

TILE INDUSTRY RETIREMENT SAVINGS TRUST FUND

SUMMARY PLAN DESCRIPTION

Effective June 1, 2011

TO: All Covered Employees

The following information is furnished to you in accordance with the applicable requirements of the Employee Retirement Income Security Act of 1974 (“ERISA”). The information contained in this booklet constitutes your Summary Plan Description (“SPD”) of the Tile Industry Retirement Savings Trust Fund (“Plan”).

The entire cost of the Plan is being funded by Employer contributions in accordance with the applicable Collective Bargaining Agreements. All contributions are deposited into a Trust Fund. Copies of the collective bargaining agreements are available at participating local unions and at the Trust Fund Office.

The following is a brief summary of some of the essential provisions of the Plan. This summary is not intended to reflect every provision in the Plan. If there is any conflict between this summary and the Plan document, the Plan document will govern. A copy of the Plan document is available upon request at a charge at the Trust Fund Office.

You are not entitled to rely upon oral statements of any trustee, employer, union officer, or any other person or entity. If you wish an official interpretation of the Plan, you should address your request in writing to the Board of Trustees at the Fund Office.

You should further understand that, from time to time, there may be a data error in a statement you receive, which may be corrected upon an audit or review. The Board of Trustees reserves the right to make corrections when such a mistake is discovered.

No employee, retired employee or any person claiming by or through any such person, shall have any right, interest, or title to any benefit under the Trust Agreement, the Plan, or the Trust Fund, except as such right, interest, or title shall have been specifically granted pursuant to the terms of the Plan.

Additionally, the Board of Trustees reserves the right, at any time, to amend, modify or terminate the Plan.

Sincerely,

BOARD OF TRUSTEES

## **PARTICIPATION IN THE PLAN**

**(1) Who is eligible to participate in the Plan?**

All members of the Tile, Marble and Terrazzo Workers Local No. 18 (formerly Tile and Marble Finishers Local No. 11) who are working for an Employer who has signed a Collective Bargaining Agreement or Participation Agreement requiring contributions to the Tile Industry Retirement Savings Trust Fund are eligible to participate in the Plan. In addition, full time salaried officers of the Union are also eligible to participate in the Plan.

**(2) How will my account be credited?**

All amounts contributed for you will be credited to your account. Your account will also be credited with interest and investment earnings and/or losses and administrative expenses.

## **VESTING AND SERVICE UNDER THE PLAN**

**(3) When will I become vested in my benefits?**

Effective January 1, 2011, you will be vested if you have 1,000 Hours of Work in six consecutive quarters. If you have less than 1,000 hours of Work in six consecutive quarters, all contributions from the oldest quarter will be forfeited, i.e., contributions from the most recent five consecutive quarters will not be forfeited. If you were vested and you withdrew your entire account balance, then you must re-satisfy the 1,000 Hours of Work requirement again in order to be fully vested

**(4) Can I lose my right to benefits under the plan?**

Unless your benefits are vested, your benefits under this Plan will be forfeited if you cease working in Covered Employment.

## **PAYMENT OF BENEFITS UNDER THE PLAN**

**(5) How do I qualify for normal retirement benefits?**

If you have reached age 65 you shall be eligible to retire and receive Normal Retirement Benefits.

**(6) How do I qualify for early retirement benefits?**

You may qualify for an Early Retirement Benefit if you are vested and:

- (a) You have reached age 55 and applied for early retirement benefits or
- (b) You have reached age 45 and applied for early retirement benefits and you were classified as a B-10 or B-30 on May 31, 1999 (and this classification has been verified by the Union).

Effective for all applications for Early Retirement Benefits filed with the Trust Fund office on or after April 1, 1999, for every calendar quarter in which you performed at least one hour of Non-Covered Tile Employment, the effective date upon which such you shall be entitled to receive payment of your early retirement benefits will be delayed six (6) months.

**(7) How do I qualify for disability retirement benefits?**

You are entitled to retire on a Disability Pension if you are vested and have satisfied one of the following requirements:

- 1) You present to the Board of Trustees a determination by the Social Security Administration that your disability meets the requirements of the Social Security Act or
- 2) You make a request to the Board of Trustees for a review by an Independent Medical Examiner ("IME"). The Board will then furnish you with the names of three IMEs. You may go to one of the three IMEs for the purpose of having a determination made as to whether you are disabled and cannot return to covered employment. The Trust will pay for the cost of the IME. If the IME determines that you are disabled, you will be granted a Disability Pension. If the IME determines that you are not disabled, you may, at your own expense, present to the Board the report of another IME of your choice. If the two IME reports are in dispute, you may go to a third IME, agreed to by both you and the Board. The cost of the third IME shall be paid by you if the determination is that you are not disabled, and shall be paid by the Plan if the determination is that you are disabled. The decision of the third IME as to whether you are disabled shall be binding upon the Board and you.

**(8) In what form will my benefit be paid?**

You and/or designated Beneficiaries who are eligible to receive benefits under this Plan shall be paid such benefits in the following forms:

1. Lump Sum Payments. Lump Sum Payments of account balances will only be made as follows:

(a) Death Before Retirement. If you die before retirement, and there is no Surviving Spouse, then the Beneficiary shall be paid the entire Account balance. If there is a Surviving Spouse, then the Surviving Spouse may elect a lump sum payment or another option available under the Plan.

(b) Death After Retirement. If you were receiving monthly payments at the time of your death, then your Beneficiary is entitled to continue such monthly payments or your Beneficiary may elect to take the balance remaining in the Account on a lump sum basis.

(c) If your Account balance is \$5,000.00 or less, the Trustees shall pay such amount to you or the Beneficiary in a lump sum.

(d) If you have not commenced benefit payments and are age 65 and over, and have obtained appropriate spousal consents, you may withdraw your entire vested account balance in a lump sum.

2. Monthly Installment Payments. You or your Surviving Spouse may elect to have retirement benefits paid in monthly installment payments. Once monthly installment payments have been elected and commenced, you and the Beneficiary will be precluded from selecting another form of benefit payment unless one of the following situation applies: (i) if you retire and are taking your benefits on a monthly installment basis, then, after your death, your Beneficiary may elect to continue such payments or (ii) if a you or your Surviving Spouse have reached age 65 and you have retired, then at any time after age 65 the you or your Surviving Spouse may elect to take any portion of the Account up to and including your entire Account balance in a lump sum payment. You or your Beneficiary receiving monthly installment payments shall be paid according to the following formula:

(a) You or your Beneficiary shall designate the amount of the monthly payments from \$100.00 to \$3,000.00 at \$100.00 increments on a form to be furnished by the Trust Fund. However, if your account value is over \$300,000 then you or your Beneficiary may elect to take monthly payments of up to 1% of the account balance. Should your account value fall below \$300,000 then the maximum monthly payments to you or your Beneficiary shall be \$3,000. You or your Beneficiary may change the designation no more frequently than once each Plan year provided that written notice is furnished to the Trust Fund office no later than sixty (60) days prior to the end of each plan year.

However, when you or your Beneficiary reaches the "required beginning date" as stated in the Internal Revenue Code § 401(a)(9)(C), the amount of the monthly installments shall be adjusted as necessary to conform with the minimum distribution requirements of the Internal Revenue Code.

3. Annuity Option. In lieu of monthly installment payments by the Trust, you or your Beneficiary may elect to receive a guaranteed life annuity, with or without survivor options, underwritten through an insurance company as determined by the Trustees.

4. Husband And Wife Pension.

(a) General. If you are married, the husband and wife pension provides a lifetime pension for you plus, after your death, either a 50% or 75% survivor annuity for the life of the Surviving Spouse depending on the payment option selected by you and your spouse. The 50% survivor annuity shall be the Plan's qualified joint and survivor annuity and the 75% survivor annuity shall be the Plan's qualified optional survivor annuity.

Your accrued benefit shall be paid in the form of a husband and wife pension if you are married when your accrued benefit becomes payable (or if a former spouse is awarded survivor annuity benefits under a Qualified Domestic Relations Order). However, you and your spouse (or former spouse) may elect to waive the husband and wife pension. The waiver must be witnessed by a representative of the Trustees or a notary public. The waiver may be revoked in writing, witnessed as provided above, at any time prior to the commencement date of the pension benefits. Once payment of benefits have commenced, the husband and wife pension election is irrevocable, even if the marriage is dissolved or if your spouse should die before you.

(b) Amount Of Husband And Wife Pension. Subject to the apportionment rules relating to multiple spouses, the husband and wife pension payable under this subsection shall be the actuarial equivalent of a single life annuity based on your life. The husband and wife pension shall consist of monthly payments to you for your lifetime and upon your death, payment of 50% or 75% of your monthly benefit for the life of your surviving spouse depending on the payment option you and your spouse selected.

(9) How do I apply for benefits under the Plan?

If you believe that you are entitled to a pension under the Plan, you should contact the Trust Fund office. You must submit a written application together with any supporting documentation setting forth your claim for benefits.

After the receipt of an application and all necessary documents and information, the plan administrator will give you written notice of the decision of the Board of Trustees with respect to the application, with reasons stated for the decision in the case of denial.

If your claim is denied in whole or in part, you will receive a letter setting out in detail the specific reasons for the denial, specific reference to pertinent Plan provisions on which the denial is based, a description of any additional material or information necessary for you to perfect the claim, an explanation of why such material or information is necessary, and an explanation of the claim appeal procedure.

If you are not satisfied, or do not agree with, the reasons for the denial of your claim, you may appeal the decision to the Board of Trustees.

Your appeal must be submitted in writing by you or your duly authorized representative. It must set out your reasons for appeal and the basis of your dissatisfaction or disagreement with the denial of your claim for benefits. Any evidence or documentation to support

your position should be submitted with your written appeal. You or your representative may review the documents that pertain to your claim and its denial and submit a statement of the issues, together with your comments on them, in writing.

Your appeal must be made within sixty (60) days or one hundred and eighty (180) days for disability benefits only from the date you receive the letter denying your claim. The failure to file an appeal within sixty (60) days or one hundred and eighty (180) days for disability benefits will constitute a waiver of your right to appeal.

If, in your appeal, you do not request a hearing, the Board will review your entire administrative file. If you do request a hearing, the Board will fix a date, time and place for the hearing and advise you not less than ten (10) days prior to the date of the hearing, by certified mail, of the time, place and date of such hearing.

A benefit determination on appeal will be made by the Board or a subcommittee designated by the Board no later than the date of the quarterly meeting of the Board that immediate follows the Fund Office's receipt of the request for appeal unless the appeal is filed within thirty (30) days preceding the date of such meeting. In such case, a benefit determination on appeal will be made no later than the date of the second meeting following the Fund Office's receipt of the appeal. If special circumstances require a further extension of time for making a determination on appeal, a benefit determination will be rendered no later than the third meeting following the Fund Office's receipt of the request for review.

Notwithstanding the above time limits, there may be further delay in responding to the appeal if it is necessary to request and await receipt of information from the Social Security Administration, or, if the participant has not provided all the necessary information requested by the Trustees.

The decision of the Board of Trustees, with respect to an appeal shall be final and binding upon all parties, including the petitioner and any person claiming under the petitioner. The provisions of this section shall apply to and include any and every claim to benefits from the Fund, and any claim or right asserted under any plan adopted by the Trustees or against the Fund, regardless of the basis asserted for the claim and regardless of when the act or omission upon which the claim is based occurred.

#### **(10) Am I required to take distributions from the Plan?**

You must begin taking distributions from the Plan no later than April 1, following the year in which you attain age 70 ½.

#### **(11) Are taxes withheld from my payments?**

The rules governing the taxation of benefits are very complex. In general, if your benefits are paid in monthly payments over your lifetime, you may elect whether to have taxes withheld from each payment. If benefits are paid in a lump-sum to you, you may elect to rollover your distribution into an IRA or another qualified retirement plan. If your benefits are not rolled over, the

Fund is required to withhold 20% of the payment for federal taxes. If the payment is to your spouse or beneficiary, the tax consequences can be different.

When you apply for benefits, the Fund Office will provide you with more detailed information on the taxation of your benefits and your withholding options. However, since these rules are complicated, you may wish to consult a qualified tax advisor to determine the appropriate withholding for your personal situation.

## **ADMINISTRATION OF PLAN**

(12) Who administers the Plan?

The Plan is administered solely by or under the direction of the Trustees, and the decisions of the Trustees in all matters pertaining to the administration and interpretation of the Plan shall be final. The Trustees shall make such rules and prescribe such procedures for the administration of the Plan as they shall deem necessary and reasonable.

(13) Can I count on the Plan being in existence forever?

It is expected that the Plan will remain in effect indefinitely and that each employer will continue to make contributions required by the applicable collective bargaining agreements.

However, the Trustees do have the right to effect a partial or total termination of the Plan. In addition, the Trustees also have the power to amend, alter or change the Plan.

(14) What happens if the Plan is terminated?

If the Plan is fully or partially terminated (within the meaning of applicable federal law), the rights of all affected Participants in their accrued benefits under the Plan will be fully vested.

(15) Can my benefits be attached or pledged?

In general, except as may be required under a qualified domestic relations order (“QDRO”), your interest in the Plan is not transferable or assignable and cannot be pledged as collateral for a loan. However, your benefits may be subject to levy as required by the federal statutes and as permitted under Section 514 of ERISA.

Participant’s and Beneficiaries can obtain a free copy of the Plan’s QDRO procedures from the Fund Office.

(16) Should I designate a beneficiary?

You should designate a beneficiary for your benefits. If you are married and your beneficiary is not your spouse, your spouse must approve the beneficiary designation.

If you are married on the date of your death, benefits are automatically paid to your spouse, if surviving, unless your spouse has waived the benefits in accordance with the Plan rules.

(17) What are my obligations as a Participant of the Plan?

It is important that you keep the Trust Fund informed of any change in address or change in Beneficiary. This is your obligation, and failure to fulfill it could delay the payment of your benefits. Without your current address, the Trust Fund will not be able to keep in touch with you regarding the Plan changes and other developments affecting your interest in the Plan.

### **INFORMATION REQUIRED BY ERISA**

1. The name and type of administration of the Plan:

Tile Industry Retirement Savings Trust Fund.  
A define contribution, collectively bargained, jointly trusted labor management Trust Fund. The administration is performed by the Plan's Trust Fund Office.

2. Name and address of the person designated as agent for the service of legal process:

Melissa W. Cook  
Melissa W. Cook & Associates  
3444 Camino Del Rio North, Ste. 106  
San Diego, CA 92108

Service of legal process may also be made upon a Plan Trustee or the Plan Administrator.

3. Name and address of the Administrator:

Board of Trustees  
Tile Industry Retirement Savings Trust Fund  
1050 Lakes Drive, Ste. 225  
West Covina, CA 91790  
(626) 646-1075

4. Names, titles and addresses of the Board of Trustees:

UNION TRUSTEES

Chad Boggio  
Tile Industry Retirement Savings Trust  
1050 Lakes Drive, Ste. 225  
West Covina, CA 91790

MANAGEMENT

TRUSTEES

Randall Nunnelly  
Tile Industry Retirement Savings Trust  
1050 Lakes Drive, Ste. 225  
West Covina, CA 91790

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Joel Rehome  
Tile Industry Retirement Savings Trust  
1050 Lakes Drive, Ste. 225  
West Covina, CA 91790

Participants and beneficiaries may receive from the Plan Administrator upon written request whether a particular employer or employee organization is a plan sponsor.

5. A description of the relevant provisions of any applicable collective bargaining agreement:

All contributions are made to the Plan by the Employers in connection with their collective bargaining agreements with the Union. Copies of such agreements may be obtained by participants and beneficiaries upon written request to the Plan Administrator.

Copies of these agreements are also available for examination at the Trust Fund Office.

6. Date of the end of the Plan Year:

December 31

7. Recordkeeping period:

Plan Year

8. Internal Revenue Service Plan Identification Number:

001

9. Employer Identification Number:

95-6118656

10. Pension Benefit Guaranty Corporation (PBGC)

Your benefits under this plan are not insured by the PBGC. The PBGC only insures defined benefit plans. Your plan is a defined contribution plan.

11. Statement of General ERISA Rights

As a participant in this plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), which provides that all plan participants are entitled to:

**Receive Information About Your Plan and Benefits**

Examine without charge, at the administrative office and other specified locations such as work sites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain upon written request to the Plan administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 series) and an updated Summary Plan Description. The Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan administrator is required by law to furnish each participant with a copy of this summary annual report. Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and, if so, what your benefits would be at normal retirement age if you stop working under this plan now. If you do not have a right to a pension, the statement will tell you how many years you have to work to earn a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The plan must provide the statement free of charge.

**Prudent Actions by Plan Fiduciaries**

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

the interest of you and other plan participants and beneficiaries.

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

### Enforce Your Rights

If your claim for pension benefits 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 your request materials from the plan administrator and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the plan administrator to provide the material, and pay you up to \$110 a day, unless the materials were not sent because of reasons beyond the control of the plan administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. 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 the 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. This order could occur, 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 plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest 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.

**PLAN SERVICE PROVIDERS  
ADMINISTRATOR**  
Benesys Administrators  
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**LEGAL COUNSEL**

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