EMPLOYMENT?

(Impact of Breaks in Service—Can Lose earned Pension Benefits if you are not Vested.)

Your right to benefits, upon otherwise qualifying for retirement under the Plan, may not be taken away from you once your interest in the Plan becomes vested. Please note that the rules listed below apply only to Employees who have worked in Covered Employment on or after January 1, 1999. The rules for vesting and breaks in service for any Employee who has not worked in covered employment on or after that date are the rules that were in effect when the Employee last worked in covered employment. **Until you are vested, however, you are not entitled to benefits under the Plan.** Prior to January 1, 1999, you were required to have earned ten years of Vested Pension Credit to become vested in the Plan.

You incur a one-year break in service if you have less than 500 hours of Covered Employment during a Plan year and less than five months worked during the Plan Year. You incur a **Permanent Break in Service if you have five consecutive one-year breaks in service.**

**A. No Plan credits accrued before a permanent break in service are counted for any purpose under the Plan. This rule applies to all past and future breaks in service.** Different rules concerning breaks in service have applied at other times. Each set of new vesting and break in service rules apply to you only if you have satisfied the applicable covered employment requirements after each amendment's effective date. If you had a break in service in the past, you should review the Plan rules then in effect, or call the Trust Fund Office for information concerning the Plan rule which applies to your break in service.

**The following chart illustrates the break in service rule from June 1, 1987, through May 31, 1999, when the Plan required ten years of Vesting Service to be entitled to a pension under the Plan.**

<b>6/01/1987-5/31/99 BREAK IN SERVICE RULE</b>	
If your years of Vesting Credited Service before your <u>Break in Service</u> were:	You will have had a permanent Break in Service and lost your benefits if your <u>Break in Service years equaled or exceeded</u> :
0.25 - 5.00 Years	5 Years
5.01 - 6.00 Years	6 Years
6.01 - 7.00 Years	7 Years
7.01 - 8.00 Years	8 Years
8.01 - 9.00 Years	9 Years
9.01 - 9.99 Years	10 Years

## B. Exceptions to the Break in Service Rules

A Plan Year in which you fail to be credited with the minimum number of hours will not be counted against you toward a break in service if any of the following apply to you:

- (1) Absence Because of a Disability (for up to 24 months). A grace period for a disabled Participant may not exceed twenty four consecutive months for any one period of disability.
- (2) Absence Because of Unemployment (for up to 9 months). Absence because of unemployment if you were available for work provided that the period did not commence more than two years prior to the date you notified the Plan and the total period of unemployment cannot exceed 9 months.
- (3) Absence Because of Required Military Service. You are in military service in the Armed Services of the United States as required by applicable federal law (including that you make yourself available for Covered Employment within 90 days after your release from active duty or within 90 days after recovery from a disability that continued after your release from active duty) (or as otherwise required by applicable law).
- (4) Absence Because of Qualified Maternity or Paternity. If you are away from Covered Employment on or after January 1, 1986, by reason of your pregnancy, birth of a child, placement of a child with you in connection with adoption, or the caring of the child for a period beginning immediately after such birth or placement. Hours you are absent up to a maximum of 500 as a Covered Employee may be counted as an Hour of Service to determine whether there has been a one year Break in Service.

To receive credit for your leave, you must provide the Trust Fund office with written proof that your leave was for one of the reasons listed above within one year after your leave begins.

If your leave qualified, you are credited with eight hours of service for each normal work day during your leave up to a maximum of 500 hours of service for any one pregnancy or adoption placement.

These hours of service only count toward preventing an interruption of service in the year your leave begins or in the following year. They do not count as hours of service for vesting or any other purpose.

**C. Family and Medical Leave Act.** To the extent required by applicable law during a leave from Covered Employment of up to 12 weeks, your absence (from a contributing Employer that has a sufficient number of employees to be covered by applicable law) may not count toward a One-Year Break in Service, provided the leave was granted by your Employer in accordance with the Federal Family and Medical Leave Act (FMLA). You must return to work in Covered Employment on or before the expiration date of the FMLA leave of absence. FMLA leave includes absences from work because of:

- (1) Pregnancy,
- (2) The birth, adoption, placement with you for foster care or adoption of a child,
- (3) The Care of a seriously ill spouse, parent or child, or
- (4) Your own serious illness.

Your unpaid FMLA leave will not be treated as Future Service Credit.

To the extent required by applicable law, FMLA leave also includes up to 26 weeks of unpaid leave during a 12-month period to care for a child, spouse, parent or next of kin who is a member of the Armed forces who is undergoing medical treatment for a serious injury or illness sustained in the line of duty. To qualify as the “next of kin” you must be the service member’s “nearest blood relative”.

Grace periods are not automatic. You must submit a timely, written request for a grace period to the Plan office for approval by the Board of Trustees and you must comply with procedures established by the Board of Trustees for evaluating your request.

## 7. **WILL I RECEIVE CREDIT FOR WORK OUTSIDE THE JURISDICTION OF UNITE-HERE LOCAL UNION NO. 49?**

If you work outside the geographic area covered by this Plan under a Collective Bargaining Agreement requiring contributions to a different UNITE HERE Plan the contributions you earn typically are credited to that Plan. Likewise, if you are a traveler working temporarily within the jurisdiction of this Plan, the contributions you earn typically are credited to this Plan instead of to your home Pension Plan.

Dividing your pension service credit between two Plans can reduce your retirement income. For example, if you work outside your normal area for only a few years, you may not work enough hours to vest under the Plan in that area and may lose the benefits you earned during those years. And if some of your employment in the industry is not credited under this Plan, you are less likely to qualify for certain Plan benefits. To address this concern the Plan maintains written reciprocity agreements from time to time with different UNITE HERE affiliated pension plans in other geographic areas. Such reciprocity agreements are known as Pro Rata Agreements.

- A. Purpose. Pro Rata Pensions are provided under this Plan for Employees who would otherwise be ineligible for a pension under this Plan because their years of employment would have been divided between employment creditable under this Plan and employment creditable under a Related Plan.
- B. Related Plans. Pursuant to the Trust Agreement, the Trustees may recognize other pension plans as Related Plans.
- C. Related Hours. The term "Related Hours" means hours of employment which are creditable under a Related Plan.
- D. Related Credit. The terms "Related Credit" shall mean years of service, or portions thereof, creditable to an Employee under a Related Plan. Related Credit shall be credited under this Plan for the sole purpose of determining eligibility for a pro rata Pension Benefit under the provisions of this Plan. Related Credit shall not be granted if the number of consecutive one-year Breaks in Service incurred by an Employee between the time he or she is covered under this Plan or a Related Plan, and the time he or she again becomes covered under either this Plan or a Related Plan equals or exceeds the greater of: (i) five (5); or (ii) the aggregate number of years of Pension Credit under this Plan and years of service under a Related Plan accrued before such breaks.
- E. Combined Pension Credit. The term “Combined Pension Credit” shall mean the total of an Employee's Related Credit, plus the Pension Credit accumulated under this Plan (hereinafter

referred to as Sacramento Pension Credit).

If, in a Plan Year, an Employee had not had a sufficient number of Hours of Service in Covered Employment to be credited with 500 hours of Sacramento Pension Credit, but he or she would be so credited if his or her Related Hours were regarded as if they were Hours of Service in Covered Employment, he or she shall be credited with Sacramento Pension Credit as if all hours were worked in Covered Employment. However, any Related Hours so used may not again be used by the Employee for the purpose of calculating his or her Related Credit in this Plan.

F. Non-Duplication of Credit. In this Plan, an Employee shall not receive double credit for the same period of employment. No more than one year of Sacramento Pension Credit or Related Credit shall be given for all employment in any given Plan Year.

G. Eligibility for a Pro Rata Pension. An Employee who is retired is eligible for a pro Rata Pension if he or she meets the following requirements:

(i) He or she would be eligible for a Normal or Early Pension under this Plan were his or her Combined Pension Credits treated as Sacramento Pension Credit.

(ii) He or she has, after the earliest date for the accumulation of Future Service Credits under this Plan, at least two (2) years of:

- (A) Sacramento Pension Credit, or
- (B) Related Pension Credit, or
- (C) Combined Pension Credit.

H. Amount of Pro Rata Pension. The amount of a Pro Rata Pension Benefit paid under this Plan is determined based upon credits earned under this Plan. The Pro Rata normal or early Pension is determined by the accumulation of Pension Credit. The Benefit amount is reduced if the Employee qualifies for an early Pension.

I. Application. This section is inapplicable for Pension Credit earned prior to a one-year Break in Service under this Plan that occurred on or before the effective date of reciprocity with a Related Plan, if the effective date of reciprocity with a Related Plan is on or after June 1, 1996

## 8. **WHEN AM I ELIGIBLE TO RECEIVE BENEFITS FROM THE PLAN?**

Once your interest has vested, you may retire upon qualifying for Normal or Early Retirement; however, even when you are qualified for benefits, no benefits are paid until you apply for a pension, and until you have stopped working in Industry Service. The amount of your benefits will be affected by the type of retirement you elect. Benefits are reduced if you retire prior to your Normal Retirement Age. (This Plan does not provide a Disability Benefit.)

If you are entitled to a pension and you desire to begin receiving your pension, you should file a completed pension application with the Trust Fund Office 90 days prior to your anticipated retirement or benefit commencement date. Application forms may be obtained from and be submitted to the Trust Fund Office as follows:

Benefits are paid as soon as it is administratively feasible after all contributions are received and your application is processed. If you are eligible, all retirement dates are effective as of the first of the month following receipt of your pension application and your termination of covered employment.

Thus, if you have stopped working and are eligible for a pension, you should file your application immediately. To avoid delays, you should submit with your application:

- proof of your age (your birth certificate) and that of your spouse if you are married;
- proof of marriage, if applicable (a marriage certificate);
- if you have been divorced or are in the process of a divorce, a copy of your Court Final judgment in the divorce action, including any Marital Settlement Agreement or other pertinent divorce papers.

#### **A. Normal Retirement Age Is Age 65 Or Older**

You may retire with a Normal Retirement Benefit upon reaching age 65 and the earliest of the following has occurred:

- (1) you worked one or more hours in Covered Employment on or after June 1, 1999, and you have been credited with at least 5 years of Vested Pension Credit in the Plan, of which at least 2 years must be Future Service Credit; or
- (2) the 10<sup>th</sup> anniversary of the year in which your participation in the Plan commenced; or
- (3) the later of age 65 and the fifth anniversary of your participation in the Plan after June 1, 1988, without a permanent break in service;

**Years of service that have been canceled due to a Permanent Break in Service are not included in the calculation.** Please note that different vesting rules applied prior to June 1, 1999.

#### **B. Reduced Early Retirement Benefits On Or After Age 62 (Ten Years of Vested Credit)**

You may retire on or after the Plan's Early Retirement Date, which is the date:

- (1) you have terminated your Covered Employment;
- (2) you have attained at least age 62; and
- (3) you have earned at least 10 years of Vested Pension Credit, without a permanent break in service, of which 2 years must be Future Service Credit.

**Years of employment that have been canceled under the Plan due to a Break in Service are excluded.** Different vesting rules existed prior to June 1, 1999.

#### **C. How Is My Early Retirement Benefit Calculated?**

You calculate your Early Retirement benefit in the same way that you calculate your Normal Retirement Benefit (as if you retired at age 65) except the benefit is then reduced by one-half of 1% (.5%) for each

month by which the month of your actual retirement precedes the month in which you would attain age 65.

#### **D. Determining Your Benefits—What Is Credited Service?**

Credited Service is the total number of years which you have worked in Covered Employment and which is used to determine your eligibility for benefits. There are two kinds of Credited Service—Past and Future Service.

- (1) **Past Service Credit.** Past Service Credit is the period of Covered Employment prior to the date your Employer began making contributions to the Plan. You may be credited with up to eight years and, in some situations (such as the Stockton employees), five years of Past Service Credit, provided that you have earned at least two years of Future Service Credit during the first two years that your Employer was obligated to contribute to the Plan. There are different rules for different periods of time relating to Past Service Credit. You should contact the Plan Office for specific details if you have questions.
- (2) **Future Service Credit.** Future Service Credit is Covered Employment on and after your initial date of coverage under the Plan. You calculate Future Service Credit as follows:
  - (a) **June 1, 1971-May 31, 1975.** Count one year of Future Service Credit for each Plan year in which you are credited with at least nine months of Employer Contributions. No fractional Credit is provided.
  - (b) **June 1, 1975 after.** Count one year of Future Service Credit for each Plan Year in which you work at least 1,000 Hours of Covered Employment or in which you are credited with at least nine months of Employer Contributions. Count one-half (1/2) year of Future Service Credit for each Plan year in which you work at least 500 Hours of Service in Covered Employment or for each Plan Year in which you are credited with at least five months of Employer Contributions. In no event will you earn more than one year of Future Service Credit in a Plan Year.

**Effective as of February 1, 2010, additional non-benefit accruing Employer pension contributions may be made to the Plan (which do not generate benefits for Participants but help the Plan's funding status).**

#### **E. How Do I Calculate My Monthly Normal Retirement Benefit?**

Your monthly Normal Retirement benefit is determined as follows:

- (1) **Retirement on or after June 1, 1983 and prior to June 1, 1985:** Your monthly Normal Pension Benefit is the sum of (a) and (b):
  - (a) An Amount equal to \$1.78 multiplied by each full year of Past Service Credit, plus

(b) 5.4% of all contributions made on your behalf for each Plan Year subsequent to June 1, 1971.

In addition, if you retired before June 1, 1985, your pension benefit was increased by 5% for benefits received on or after June 1, 1985.

(2) Retirement on or after June 1, 1985: Your monthly Normal Pension Benefit is the sum of (a), (b), (c), (d), and (e):

- (a) \$1.87 multiplied by each full year of Past Service Credit, plus
- (b) 5.7% of all Employer Contributions made or due on your behalf for each Plan Year subsequent to June 1, 1971 and prior to June 1, 1988, plus
- (c) June 1, 1988 through May 31, 1998. Subject to (f) below, for the period between June 1, 1988 and May 31, 1998, \$9.70 for each Plan Year that you have 12 months of Employer Contributions made or due on your behalf. If in any of those Plan Years you are credited with at least 5 months of Employer Contributions but less than 12 months, you shall receive a fractional benefit based on the \$9.70 rate.
- (d) June 1, 1998 through May 31, 2003. 4.55% of all Employer Contributions made or due on behalf of an Employee for each Plan Year between June 1, 1998 and May 31, 2003, in which the Employee is credited with at least five (5) months of Employer Contributions.
- (e) After June 1, 2003. 2.00% of all Employer Contributions made or due on behalf of an Employee for each Plan Year beginning on and after June 1, 2003, in which the Employee is credited with at least five (5) months of Employer Contributions.

(3) Notwithstanding the foregoing, effective for the Plan's Year ending May 31, 1998, for purposes of determining your benefit accrual and the number of months of Employer Contributions under (2)(c) above, the following shall apply:

- (a) If you worked for more than one Employer in a single month, you will be credited with one (1) month of Employer Contributions for each Employer by whom or from whom a full Employer Contribution was made or due on your behalf for that month. A "full Employer Contribution" is an Employer Contribution made by or due from an Employer on your behalf if you have at least sixty (60) Hours of Service with that Employer in the month for which the contribution is made or due.
- (b) Your benefit will be \$19.40 for the Plan Year ending May 31, 1998 if you had twenty-four (24) months of Employer Contributions, determined in accordance with (i) above, made or due on your behalf.
- (c) If you were credited with fewer than twenty-four (24) months but at least seventeen (17) months of Employer Contributions, determined in accordance

with (i) above, you shall receive a fractional benefit based on the \$19.40 rate for the Plan Year ending May 31, 1998.

## **F. What Changes In The Benefits Have Been Made In The Past?**

1. **Benefit Increases:** If you worked at least 5 months in Covered Employment for certain Plan Years, your benefit as determined in section E. (2) above will be increased as follows:
  - a. If you worked at least 5 months in Covered Employment during the Plan Year ending May 31, 1990, and had not retired as of May 31, 1990, the portion of your monthly normal Pension Benefit through May 31, 1990, as calculated under (2) above is increased by ten percent (10%).
  - b. If you worked at least 5 months in Covered Employment during the Plan Year ending May 31, 1990, and had not retired as of May 31, 1991, the portion of your monthly normal Pension Benefit through May 31, 1990, as calculated under (2) above was increased by eight percent (8%) in addition to the ten percent (10%) described in (3)(a) above.
  - c. If you worked at least 5 months in Covered Employment during the Plan Year ending May 31, 1992, and had not retired as of May 31, 1992, the portion of your monthly normal Pension Benefit through May 31, 1992, as calculated under (b) above was increased by five and one-quarter percent (5.25%). This increase was applied after the increases of ten percent (10%) and eight percent (8%), respectively, under (3) (a) and (b) above.
  - d. If you worked at least 5 months in Covered Employment during the Plan Year ending May 31, 1993, and had not retired as of May 31, 1993, the portion of your monthly Normal Pension Benefit through May 31, 1993, as calculated under (2) above was increased by seven and three tenths percent (7.3%). This increase is applied after the prior increases.
  - e. If you worked at least 5 months in Covered Employment during the Plan Year ending May 31, 1994, and had not retired as of May 31, 1994, the portion of your monthly normal Pension Benefit through May 31, 1994, as calculated under (2) above was increased by four and seven tenths percent (4.7%). This increase is applied after the prior increases.
  - f. If you worked at least five months in Covered Employment during the Plan Year ending May 31, 1996, and had not retired as of May 31, 1996, the portion of your monthly normal Pension Benefit through May 31, 1996, as calculated under (2) above was increased by ten percent (10%). This increase is applied after the prior increases.
  - g. If you worked at least five months in Covered Employment during the Plan Year ending May 31, 1997, and had not retired as of May 31, 1997, the portion of your monthly normal Pension Benefit through May 31, 1997, as calculated under (2) above was increased by ten percent (10%). This increase is applied after the prior increases.

- h. If you worked at least five months in Covered Employment during the Plan Year ending May 31, 1998, and had not retired as of May 31, 1998, the portion of your monthly normal Pension Benefit through May 31, 1998, as calculated under (2) above was increased by fifteen percent (23%). This increase is applied after the prior increases.
- i. If you worked at least five months in Covered Employment during the Plan Year ending May 31, 1999, and had not retired as of May 31, 1999, the portion of your monthly normal Pension Benefit through May 31, 1999, as calculated under (2) above was increased by fifteen percent (15%). This increase is applied after the prior increases.

2. Supplemental Benefit (13th Check). The Board of Trustees has the discretionary authority to issue a supplemental benefit payment also known as a 13<sup>th</sup> check. There is no vested right to any such payment. Such payments may be granted in some years and not others and the amount may vary each year or the amount could be the same as in other years. But, there is no guaranty that there will be any such payments issued in the future.

## **G. You May Postpone Your Retirement With Certain Limits**

You are entitled to begin receiving your pension benefits on the first day of any month you choose after your Normal Retirement Date. Your benefit will be calculated on the basis of all Pension Credit whether earned before or after your Normal Retirement Date. If you receive a Pension Benefit payments while you continue to work in Covered Employment after your Normal Retirement Date, benefit accruals for Plan years during which you worked after your Normal Retirement Date will be reduced (but not below zero) by the Actuarial Equivalent of benefit payments you received after your Normal Retirement Date. An employee who retires beyond his or her Normal Retirement date shall receive a Pension that is no less than his or her benefit on his or her Normal Retirement Date actuarially adjusted to the date of his or her late retirement by applying the applicable interest rate and mortality table under Section 2.1(a) of this Plan.

The benefit accruals for Plan Years after the Employee's Normal Retirement Date shall be reduced (but not below zero) by the Actuarial Equivalent of total benefit distributions made to the Employee after his or her Normal Retirement Date. However, no Employee shall have his benefit accrual terminated or his rate of benefit accrual decreased due to the Employee attaining any age. Payments to individuals delaying their retirement shall be in accordance with the Internal Revenue Code and guidelines issued by the IRS.

Further, the Pension of any Employee (other than an Employee who is a five percent (5%) owner) who retires in a calendar year after the calendar year in which he or she attains age 70-1/2 shall be actuarially increased (pursuant to the rules set forth in Notice 97-75, 1997-51 I.R.B. 18) from April 1 of the calendar year in which the Employee attains age 70-1/2 to date on which the Employee begins receiving his or her Pension from the Plan. Such actuarial increase shall apply regardless of whether the Employee is in suspendable service under section 203(a)(3)(B) of ERISA and section 411(a)(3)(B) of the Code.

You may work past Normal Retirement Age and earn additional benefits in the same manner as you earned benefits prior to reaching age 65. You have the right to defer your retirement until you reach the required beginning date pursuant to the Internal Revenue Code. That deadline is the *later* of April 1 following the year you reach age 70-1/2 or the first day of the month following the date you stop working in Covered Employment.

If you terminate your Covered Employment prior to age 65 but choose to delay your retirement until after your Normal Retirement Date, you will be entitled to a pension that is actuarially increased from your Normal Retirement Date until the date you begin receiving your pension benefits (to account for the delayed payments, assuming you were not working).

## 9. HOW ARE MY BENEFITS PAID? (Spousal Consent Required for Optional Benefit)

Retirement benefits under the Plan are paid as monthly benefit payments. Your benefits may be paid for your life alone, or if you are married, for your life and your spouse's life. **If you are married when you retire, your election of an optional form of benefit is subject to your spouse's written consent before a Plan representative or a Notary.** If you receive benefits in the form of the Single Life Annuity, your spouse or other beneficiary will not be eligible for any further pension benefits. **Study the following options carefully because once you have received your first pension payment, you may not change your election.**

**A. Single Life Annuity with a 36 Month Guarantee.** A Single Life Annuity is a monthly benefit for your life alone, followed by one of two death benefits. This form of benefit is the Plan's Normal Retirement Benefit for non-married Participants, and all other forms of a pension are adjusted to be the actuarial equivalent of this benefit. This benefit will be paid to the Employee for his or her lifetime; provided that if the Employee dies before receiving thirty-six (36) monthly payments, his or her surviving Spouse shall receive monthly Pension payments for the lesser of: (1) the surviving Spouse's lifetime; or (2) the balance of the thirty-six (36) month period.

**B. 50% and 75% Joint and Survivor Annuity.** A 50% Joint and Survivor Annuity has two parts. The first part is a monthly benefit for your life which is reduced because it is to be paid over the lives of two persons. The second part is a monthly benefit paid to your spouse for his or her life, in an amount equal to 50% of the benefits paid while you were alive. The amount of the benefit paid in your lifetime is reduced so that the combined benefits payable to you both during your joint lives are the actuarial equivalent of a single annuity payable to you during your lifetime alone. The actual amount of this reduction depends on your age and your spouse's age at retirement. The 75% Joint and Survivor Annuity form is similar to the 50% Joint and Survivor Annuity, except that the amount paid to your surviving spouse is equal to the amount paid during your joint lives for the 75% survivor annuity and the amount paid during your joint lifetimes is subject to a greater reduction, to pay for the increased benefits paid to your survivor.

**The 50% Joint and Survivor Annuity form of benefit will apply automatically if you are married,** unless you and your spouse expressly reject it on the proper Plan form, prior to the time you receive your first benefit payment. Your rejection will not be effective unless accompanied by the written consent of your spouse on that form, duly acknowledged by a Notary Public or witnessed by a Plan representative.

(1) **Rationale for Decreased Benefit.** Because the benefits are payable for two lives—yours and your Spouse's—the amount of your benefit will be reduced. If, for example, your Spouse is much younger than you, the reduction will be even greater to reflect your Spouse's longer life expectancy.

(2) **Irrevocable Once Payments Start.** If you elect a Joint and Survivor Annuity, you may not withdraw or change your benefit option after your first pension payment has been made, except as described in subsection 3 below.

(3) **Later Divorce and Remarriage Do Not Impact Benefit.** If you retire on a Joint and Survivor Annuity and subsequently divorce your Spouse your pension will not be increased to the level you would have received had this reduced survivor coverage not been provided. A QDRO cannot require such action. Your former Spouse will continue to be entitled to his or her portion of your pension upon your death unless provided otherwise in a Court Order. **Moreover, if you subsequently remarry a different person after you retire, you may not transfer your Spouse's survivor benefits coverage to your new Spouse or elect a new survivor option.**

An Employee's election to waive the Qualified Joint and Survivor Annuity does not take effect unless: (I) the Employee's Spouse consents in writing to the election; (II) the election designates the specific alternate form of Benefit payment; (III) the Spouse's consent acknowledges the effect of the election; and (IV) the Spouse's consent is witnessed by a notary public or an authorized representative of the Plan. Any consent obtained from a Spouse to an election to waive an annuity is effective only with respect to such Spouse. If the waiver election is revoked, benefits are distributed in the form of a Qualified Joint and Survivor Annuity. Notwithstanding the foregoing, an Employee's waiver election shall take effect without spousal consent if it is established to the satisfaction of the Plan that the required consent cannot be obtained because there is no Spouse, because the Spouse cannot be located, or because of such other circumstances as the Secretary of Treasury may prescribe by regulations.

An Employee's waiver may be made at any time during the period which commences on the date the Employee receives notice and which ends on his or her Pension Benefit Starting Date. The Employee may revoke such election and, subject to the spousal consent requirements set forth above, elect again to waive such benefit at any time and any number of times during such one hundred-eighty-day period.

**C. Joint and 50% Survivor Annuity with Pop-Up.** This benefit is an actuarially reduced benefit providing for monthly payments during the Employee's lifetime, and, upon such Employee's death, monthly benefits to the Employee's Spouse during his or her lifetime in an amount equal to fifty percent (50%) of the monthly benefit paid to the Employee pursuant to subparagraph 9.B above. If the Spouse predeceases the Employee, the benefit will increase to the amount the Employee would have received under the Single Life Annuity with 36 Months Guaranteed option. If this form of benefit is elected, the amount of the benefit shall be actuarially reduced to reflect the increase in the amount of the benefit if the Spouse predeceases the Employee.

**D. 75% Joint and Survivor Annuity with Pop-Up.** This benefit is an actuarially reduced benefit providing for monthly payments during the Employee's lifetime, and, upon such Employee's death, monthly benefits to the Employee's Spouse during his or her lifetime in an amount equal to seventy-five percent (75%) of the monthly benefit paid to the Employee pursuant to subparagraph 9.B above. If the Spouse predeceases the Employee, the benefit will increase to the amount the Employee would have received under the Single Life Annuity with 36 Months Guaranteed option. If this form of benefit is elected, the amount of the benefit shall be actuarially reduced to reflect the increase in the amount of the benefit if the Spouse predeceases the Employee.

**E. Mandatory Lump Sum if Actuarial Equivalent is \$5,000 or Less.** Notwithstanding any provision to the contrary, if the Pension Benefit provided under the Plan has an Actuarial Equivalent value not in excess of \$5,000, such Pension shall be paid to the Pensioner or, if applicable, to his or her surviving Spouse, in a single sum cash payment. If the Actuarial Equivalent value of the Benefit exceeds \$5,000 at the time of any distribution, the Actuarial Equivalent value of the Benefit at any subsequent time shall be deemed to exceed \$5,000.

**F. Application Filing Requirement.** The payment of your pension benefits is not automatic. To be entitled to a pension or any other benefit under the Plan you must file a completed pension application with the Trust Fund Office. If possible, you should file your application at least three months (90 days) before you wish to retire. That will give the Trust Fund Office time to process your application and obtain all the necessary information. The Pension Application Form can be obtained from the Trust Fund Office or your local Union Office. As part of the application process you should submit the following to the Trust Fund Office:

- your anticipated last day of Covered Employment;
- your intended retirement date (date you wish benefits to start);
- proof of your age (photocopy of birth certificate) and that of your Spouse if you are married;
- photo identification;
- your social security number and that of your spouse if you are married;
- proof of marriage, if applicable (your marriage certificate)
- copy of any qualified domestic relations order (“QDRO”) showing approval by the Court, if applicable, including an Interlocutory Judgment and/or a Final Judgment, marital settlement agreement or any other court document which addresses your pension benefits with the Plan;
- military discharge papers, if applicable;

You will be notified in writing when your application is approved.

Additionally, it is your responsibility to respond to all inquiries made by the Trust Fund Office within 90 days of the request. If you do not respond within this time frame your application will be cancelled and treated as if it had not been filed. This means you must file a new application and that you may have a later Effective Date than the one which you had earlier requested.

## **G. General Information on Your Benefits**

(1) Summary of Benefit Options. The Plan provides different benefit payment options. When you apply for a pension, you will be advised of the amount of payment under each form of pension available to you. You will then have to select the form of payment you desire (subject to spousal consent if applicable).

**IMPORTANT:** Once you start receiving pension benefits), **you cannot change from one form of pension payment to another**, even if additional Employer contributions are received on your behalf or your marital status changes.

Benefits under the Plan provide monthly income for as long as you live. As described below, some benefits may continue to your beneficiary after your death. The benefit you

have earned - either the Full Benefit or the Reduced Early Retirement Benefit - will be reduced under the different forms of payment, except the Single Life Annuity. The reductions are actuarially based on the average life expectancy of the people eligible for the benefit.

(2) Spouse Consent Requirements. If you are married, your spouse must complete a spousal consent form no matter which payment option you choose. By completing this form, your spouse confirms that he or she consents, agrees to the pension effective date you choose and if you choose a life only pension, your spouse confirms that no monthly benefits continue after your death. The Spousal Consent Form must be completed and signed in the presence of a notary public or an authorized employee of the Plan.

(3) Electing Your Form of Payment. You must choose a type of benefit and designate a beneficiary before payments begin. Ask the Trust Fund Office for the necessary forms to complete.

**ALERT: YOU MAY NOT CHANGE YOUR BENEFIT OPTION**

**You may not change your payment option after benefits commence.**

You make your election of your form of benefit at your retirement, in writing, on the Plan's application forms. If you are married, and your spouse consents to waiving the Joint and Survivor Annuity, you may elect the Single Life Annuity or the 75% Joint and Survivor Annuity form. Once you receive your first pension payment, you may not change your form of benefit, except that retirees who have elected the Single Life Annuity may name a new beneficiary for the guaranteed benefits, subject to spousal consent if applicable.

**10. WILL THE PLAN PAY ANY BENEFITS IF I DIE BEFORE RETIREMENT?**

If you are married and are vested in your pension benefits and you die before retirement, your spouse is eligible for the **Qualified Pre-Retirement Survivor Annuity (50% Survivor Annuity)**. Under this benefit, if you have a vested interest in the Plan and you die before retirement, your spouse is entitled to a 50% Survivor Annuity, similar to the benefits you would have received if you had lived to retire. This benefit commences, upon the application of your spouse, at any time when you would have been eligible to retire on Early Retirement (age 62), subject to the reduction which would have been applicable to the Participant's retirement on that date. No pre-retirement benefit is paid to a single Participant if you die prior to retirement.

“Spouse” means the same-sex or opposite-sex person who is recognized as the Employee’s spouse in accordance with the laws of the state, the District of Columbia, United States territory or foreign jurisdiction where the marriage took place on the Employee’s Pension Benefit Starting Date; provided, however that a former spouse shall be treated as the Spouse or surviving Spouse to the extent provided under a qualified domestic relations order as defined in Section 414(p) of the Internal Revenue Code. If an Employee is treated as having two or more surviving Spouses, the total amount to be paid as a survivor annuity shall not exceed the amount that would be paid if there were only one surviving spouse; provided, however, that the amount payable shall be paid as an annuity based on the life of each Spouse.

## 11. SUSPENSION OF PENSION BENEFITS IF YOU RETURN TO INDUSTRY WORK

Return to Industry Work Prior to Age 65. If a Pensioner who retired on or after his or her Early Retirement Date returns to Employment in the Industry prior to age 65, his or her Pension Benefits shall be suspended until the Employee attains age 65 or again retires, whichever occurs first. If the Pensioner has returned to Covered Employment, he or she will accrue additional benefits.

Upon recommencement, your Pension Benefits will be paid in the same amount as was paid prior to suspension, plus any additional benefits accrued, if any. If, however, Pension Benefits recommence prior to the Pensioner's attainment of age 65, payments shall be reduced for early retirement.

A Pensioner is required to provide the Board of Trustees with such information as the Plan may request in order to establish the nature and extent of any employment by the Pensioner after the date of commencement of his or her benefits. In addition, at least once each year a Pensioner may be required to certify in a form acceptable to the Trustees that he or she is retired within the meaning of the Plan. Any pension payments otherwise due may be withheld pending adequate response by the Pensioner to such a request.

A Participant whose pension has been suspended shall advise the Plan Office in writing when disqualifying employment has ended. Benefit payments may be held back (not paid) until such notice is submitted to the Plan.

A Participant may, in writing, request of the Plan a determination whether contemplated employment will be disqualifying.

No payment shall be withheld by the Plan pursuant to this Section unless the Plan notifies the Employee by personal delivery, first class mail, or other delivery method permitted under DOL Reg. § 2530.203-3, during the first calendar month or payroll period in which the Plan withholds payments that his or her benefits are suspended (depending upon when the Plan learns of the prohibited employment). Such notification will contain a description of the specific reason why benefit payments are being suspended. The Plan's claims and appeal procedures apply to a benefit suspension.

A Participant is entitled to a review of a determination suspending his or her benefits by written request filed with the Trustees within 60 days of the notice of suspension of benefit. The same right of review applies, under the same terms, to a determination by or on behalf of the Board of Trustees that contemplated employment will be disqualifying.

Pension payments to a Pensioner who has ended disqualifying employment will resume beginning no later than the third month after the last calendar month for which his benefit was suspended, provided the Participant has complied with the notification requirements of the Plan.

If a Participant received pension payment to which he or she was not entitled the Plan shall recover the amount of such payments by deducting the amount of the overpayments from the Participant's future monthly payments until such overpayment is fully recovered. If a Participant has attained Normal Retirement Age, the amount of such offset is limited to 100% of the amount due to the Participant for the first payment upon resumption of benefits and 25% of the monthly pension benefit amount thereafter, until all overpayments are fully recovered.

## 12. CAN ANYONE ELSE RECEIVE MY BENEFITS?

### A. Anti-Assignment Rule (Exception for IRS Levy and Certain Divorce Orders)

In general, your benefits are payable only to you upon retirement, and may not be assigned or alienated. The intent of the Board of Trustees is that the Plan pay benefits only to you or your designated beneficiaries. As a result and pursuant to Internal Revenue Code requirements, you may not borrow against or otherwise pledge any part of your pension as security or collateral for a loan or otherwise transfer your rights. Moreover, your pension is exempt from claims of creditors, such as garnishments or executions, except for certain divorce and child support orders as set forth below, **an IRS levy (that contains all required information)**, and as may be required by applicable law.

### B. Incompetence or Incapacity of Pensioner

In the event that it is determined to the satisfaction of the Trustees that a Pensioner is unable to care for his or her affairs because of mental or physical incapacity, any payment due may be applied in the discretion of the Trustees to the maintenance and support of such Pensioner in the manner decided by the Trustees (except that no payment shall be made to a governmental institution or facility if the Pensioner is not legally required to pay for his or her care and maintenance), unless prior to such payment, claim shall have been made for such payment by a legally appointed guardian, committee or other legally appointed representative.

### C. Divorces: Qualified Domestic Relations Order

If you were married when you accrued benefits under the Plan, and then you get divorced, your former spouse may be entitled to a portion or your entire pension. The Plan is required by federal law to comply with a court order that awards a portion or all of your pension benefits to a former spouse(s), child or other alternate payee if the order qualifies as a Qualified Domestic Relations Order (“QDRO”) as defined in ERISA. A QDRO is an order that creates or recognizes the existence of a former spouse’s or child’s (or other alternate payee’s) right to receive all or a portion of your accumulated pension benefits.

To be a QDRO, the order must direct the Plan to pay benefits directly to your former spouse, child or other dependent now or in the future. Such benefits must be of a type and form provided under the Plan and may not exceed the benefits to which you would be entitled to receive under the Plan. The Order must specify the portion or amount to be paid and the number of payments or specified period for which payments are required to be paid to the Alternate Payee. The order may not require the Plan to make payments to the Alternate Payee for any period prior to the date the Order is filed with the Plan.

Under the Plan’s procedures, if a former spouse dies prior to benefits having commenced being paid to him or her, the former spouse’s portion reverts to the Participant. When you file your pension application, you are required to provide the Trust Fund Office with information on any pending or former divorce action. This includes a final or interlocutory judgment, marital settlement agreement and any related document.

#### **PARTIAL PAYMENT TO PARTICIPANT EVEN WITH A PENDING DIVORCE**

If it appears that your former Spouse or other alternate payee is seeking only a portion of your pension benefits or there are delays in the court proceeding or for other reasons, the Plan may, at its discretion, commence paying that portion of your pension that is not likely to be part of a pending QDRO.

You, your spouse, former spouse or court agency seeking child support payments may request the Plan's Procedures for Handling Domestic Relations Orders, which includes a Sample Order containing language acceptable to the Plan. **You or any other party (or legal counsel) should submit a proposed QDRO to the Plan's legal counsel prior to submission to a court. The Plan's legal counsel will then provide notice of any required changes.**

**WARNING**

**Unresolved disputes regarding a divorce and your pension benefits may delay payment of your pension.**

If the Plan is notified of a pending divorce action or receives a court pleading known as a "Joinder Request" or a similar document, the Plan has the discretion to delay paying your Plan benefits for a reasonable period to allow time for the parties to prepare a QDRO, even if your pension application is on file.

### **13. OVERPAYMENTS RECOVERABLE BY THE PLAN**

As a Participant or Beneficiary, you are entitled only to the amount and form of benefits described in the Plan document, as amended from time to time. If you are receiving an improper amount or benefit from the Plan and you become aware of that fact, the Plan requires that you notify the Trust Fund Office of the overpayment.

If you or any beneficiary receives an overpayment of benefits, the Plan will reduce or offset any future benefits to recover the overpayment, unless other arrangements can be made to the satisfaction of the Board of Trustees for the recovery of the overpayment. The Plan will withhold at least 25 percent of your pension payments until the overpayment is recovered by the Plan and to the extent permitted by law, the Plan may withhold up to 100% of your monthly payments until an overpayment is recouped. The Plan is authorized to offset lost interest on the overpayments and reimbursement to the Plan for any attorney fees and costs incurred as a result of the overpayment. The Plan may also file a claim against your estate or any other person or entity if amounts are still owed at your death and there are insufficient funds, including any death benefits payable to your beneficiary, to recover the overpayment. Any funds owed by a Participant to the Plan will be deducted from any death benefits that may be payable as a result of the Participant's death.

### **14. HOW IS THE PLAN ADMINISTERED?**

#### **A. Administration.**

The Plan is administered by a Board of Trustees comprised of six Trustees. One-half of the Trustees, called "Employer Trustees," are selected by the Employers signatory to collective bargaining agreements with UNITE HERE Local 49 and one half of the Trustees, called "Union Trustees," are selected by UNITE HERE Local 49. The current Trustees are listed on page iv of this booklet.

The Board of Trustees has many powers and functions including without limitation, investing the Plan's assets, interpreting Plan provisions, amending the Plan, deciding policy questions, and appointing advisors and consultants, such as an auditor, legal counsel and investment consultant.

The Board of Trustees has delegated the day-to-day administration of the Plan, including preparation of the annual statements and processing of applications and issuance of benefit payments, to BeneSys Administrators, a professional third party administration firm.

Only the Board of Trustees and its authorized representatives are authorized to interpret the Plan of benefits described in this booklet. No one else can interpret this Plan or act as an agent for the Board of Trustees—this includes individual Trustees, Employers, Unions and their representatives. The Board of Trustees (and persons or entities appointed or so designated by the Board) has the full discretionary authority to determine eligibility for benefits and to construe the terms of the Plan (and other documents pertaining to the Plan and Trust) and any rules adopted by the Trustees

## **B. Investments**

The Board of Trustees has contracted with Morgan Stanley, a registered investment manager, to prudently invest the Plan's assets in accordance with the Investment Policy adopted by the Board of Trustees.

## **C. Auditor**

The Board of Trustees has contracted with Miller, Kaplan, Arase, LLP, a certified public accountant, to audit the Plan's assets and to prepare the annual tax return (Form 5500).

## **15. IMPORTANCE OF TIMELY AND FULL EMPLOYER CONTRIBUTIONS TO THE PLAN.**

Your pension benefit is funded by Employer contributions made on your behalf pursuant to collective bargaining agreements with UNITE HERE Local 49. The contribution amounts are set by the bargaining parties. The Employer contributions to the Plan are not subject to withholding for FICA, FUTA or state or federal taxes.

Your Employer is required to make contributions by the 15th day of the month following the month in which your hours of work were performed. Your Employer forwards to the Plan Office a transmittal form that contains the name and hours of work performed by each Covered Employee together with a payment to the Trust.

### **ALERT: IF YOU BELIEVE YOUR EMPLOYER IS NOT CONTRIBUTING THE FULL AMOUNT TO THE PLAN**

You **should notify the Union and the Plan Office immediately** if you are aware or suspect that your Employer has not contributed to the Plan on your behalf the full amount required under your collective bargaining agreement.

The Plan Office reviews your Employer's monthly transmittal reports for mathematical accuracy and notifies the Employer if there is an error in the Employer's contributions which requires correction. Employer payments are transmitted to the bank which allocates sums contributed to this Plan. Each month the Plan Office makes the necessary computer entries reflecting the contributions made on your behalf.

The amount of Employer contributions made to the Plan for non-bargaining unit employees will be governed by individual Subscription Agreements entered into with the Plan and any rules adopted by the Board of Trustees.

## **16. CLAIMS AND APPEAL PROCEDURE**

### **A. Claims and Appeal Procedure**

The Plan, which is available for review by appointment at the Plan Office, or upon written request of the Plan Office, contains a claims and appeal procedure that must be followed. Be sure to read the claims procedure carefully before filing a claim or a lawsuit regarding your pension or the Plan.

The purpose of the claims procedure is to make it possible for claims and disputes to be resolved fairly and efficiently without necessitating costly litigation and attorneys' fees. **No lawsuit affecting the Plan may be brought unless the Plan's appeal procedure is followed first (and see Section C below for the time period for filing lawsuits).**

### **B. Denial of Claim and Appeal Rights**

Under the procedures set forth in the Plan and as is required by ERISA, if your claim for a pension benefit is denied in whole or in part, you will receive a written explanation including the specific reasons for the denial. You then have the right to have the Board of Trustees review and reconsider your claim.

To have your claim reviewed or if an issue is not resolved or you or any beneficiary disagrees with any act, omission or decision by the Plan Office, you must file with the Plan Office a written appeal within 60 days of your receipt of the Board's initial denial of your claim or other adverse action. Your appeal must state the specific reasons the denial of the claim or other adverse action was in error. **If you fail to submit your written appeal within that period, there will be no review of your claim.**

You may submit supporting documents or records, and you may examine Plan records pertinent to your dispute. You have the right to representation throughout the review procedure.

A review of your appeal will be held and a decision rendered by the Board of Trustees by the next regularly scheduled Trust meeting, unless the appeal is received within thirty days of such meeting or special circumstances exist requiring additional time. You may request or you may be requested by the Board of Trustees to appear at a hearing on your appeal. The Trustees, however, have the sole discretion whether to hold a hearing and whether to allow you to appear at such a hearing.

The decision on review will be in writing and, if your appeal is denied, will include specific reason(s) for the denial. There is no mandatory arbitration of any denied claim or appeal. The parties may mutually agree on arbitration but that is voluntary only.

If you believe that you are entitled to a benefit under the Plan that you are not receiving, you can make a written request to the Plan (or its representative) for the benefit. If your request is denied, you will be informed by written notice within 90 days after the Plan received your request. If the Board of Trustees needs more than 90 days to review your claim for benefits, you will be advised by written notice within 90 days after receipt of your claim. The notice will inform you why the Plan needs more time (which cannot exceed an additional 90 days), and the date by which you can expect a decision.

### **C. One Year Limitation Period for Filing Lawsuits**

Upon exhausting the above claims and appeal procedures, if you are still not satisfied, your next step is to file a lawsuit if you so desire and such lawsuit is permitted under ERISA or other applicable law. **No legal action may be commenced or maintained against the Plan, a Trustee, the Board of Trustees, or other person or entities involved with the denial or decision on appeal more than one year after the determination of your appeal by the Board of Trustees, or if not a formal appeal, one year after the act or omission of which you are questioning.**

## **17. REQUIRED DISTRIBUTIONS/TAX WITHHOLDING/ELECTRONIC DEPOSIT**

### **A. Age 70-1/2 Distribution Rule**

Under the Internal Revenue Code, the Plan must commence paying your pension benefit no later than April 1 following the year you attain age 70-1/2 or the date you retire, **whichever is later**. This is known as your Required Minimum Distribution or "RMD". Although you may take your first RMD by the end of the calendar year in which you turn 70-1/2, you can delay taking that first distribution until April 1 of the year following the year in which you turn 70-1/2. If you choose to delay the first RMD, you will have to take two distributions in that same year (the second one by December 31).

A Participant who attains age 70-1/2 may elect to receive his or her benefits regardless of whether he or she retires. Upon attainment of age 70-1/2, the Board of Trustees must ensure that your payments are paid over a period that does not exceed your life expectancy or the life expectancy of you and a designated beneficiary. **Not taking the RMD, however, will result in a significant penalty.** (If you own five percent or more of a contributing employer, the Plan will be required by IRS rules to commence paying your benefit at age 70-1/2 even if you are still working.)

Federal income tax withholding applies at the rate of 10% unless you elect some other rate or you elect not to have withholding apply. For any Lump Sum distribution the IRS requires 20% withholding. Certain states may also require state tax withholding. You will owe income tax on the distribution. You cannot roll the RMD portion of your pension into an IRA or retirement plan

You will pay taxes when you receive your pension benefits from the Plan. The amount of taxes you will owe will depend on when and how your benefits are paid to you and on the tax laws in effect at the time (as well as your tax bracket).

#### **ALERT - AGE 70-1/2 REQUIREMENT**

The IRS will assess a severe penalty against you if you do not begin receiving your benefits by April 1 of the year following the year you attain age 70½ if you have stopped working or the date you retire, whichever is later.

### **B. Tax Withholding Rules on Monthly Pension Payments**

The tax laws require that the Pension Plan withhold federal income tax from most monthly benefit payments unless you elect, in writing, not to have the tax withheld. The amount and form of the benefit generally determines whether or not automatic withholding applies; however, if you live outside the United States, different withholding rules may apply. You also have the option of having state tax withholding from your monthly payments. When you retire, you must notify the Trust Fund Office on

the appropriate Plan forms whether you wish tax withheld. You may want to consult with a tax advisor to discuss your payment and withholding options. You have the right, if you wish, to change your tax withholding amounts in future years.

If you choose not to have taxes withheld from your pension, you will be responsible for paying them when you file your tax return.

You may change your tax withholding as often as you wish by completing a new W-4P Form which can be obtained from the Benefit Office or Downloaded from the website. Once this form is completed, you must return it to the Benefit Office for implementation. Please have the completed form to the Benefit Office before the 15<sup>th</sup> of the month to ensure it is effective for the following month.

Participants who choose to take a distribution are responsible for satisfying the IRS' distribution rules and any tax consequences of the distribution. Distributions to Participants are reported annually on IRS Form 1099R, which is sent to you (and the IRS) in January following the calendar year in which the distribution was issued.

#### **C. Electronic Deposit of Pension Payments—Automatic Deposit**

To increase efficiency and to reduce the possibility of theft, the Trust Fund Office strongly recommends that you have your monthly benefit directly deposited electronically into an account at a bank, savings and loan, credit union, or other financial institution. You must complete the Trust Fund Office form and return it to the Trust Fund Office to identify the financial institution and account which will receive your electronic deposit.

#### **D. Other Internal Revenue Code Distribution Requirements**

If you die before payment of your pension has begun, a distribution of your benefits to a non-Spouse must commence by December 31 of the calendar year containing the fifth anniversary of your death. If, however, your Spouse is your beneficiary, your Spouse does not have to commence receiving benefits until the December 31 following the year you would have attained age 70½.

#### **E. Internal Revenue Code Benefit Limits**

The federal tax code states that the monthly retirement benefit you received from the Plan cannot exceed certain dollar maximums (sometimes called the Section 415 dollar limit). The amount of your 415 Dollar Limit depends on your age at retirement and the year when you retire. The younger you are at retirement, the lower the 415 Dollar Limit that applies. It is anticipated that these limits will not apply to this Plan but the Plan contains language required by the Internal Revenue Code and IRS regulations.

### **18. POTENTIAL LOSS AND/OR DELAYED PAYMENT OF BENEFITS**

You or your beneficiary could suffer a loss in the value of your pension or have payments delayed in at least the following circumstances:

**A. Insufficient Vesting or Benefit Credit.** If you fail to accrue the minimum years of Vesting or Benefit Credit for Normal or Early Retirement, you will not be entitled to a Pension.

**B. Inadequate or Improper Evidence.** The Plan grants the Board of Trustees the power to deny, suspend or discontinue benefits to a Participant who fails to submit at the request of the Trust Fund Office any information or proof reasonably required to administer the Plan.

**C. Domestic Relations Order Approved by Court (Divorce)Child Support Order.** A Court may approve a Qualified Domestic Relations Order (QDRO) and/or child support order which assigns a portion or all of your Pension benefits to a former spouse or for support of a child or other dependent. The Plan may also delay paying your benefits or withhold a portion of your pension if the Plan is on notice of a divorce action even if there is no final filed QDRO or the order has not been approved by the Plan's legal counsel.

**D. Break-in-Service (failure to work in Covered Employment).** A permanent Break in Service which occurs before you become vested has the effect of canceling your participation and your accumulated Vesting and Benefit Credits.

**E. Fail to File Complete Application.** No benefits are payable until a completed application and other forms required by the Trust Fund Office are received by the Trust Fund Office. If you fail to respond to a request for information from the Trust Fund Office, after 90 days your application could be closed.

**F. Incomplete Information/False Statements.** If you fail to provide requested information or give false information related to your age, beneficiary information, marital status or other vital information, payment of your pension may be postponed.

If you make a false statement to the Plan or other officials regarding the payment of benefits or other issues related to the Plan, you will be liable to the Plan for any benefits paid in reliance on such false statements or information, and any attorney fees and costs incurred in effecting recovery or which were incurred as a result of the false statement or information. This includes but is not limited to costs incurred by the Trust Fund Office, reasonable attorney fees, and interest charges. The Plan may deduct any such fees and costs from any benefits otherwise payable to you, your estate or a beneficiary.

**G. IRS Benefit Limits.** Your annual benefit cannot exceed the maximum amount allowed by the Internal Revenue Code and applicable IRS regulations. Although the Trustees do not foresee this occurring, the Plan contains provisions to address this situation.

**H. IRS Levy.** The Plan is required to follow an IRS Levy on your pension benefits. Thus, if you owe funds to the IRS and the IRS serves an IRS Levy on the Plan, the Plan will be required to withhold a portion of your pension benefits and have such amounts paid to the IRS.

**I. Plan Termination.** If the Plan terminates, the procedures for allocation of Plan assets on termination may result in a reduction or loss of your benefits if the Plan's assets are inadequate to cover the actuarial value of all of your accrued Benefits. Moreover, the Federal Pension Benefit Guaranty Corporation guarantees only a specified level of benefits, which are most likely smaller than the level of benefits you are receiving from the Plan.

## **19. AMENDMENT/TERMINATION/MERGER OF PLAN/GUARANTEES**

### **A. Amendment of Plan**

The Board of Trustees has the discretion to amend the Plan at any time.

Any amendment may apply to all groups and/or Participants covered by the Plan or only to certain groups of Participants. Retroactive amendments may be made to the extent permissible under ERISA. Except as is permitted or required by applicable law, no amendment may divest any accrued benefits which have previously been vested.

### **B. Merger, Consolidation or Transfer of Assets**

In the event of a merger or consolidation of the Plan with, or transfer in whole or in part, of the assets or liabilities of the Plan to any other Pension Plan, each Participant is entitled to a benefit immediately after the merger, consolidation or transfer which is at least equal to the benefit such Participant would be entitled to receive before such merger, consolidation or transfer.

### **C. Termination of Plan**

It is anticipated that the Plan is permanent and will continually be in operation. It is, however, legally necessary to consider the possibility of termination of the Plan and to state the rights of the Participants in such an unlikely event.

The parties to the Collective Bargaining Agreements between UNITE-HERE Local 49 and the various Employer associations may terminate the Plan in whole or in part. Although there is no intent to terminate the Plan, there is no guarantee that the Plan will last forever.

### **D. Benefit Guaranty/PBGC Guarantees Certain Benefits**

If the Plan were to terminate, Plan benefits are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. Currently the Plan pays an annual insurance premium per Participant to the PBGC. If the plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. **The PBGC does not, however, guarantee all types of benefits and the amount of guaranteed protection is limited.**

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough in employment covered under the Plan; (4) benefits for which you did not meet all of the requirements at the time the Plan terminated; (5) certain early retirement payments that result in an early retirement monthly benefit greater than your monthly benefit at the plan's Normal Retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay. Nevertheless, you may still receive a portion of some of these unguaranteed benefits, depending on how much money your Plan has and on how much the PBGC collects from employers.

Under PBGC's multiemployer plan termination program, the PBGC provides financial assistance through loans to Plans that are insolvent. A multiemployer plan, such as your Plan, is considered

insolvent if the Plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due. Before a Plan receives financial assistance from the PBGC, it must suspend payments in excess of the guarantee level.

The PBGC guarantees vested benefits at the level in effect on the date of Plan termination subject to the maximum limits set forth above. If, however, benefits have been increased within the five years before Plan termination or insolvency, the whole amount of the Plan's vested benefits or the benefit increase that has been in effect for less than 12 full months before the Plan terminates may not be guaranteed.

For more information on PBGC insurance protection and its limitations, you may ask the Trust Fund Office or contact:

PBGC's Technical Assistance Division  
1200 K Street, N.W., Suite 930  
Washington, D.C. 20005-4026.

You may also phone the PBGC at 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

## **20. REQUIRED INFORMATION UNDER ERISA.**

**A. Name and Type of Plan.** The name of the Plan is the Sacramento Independent Hotel, Restaurant and Tavern Employees Pension Plan ("Plan"). The Plan is a Defined Benefit Pension Plan exempt from income tax under Section 401(a) of the Internal Revenue Code.

**B. Plan Administrator.** The Board of Trustees is the designated Plan Administrator of the Plan under ERISA. The Board is responsible for the operation and administration of the Plan, including ensuring that information regarding the Plan is reported to governmental agencies and disclosed to Plan Participants and beneficiaries in accordance with ERISA. The Board has hired BeneSys Administrator to handle the day-to-day administration of the Plan, who can be contacted at:

BeneSys Administrators  
7180 Koll Center Parkway  
Suite 200  
Pleasanton, CA 94566  
(925) 398-7044

**C. Agent for the Service of Legal Process.** The person designated as agent for service of legal process is:

Richard K. Grosboll  
Neyhart, Anderson, Flynn & Grosboll  
369 Pine Street, Suite 800  
San Francisco, CA 94104-3323  
(415) 677-9440

Service of legal process may also be made upon the Fund Manager, any Plan Trustee, or the Board of Trustees, at the addresses listed on page ii of this booklet.

**D. Plan Year**

The Plan Year commences on June 1 and ends on May 31.

**E. Employer Identification Number.** The Internal Revenue Service Employer Identification Number (EIN) for this Plan is 94-6333497. The Plan Number is 001.

**F. Funding Contributions and Collective Bargaining Agreements.** The Plan is maintained in accordance with Collective Bargaining Agreements between the UNITE-HERE Local 49 and certain designated Employer associations (and some individual Employers), which require Employers to contribute to the Plan. There are no Employee contributions to this Plan. The Trust Fund Office will provide you upon written request with information on whether a particular Employer for whom you work is contributing to the Plan and if the Employer is a contributor, the Employer's address.

**G. Fund Medium/Investments.** Assets of the Plan are held in Trust. Plan assets are held in custody by Morgan Stanley. The Board of Trustees has delegated to Mark Morgan, Morgan Stanley, the Plan's Investment Consultant, the responsibility of helping the Board of Trustees develop an Investment Policy and select Investment Managers to manage the Plan's assets.

## **STATEMENT OF ERISA RIGHTS**

**A. Your Rights as a Participant.** As a Participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that Participants are entitled to:

- Examine without charge at the Plan Office and at other specified locations (such as worksites and the Union Office), documents governing the Plan, including collective bargaining agreements and the annual report (Form 5500 series) filed with the Department of Labor.
- Obtain copies of Plan documents and other information required by law to be furnished upon written request to the Plan. Pursuant to ERISA, the Plan Office may require that you pay a reasonable charge for the copies.
- Receive a statement showing the value of your pension benefits once a year, upon written request.

**B. Prudent Action by Fiduciaries.** In addition to creating rights for Plan Participants, ERISA imposes duties upon the people responsible for operating the Plan. The people who operate your Plan, called “fiduciaries”, 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 or entity, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

**C. Enforcing Your Rights.** If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request certain documents (specified in ERISA) from the Plan and do not receive them within 30 days, you may file suit in 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, and such denial is upheld on appeal (or ignored), you may file a lawsuit. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file a lawsuit. **Any lawsuit must be filed within one year of the Trustees’ determination on appeal or otherwise.**

If it should happen that Plan fiduciaries misuse the Plan’s money or other assets, 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.

If you file a lawsuit, the court may decide who should pay court costs and legal fees. If you are successful, the court may order the person(s) you have sued to pay your costs and fees. If you lose, the court may order you to pay the Trust’s or other defendants’ costs and fees (e.g., your claim was frivolous).

**D. Assistance If You Have Questions.** If you have any questions about this statement, the Plan or about your rights under ERISA or if you need assistance in obtaining Plan documents, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory (or which can also be found at the EBSA website at <http://www.dol.gov/ebsa/welcome.html> where you can review a publication called “*What You Should Know About Your Retirement Plan.*”), or you may address your concerns the Department at the following address:

Division of Technical Assistance  
U.S. Department of Labor  
Employee Benefits Security Administration  
200 Constitution Avenue NW  
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. You can call the Employee Benefits Security Administration at (966) 444-3272; TTY/TDD users: (877) 889-5627.

**You may find answers to your question(s) at <http://www.dol.gov/ebsa/welcome.html>.**