Washington State Plumbing and Pipefitting Industry Pension Plan

SUMMARY PLAN DESCRIPTION

AS REVISED, JANUARY 1, 2018

If you have any questions about your participation, eligibility for benefits, or about any matter of trust fund or pension plan administration, contact the administrative office:

Zenith American Solutions
11724 NE 195th Street, Suite 300
Bothell, Washington 98011-8242
Phone: (206) 352-9728 / (888) 406-3246
Fax: (206) 298-3422

MAKE SURE TO NOTIFY THE ADMINISTRATIVE OFFICE WHENEVER YOUR ADDRESS OR PHONE NUMBER CHANGES.

You can review your work history hours/contributions at www.zenith-american.com.

INTRODUCTION

We are pleased to provide you with this revised booklet which describes the benefits of your Washington State Plumbing and Pipefitting Industry Pension Plan (the Plan). The Summary Plan Description section of this booklet includes Plan changes made through January 1, 2018, and applies to individuals who are active participants on or after that date. If you ended covered employment or retired before January 1, 2018, you should refer to the booklet (including notices of changes) in effect at that time.

This booklet has two parts. The first part summarizes the official Plan Document and includes information required by law. It is designed to help you understand the Pension Plan, and includes a brief overview of Plan provisions. The second part of this booklet contains the official Plan Document. If there is any difference between the summary and the official Plan Document, the Plan Document will govern.

Please read this booklet carefully, and keep it with your other important papers so you may refer to it when you end covered employment, change jobs, or retire. If you lose your copy, you may obtain another from the administrative office.

Contact the administrative office if you have any questions about the Plan or your pension rights or benefits.

Sincerely,

Board of Trustees
The Washington State Plumbing and Pipefitting Industry Pension Plan

PART 1
SUMMARY PLAN DESCRIPTION

IMPORTANT:
If there is a discrepancy between this summary and the Plan Document (Part 2 of this booklet), the Plan Document will govern.

No participating employer, employer association, labor organization, or listed entities (nor any individual employed thereby) has any authority to alter or interpret the terms of the Plan. Only the administrative office is authorized by the Board of Trustees to answer your questions.

Contents

BENEFIT SUMMARY

Benefits	Eligibility	Basic Benefits	Available Benefit Options
Vesting	Earned at least 3 service credits (none of which were forfeited), and worked at least one covered hour on or after January 1, 2018, or eligible for Normal Retirement.	Monthly benefit based on accrued Normal Retirement benefit reduced for Early Retirement, if applicable.	Lifetime Annuity 50% or 100% Joint and Survivor Annuity 10 Year Certain and Life Annuity
Normal Retirement	Attained age 65 and one of the following: a) is vested b) participated in the Plan for 5 years since the last time you forfeited service credit, or earned 5 or more future service credits (none of which were forfeited).	Accrued Normal Retirement benefit = Monthly benefit based on: number of hours worked each year, employer contribution rate each year, benefit factor for each year, and (for benefits earned on and after January 1, 2018) the Plan's investment return.	Lifetime Annuity 50% or 100% Joint and Survivor Annuity 10 Year Certain and Life Annuity
Unreduced Early Retirement	Attained age 62, and earned 5 or more service credits (none of which were forfeited).	Monthly benefit based on accrued Normal Retirement benefit, but not reduced for Early Retirement.	Lifetime Annuity 50% or 100% Joint and Survivor Annuity 10 Year Certain and Life Annuity
Reduced Early Retirement	Attained age 55, and earned 5 or more service credits (none of which were forfeited).	Monthly benefit based on accrued Normal Retirement benefit, but reduced for Early Retirement.	Lifetime Annuity 50% or 100% Joint and Survivor Annuity 10 Year Certain and Life Annuity
Disability	Become totally and permanently disabled for at least 6 months, must be under 55 years old, earned 5 or more service credits (none of which were forfeited), and earned one year of service in the 24-month period prior to applying.	Monthly benefit equal to 83.50% of the Normal Retirement benefit.	Lifetime Annuity 50% or 100% Joint and Survivor Annuity 10 Year Certain and Life Annuity
Death	Earned at least ¼ death benefit credit.	Benefit will vary depending on vesting and marital status.	If vested: Pre-retirement Annuity Lump-Sum Payment(s)

All of these benefits and eligibility requirements are described in more detail on the following pages in both the Summary Plan Description and in the official Plan Document. This outline does not include or list every requirement used to determine your pension benefit; it is only intended to give you a brief and general idea of the benefits this Plan provides. Also, it only applies to currently active participants.

ELIGIBILITY AND PARTICIPATION

Who Is Eligible to Participate?

Employees of employers in positions covered by an agreement that requires contributions to this Plan.

When Do I Become a Plan Participant?

You become a participant in the Plan when you have accumulated at least 300 hours of service for an employer(s) by the end of a single Plan year (calendar year) and the employer is required to make contributions to this Plan.

DETERMINING YEARS OF SERVICE

A Year of Service is when you earn at least 870 hours of covered employment in a calendar year. Years of service are important for determining three things:

- when you become vested
- when you can start receiving benefits
- the benefit amount earned for certain periods.

Before 1961, the definition of a Year of Service was different.

Credited Service

Your eligibility for benefits under this Plan will usually be determined by your number of years of credited service. Credited service is made up of Past Service Credits (for service before 1962) and Future Service Credits (for service after 1961).

<u>Past Service Credit</u>

If you were a member of a local union affiliated with the Washington State Association (WSA) or a non-union employee whose work was covered by a collective bargaining agreement and during 1960 or 1961 worked at least one hour in covered employment for an employer who had a collective bargaining agreement with a local union affiliated with the WSA, then you will be eligible to receive Past Service Credit for your continuous service in the industry between January 1, 1952 and December 31, 1961. If you have questions regarding Past Service Credit, please contact the Administration Office.

<u>Future Service Credit</u>

Future service credit accrual depends upon the number of hours of covered employment for which your employer is required to make contributions to the Plan on your behalf during a plan year. Future service credits are used to determine your eligibility for Plan benefits.

Hours of Service Earned During the Plan Year	**Future Service Credit**
Less than 300	0.00
300 but less than 500	0.25
500 but less than 870	0.50
870 or more	1.00

Calculating Your Future Service Credit
Two methods may be used to calculate your future service credits. The standard method is to determine the number of hours worked in a plan year as shown below.

Example of standard calculation:

Calendar Year	Hours of Service	Future Service Credit
2008	550	0.50
2009	875	1.00
2010	500	0.50
2011	800	0.50
2012	890	1.00
2013	1,200	1.00
2014	1,200	1.00
2015	500	0.50
2016	899	1.00
2017	500	0.50
Total future service credit		**7.5**

The **Alternative Method** is used if you do not qualify for a pension benefit based on your future service credits calculated by the standard method. You may use the alternative method to compute your future service credits as long as:

- you are applying for a Normal or Early Retirement and you have at least ten years of continuous service, or at least five years of continuous service ending after 1993, or
- you are applying for a Disability Retirement benefit and you became disabled after 1980 and you have at least five years of continuous service.

The alternative way to calculate future service credits is to use the following table:

Calendar Years	Future Service Credits
January 1, 1962 to December 31, 1968	All hours of service for which contributions were made on your behalf divided by 1,500
January 1, 1969 to Present	All hours of service for which contributions were made on your behalf divided by 1,400

The sum of these two calculations is your total future service credits under the alternative method.

The alternative method is used only for computing eligibility for future service credit, not to compute the amount of benefits.

Example: You worked 450 hours in 2013 and 1,650 each year from 2014 through 2017 for a total of 7,050 hours. Using the standard method of calculating future service credits, you have 4.25 future service credits. But, using the alternative method, you have 7,050 ÷ 1,400 = 5.04 future service credits and would be eligible for early retirement.

VESTING

Once you are vested, you have a right to the benefits you earn under the Plan and they cannot be forfeited, even if you leave covered employment. The vesting credits you earn count for both the traditional and sustainable income portions of your benefit.

How Do I Vest?

If you have worked at least one hour on or after January 1, 2018, you are vested when you have earned at least three service credits.

Please note that service credits earned before your last break in service (if you had any such break) do not count toward satisfying the vesting requirements.

Section 8, page 37 of the Plan Document provides detailed vesting requirements, including different rules for those who left covered employment before January 1, 2018. If you have any questions concerning your vested status call the administrative office.

BREAK IN SERVICE RULES

If you are vested, you will never forfeit the service credits you have already earned. However, if you are not vested, you will forfeit all previously earned service credits if you have a break in service.

A break in service will occur if:

1. you leave covered employment, **and**
2. you fail to work at least one hour of service in any period of two consecutive calendar years, **and**
3. the length of time between the end of the last plan year in which you earned at least 300 hours of service and the beginning of the next plan year in which you earned at least 300 hours of service is greater than or equal to the greater of:
    - your total years of service prior to the date you left covered employment, and
    - five years.

Paragraph 9.03 Postponement of Termination (page 39) of the Plan Document describes several situations that postpone the termination of Plan participation and prevent a break in service.

A break in service is determined based on when you left covered employment. See the Plan Document for break in service rules for those who left covered employment before January 1, 1985.

HOW YOUR BENEFIT IS EARNED

Each plan year (January 1 – December 31) that you work at least 300 hours in covered employment, you earn a benefit accrual based on your hours worked and the contribution rate in effect. If you do not work at least 300 hours, you will not earn a benefit for that year.

Contribution rate negotiated through December 31, 2017:
Contributions X 0.6%

+ = annual accrual

Contribution rate increases that take effect January 1, 2018 or later:
Contributions X 0.8%

Example – Active Participant
For example, the contribution rate that applies to Steve is $4.43 per hour – $3.43 was in effect as of December 31, 2017 and a $1.00 increase went in after January 1, 2018. If he worked 1,900 hours each year, here's how Steve's annual accrual for 2018 would be calculated:

1,900 hours X $3.43 = $6,517	X	0.006	=	$39.10
	+			
1,900 hours X $1.00 = $1,900	X	0.008	=	$15.20
	=			
				Total: $54.30

Under this example, this is the calculation for a Normal Retirement benefit payable as a Lifetime Only Annuity at age 65. It is also payable at age 62 if Steve has five or more service credits. This amount would be adjusted if Steve retires earlier or chooses another form of payment, such as a Joint and Survivor (J&S) Annuity.

Benefit Units

What that accrual is technically doing is "buying" benefit units – the idea is that you accumulate units each year that you earn a benefit.

The price for each unit is the same for everyone, and it changes each year. The unit price started at $10.0000 per unit for the January 1 – December 31, 2018 plan year (the year sustainable income benefits began). The unit price adjusts each year with the Plan's investment returns as described in the next section.

If we look at the example above, Steve's benefit accrual was $54.30. That means if that accrual was for the 2018 plan year, Steve would have earned 5.4300 benefit units ($54.30 ÷ $10.0000 per unit = 5.4300 units). The next year the unit price may go up or down, but Steve would still have 5.4300 units.

The value of your benefit at any given time is the total number of units you have earned up to that point times the unit price for that year. Your annual benefit statement will show your accrual, how your benefit has been adjusted, and your current benefit amount each year.

But the benefit accrual is just the first step: the amount that you earn each year adds to your total benefit, which is adjusted each year with the Plan's investment returns.

How Your Benefit Is Adjusted Each Year

The sustainable income benefit has a target investment return of 4%. Each year, the value of your underlying benefit goes up, down, or stays the same based on whether the Plan's investment return is more than, less than, or the same as the target investment return.

$$\frac{\text{underlying benefit} \times (1 + \text{investment return})}{(1 + \text{target investment return})} = \text{new underlying benefit}$$

If the Plan's investment return is greater than 4%, underlying benefits go up. If investments earn less than 4%, underlying benefits go down, but your benefit can be protected by the stabilization reserve (see page 7).

The benefit unit price is adjusted the same way:

$$\frac{\text{current unit price} \times (1 + \text{investment return})}{(1 + \text{target investment return})} = \text{new unit price}$$

Increases Are Capped

Benefit increases are capped at a maximum of 8% per year. When returns are greater than 12.32% (1.1232/1.04 – 1 = 8%), the benefit increase will be 8% and the returns in excess of 12.32%, plus some contributions, will help build the stabilization reserve for the future.

Benefit Adjustment Timing

Sustainable income benefits are adjusted each January 1 for all participants – those who are actively participating, no longer actively participating but not yet receiving a benefit, retirees, and beneficiaries.

The investment return used in the adjustment, as described above, is the Plan's actual investment return for the plan year before last.

Example – Active Participant

Steve's sustainable income benefit has grown to $500. His hourly contribution rate that earns a benefit is $4.43 per hour — $3.43 was in effect as of December 31, 2017 and a $1.00 increase went in after January 1, 2018. He works 1,900 hours a year.

On January 1, Steve's benefit increases with the accrual based on his hours for the year before (see page 5 for the annual accrual calculation).

$500.00 + $54.30 = $554.30

Now, this amount is adjusted based on the Plan's investment return from the plan year prior to the year in which the hours were worked. The target investment rate is 4% (this does not change from year to year). If the Plan's investment return was 7% in the plan year prior to the year in which the hours were worked, here's how Steve's benefit would increase:

$$\frac{\text{underlying benefit X } (1 + \text{investment return})}{(1 + \text{target investment return})} = \text{new underlying benefit}$$

$$\frac{\$554.30 \text{ X } (1 + 0.07)}{(1 + 0.04)} = \$570.29$$

Under this example, this is the calculation for a Normal Retirement benefit payable as a Lifetime Only Annuity at age 65. It is also payable at age 62 if Steve has five or more service credits. This amount would be adjusted if Steve retires earlier or chooses another form of payment, such as a J&S Annuity.

Benefit Units

Let's say at the point Steve's benefit is $500.00 and because of investment returns the benefit unit price has increased to $15.0000. He has 33.3333 units. He adds more units with his benefit accrual: $54.30 ÷ $15.0000 = 3.6200 units. He now has a total of 36.9533 units.

The math is the same for adjusting the unit price as it is for the benefit adjustment, so based on a 7% investment return the unit price increases to $15.4327. Either way you look at it, his benefit increases to $570.29 (36.9533 units X $15.4327 = $570.29).

Example – Retiree

Mike is a retiree with a sustainable income benefit of $1,000.00 per month.

On January 1, Mike's benefit is adjusted based on the Plan's investment return from the plan year before last. The target investment return is 4% (this does not change from year to year). If the Plan's investment return was 9% in the year before last, here's how Mike's benefit would increase:

$$\frac{\text{underlying benefit X (1 + investment return)}}{\text{(1 + target investment return)}} = \text{new underlying benefit}$$

$$\frac{\$1{,}000.00 \text{ X } (1 + 0.09)}{(1 + 0.04)} = \$1{,}048.08$$

Mike is no longer working, so the number of benefit units he has remains the same. But, the unit price continues to adjust each year with the Plan's investment returns and so does the amount of his monthly check.

STABILIZATION RESERVE

A portion of contributions and investment returns above 12.32% go to a "rainy-day" fund called the stabilization reserve. This reserve can be directed by Plan trustees to maintain the level of sustainable income benefit payments when underlying benefits are below their high water mark.

In other words, if the Plan's investment returns cause your benefit to decrease, your monthly check could remain the same with a temporary "shore up" of the difference between your underlying benefit amount and your high water mark, paid out of the stabilization reserve.

At any given point, your high water mark is the highest of:

1. your underlying benefit, or
2. your high water mark as of the previous January 1, or
3. if it's January 1, your underlying benefit as of the previous January 1 plus your benefit accrual for the year that just ended (before the adjustment is made).

Your underlying benefit amount (without any shore up) is adjusted each year. However, your high water mark benefit is also tracked while you are active participant in the Plan. If your benefit drops below your high water mark before your retirement, you would be immediately eligible for any shore up provided.

In the unlikely event that there was not enough in the stabilization reserve to shore up benefits, or trustees determined it was not in the Plan's best interests to use the stabilization reserve to maintain high water mark benefits, you would still receive your underlying benefit. The trustees will make this determination annually.

Example – Retiree Shore Up

Let's take another look at Mike from the example in the previous section. Mike's monthly benefit has increased to $1,048.08. Let's assume the following year his benefit is adjusted based on an investment return of 2%.

Mike's underlying benefit would decrease because a 2% return is lower than the 4% target investment return:

$$\frac{\text{underlying benefit X (1 + investment return)}}{\text{(1 + target investment return)}} = \text{new underlying benefit}$$

$$\frac{\$1{,}048.08 \text{ X } (1 + 0.02)}{(1 + 0.04)} = \$1{,}027.92$$

Mike's new underlying benefit is $1,027.92. However, $20.16 from the stabilization reserve can be used to shore up his high water mark benefit and Mike would continue to receive $1,048.08 per month.

Your high water mark is your highest sustainable income benefit amount to date.

Illustration – What Happens With the Benefit Over Five Years

Steve is an active participant with a contribution rate that earns benefits of $3.43 and who works 1,800 hours a year. To keep things simpler, this example assumes no new contributions negotiated after Jan. 1, 2018 and starts with these benefits:

- sustainable income benefit as of January 1, 2025 is **$300.00** – adjusts each year with investment returns
- traditional benefit frozen as of December 31, 2017 is **$1,000** – is **not** adjusted with investment returns

			Benefit	High water mark
January 1, 2025 sustainable income benefit:			**$300.00**	**$300.00**
	During 2025, Steve works 1,800 hours and adds another annual **accrual** to his benefit:			
	$3.43 X	1,800 X 0.006 = $37.04	+ $37.04	High water mark: $337.04
		12/31/2025 benefit:	**= $337.04**	
1/1/26	If the Plan's investments earned 9% in 2024, Steve's $337.04 **underlying benefit** will increase to $353.25:			
	Underlying benefit X	(1 + investment return) / (1 + target investment return)		
	$337.04 X	(1 + 0.09) / (1 + 0.04)	**= $353.25**	High water mark: $353.25
		plus Steve's traditional benefit	**$1,000.00 =**	
		Total:	**$1,353.25**	

		Benefit	High water mark
January 1, 2026 sustainable income benefit:		**$353.25**	**$353.25**
	During 2026, Steve works 1,800 hours and adds another annual **accrual** to his benefit:		
	$3.43 X 1,800 X 0.006 = $37.04	+ $37.04	High water mark: $390.29
	12/31/2026 benefit:	**= $390.29**	
1/1/27	If the Plan’s investments earned 4% in 2025, Steve’s $390.29 **underlying benefit** will not change:		
	Underlying benefit X $\frac{(1 + \text{investment return})}{(1 + \text{target investment return})}$		
	$390.29 X $\frac{(1 + 0.04)}{(1 + 0.04)}$	**= $390.29**	High water mark: $390.29
	plus Steve’s traditional benefit	**$1,000.00**	
	Total:	**= $1,390.29**	
January 1, 2027 sustainable income benefit:		**$390.29**	**$390.29**
	During 2027, Steve works 1,800 hours and adds another annual **accrual** to his benefit:		
	$3.43 X 1,800 X 0.006 = $37.04	+ $37.04	
	Total	**= $427.33**	High water mark: $427.33
1/1/28	If the Plan’s investments earned 1% in 2026, Steve’s $427.33 **underlying benefit** will decrease to $415.00:		
	Underlying benefit X $\frac{(1 + \text{investment return})}{(1 + \text{target investment return})}$		
	$427.33 X $\frac{(1 + 0.01)}{(1 + 0.04)}$	**= $415.00**	High water mark: $427.33
	plus Steve’s traditional benefit	**$1,000.00**	
	Total:	**= $1,427.33**	
January 1, 2028 sustainable income benefit:		**$415.00**	**$427.33**
	During 2028, Steve works 1,800 hours and adds another annual **accrual** to his underlying $618.57 benefit:		
	$3.43 X 1,800 X 0.006 = $37.04	+ $37.04	
	Total	**= $452.04**	High water mark: $452.04

		Benefit	High water mark
1/1/29	If the Plan's investments earned 6% in 2027, Steve's $452.04 **underlying benefit** will increase to $460.73:		
	Underlying benefit X (1 + investment return) / (1 + target investment return)		
	$452.04 X (1 + 0.06) / (1 + 0.04)	**= $460.73**	High water mark: $460.73
	plus Steve's traditional benefit	**$1,000.00 =**	
	Total:	**$1,460.73**	
January 1, 2029 sustainable income benefit:		**$460.73**	**$460.73**
	During 2029, Steve works 1,800 hours and adds another annual **accrual** to his underlying $460.73 benefit:		
	$3.43 X 1,800 X 0.006 = $37.04	+ $37.04	
	Total	**= $497.77**	High water mark: $497.77
1/1/30	If the Plan's investments earned 13% in 2028, Steve's $497.77 **underlying benefit** will increase to $537.60:*		
	Underlying benefit X (1 + investment return) / (1 + target investment return)		
	$497.77 X (1 + 0.1232) / (1 + 0.04)	**= $537.60**	High water mark: $537.60
	plus Steve's traditional benefit	**$1,000.00 =**	
	Total:	**$1,537.60**	

*Benefit increases are capped at a maximum of 8% per year. When returns are greater than 12.32% (1.1232/1.04 -1 = 8%), the benefit increase will be 8% and the returns in excess of 12.32% will be used to help build the stabilization reserve.

TRADITIONAL BENEFITS EARNED BEFORE JANUARY 1, 2018

Your retirement benefit earned before January 1, 2018 was calculated based on your Past Service Credits and Future Service Credits earned through 1968 and contributions made to the Plan on your behalf for hours of service from 1969 through 2017. Please see the chart below to estimate your benefit amount.

Period of Service	**Monthly Benefit Factor**		
December 31, 1961 and before	Past Service Credits	x	$4.60
January 1, 1962 through December 31, 1964	*Hours Earned During the Year*		
	Less Than 300	=	None
	300 but less than 700	=	$1.44
	700 but less than 1,100	=	$2.89
	1,100 but less than 1,500	=	$4.34
	1,500 or more	=	$5.76
January 1, 1965 through December 31, 1968	*Hours Earned During the Year*		
	Less Than 300	=	None
	300 but less than 700	=	$2.14
	700 but less than 1,100	=	$4.30
	1,100 but less than 1,500	=	$6.46
	1,500 but less than 1,900	=	$8.61
	1,900 or more	=	$10.75
January 1 1969 through December 31, 1978	0.0322	x	contributions made on your behalf during this period
January 1, 1979 through December 31, 1980	0.0345	x	contributions made on your behalf during this period
January 1, 1981 through December 31, 1982	0.0353	x	contributions made on your behalf during this period
January 1, 1983 through December 31, 1985	0.0298	x	contributions made on your behalf during this period
January 1, 1986 through December 31, 1989	0.0278	x	contributions made on your behalf during this period
January 1, 1990 through December 31, 1993	0.0287	x	contributions made on your behalf during this period
January 1, 1994 through December 31, 1996	0.0274	x	contributions made on your behalf during this period
January 1, 1997 through December 31, 1998	0.0266	x	contributions made on your behalf during this period
January 1, 1999 through December 31, 1999	0.0258	x	contributions made on your behalf during this period
January 1, 2000 through December 31, 2003	0.0250	x	contributions made on your behalf during this period
January 1, 2004 through December 31, 2005	0.0150	x	contributions made on your behalf during this period
January 1, 2006 through December 31, 2006	0.0200	x	contributions made on your behalf during this period

Period of Service	Monthly Benefit Factor		
January 1, 2007 through May 31, 2009	0.0150	x	contributions made on your behalf during this period
June 1, 2009 and later	0.0100	x	contributions made on your behalf for benefit accrual during this period

WHEN YOU CAN RETIRE

Normal Retirement

Eligibility for a Normal Retirement Benefit

You are eligible for a Normal Retirement benefit:

- if you have reached age 65, retired from the industry, and are vested as described on page 4,

or

- the later of:
  - the date you reach age 65, or
  - the fifth anniversary of the date you began participating in the Plan

or

- the date you reach age 65 and have earned five or more service credits (and none of those credits were forfeited before 1994)

Amount of Your Normal Retirement Benefit

Your Normal Retirement benefit is the monthly benefit that you have earned based on your credited service, and (for the sustainable income portion of your benefit) as adjusted with the Plan's investment returns. It is your basic benefit as calculated using the formulas and adjustments described above, and the employer contributions that have been paid on your behalf, assuming that you start your benefit at age 65 in the form of a Lifetime Only Annuity.

Your Normal Retirement benefit is adjusted if you start it at a different age or choose another payment option. However, if you have five or more service credits, you can start your unreduced benefit as early as age 62 (see Early Retirement below).

Early Retirement

Eligibility for an Early Retirement Benefit

You are eligible for an Early Retirement benefit if you:

- have retired from the industry,
- have reached age 55, **and**
- have earned five or more service credits and none of those credits were forfeited before 1994.

Amount of Your Early Retirement Benefit

Early Retirement benefits are calculated in the same manner as a Normal Retirement benefit. However, an Early Retirement benefit is then reduced as this benefit is expected to be paid over a longer period of time, starting before the normal retirement age. The amount of the reduction is based on the number of years and months that you retire before you would have been eligible for a Normal Retirement benefit. The following table shows the applicable Early Retirement factors that are applied to your Normal Retirement Benefit to determine your Early Retirement benefit for retirement effective dates beginning in 2018.

There is no reduction applied to the Normal Retirement benefit if you are age 62 or older on your Early Retirement date.

Early Retirement Age	Percentage of Normal Retirement Benefits Available at Early Retirement
65	100.00%
64	100.00%
63	100.00%
62	100.00%
61	98.00%
60	96.00%
59	93.50%
58	91.00%
57	88.50%
56	86.00%
55	83.50%

Example: Let's say you retire at age 59. You have a traditional benefit of $800 per month and a sustainable income benefit valued at $100 per month. The same percentage from the chart above applies to both parts of your benefit:

Traditional portion of benefit:	$800 x 0.935 = $748.00
Sustainable income portion of benefit:	$100 x 0.935 = $93.50
Total:	$841.50

This amount would be reduced if you elected a payment option other than the Life Only Annuity. The traditional portion of the benefit will not change but the sustainable income portion will be adjusted each year with the Plan's investment returns.

APPLYING FOR YOUR BENEFIT

When you are preparing to retire, you should allow 60 to 90 days for the application process. Call the administrative office for an application and they will also help you determine what other documentation you need to send.

Retirement Checklist

1. Request the retirement application from the administrative office.
2. Return the completed application with the required documentation to the administrative office. Include a copy of your birth certificate, your spouse or beneficiary's birth certificate and your marriage certificate and/or divorce decree, if applicable. If you cannot obtain these documents, you may provide other documents listed on the application for proof of birthdate.
3. If you had a break in service in your past service credits due to disability, military leave or working in the industry where no contributions were paid, you will need to provide a copy of your medical report, your military discharge papers or evidence of remaining in the industry to cure the break.
4. If you are eligible for retirement, the administrative office will send you an Election of Benefits form. This form will include a written explanation of the payment options available to you and the amount of monthly benefit payable under each method.

<u>Designating a Beneficiary</u>

Selecting a beneficiary is important, because if you die, your beneficiary will receive your J&S Annuity, 10 Year Certain and Life Annuity, or death benefit payments. You can obtain a Beneficiary Designation Form at your local union office or from the administrative office.

Retirement Effective Date

Normally, your benefits will begin on the first of the month following the later of:

- the date the administrative office receives your application and all required documentation, or
- the month in which you stop working.

If you are late in returning your application and required documentation and/or Election of Benefits, there will be a delay in the start of your pension benefits.

If you have retired, you may defer receiving your retirement benefits until a later date, but no later than age 70.5 unless you are a five percent or more owner of an employer in which case you cannot defer receiving retirement benefits even though you continue to work. If you are still working in the "industry" at age 70.5, you may choose to start receiving your monthly retirement benefits or postpone starting your retirement benefits until you actually retire.

DISABILITY RETIREMENT BENEFITS

Definition of a Disability

Total and permanent disability means that you are unable to work in the trade or within a closely related industry because of a medical condition which has been documented by your doctor and is expected to be of a long, continued, or indefinite duration.

When applying for Disability Retirement benefits, you will be required to submit sufficient medical documentation from your doctors(s) – which the trustees can use to verify your disability.

For the purpose of defining eligibility for disability, working as a plumbing inspector, mechanical inspector, or training instructor will not be classified as working within a closely related industry.

Eligibility for a Disability Retirement Benefit

You are eligible for a Disability Retirement benefit if:

- you are under 55 years of age, and
- you have earned at least five service credits, and
- you have earned at least one year of service in the 24-month period prior to applying for disability benefits, and
- you are unable to work in the trade or a closely related industry because you meet the definition of total and permanent disability as defined by the Plan, and
- you have been disabled for six months.

You may also be eligible for a Disability Retirement benefit if you worked in the states of Washington, Oregon, or Idaho, under any United Association Agreement or in other employment for the Union or other Union affiliated organization, for at least 500 hours in the 24-month period prior to the date you apply for benefits.

The Board of Trustees may waive the 24-month rule if your medical documentation confirms that the disability prevented you from earning any hours of service during the 24-month period prior to the date you apply for benefits and you have earned any hours of service during the 48-month period prior to the date you apply for benefits.

Amount of Disability Retirement Benefit

If you are eligible for a Disability Retirement benefit on or after May 31, 2005, your benefit will be equal to the Early Retirement benefit you would have been eligible to receive if you had taken early retirement at age 55 based on the benefits you have earned up to the date of your disability. For disabilities prior to May 31, 2005 please contact the administrative office.

Payment of Disability Retirement Benefits

Your effective date of disability is the first day of the month following the month in which your disability occurred, or as of the first day of the 12th month prior to the month in which you first filed an application for disability benefits, whichever is later. Your disability benefit will start on the first day of the seventh month following the effective date of disability.

Once you qualify for Disability Retirement benefits, if your application was submitted after the effective date of your disability, you can receive a retroactive benefit from the latest of:

- the first day of the seventh month after your disability started, or
- up to 12 months before the date you submitted your application.

Those retroactive payments will bear interest at the rate of 6% per year from the effective date of disability to the date the retroactive payments are paid to you. However, if you return to work following a period of disability and then become disabled again from the same condition within three years of the date you returned to work, you will not be required to wait six months before receiving Disability Retirement benefits.

If you return to work following a period of disability, you will not be able to change your form of benefit payment unless you have worked at least 500 hours or been gainfully employed for at least 12 months during the period prior to filing a new application.

Applying for Your Disability Retirement Benefit

If you qualify for a Disability Retirement benefit, follow these procedures to apply.

<u>Retirement Checklist</u>

1. Contact the administrative office to request the Disability Retirement benefits application.
2. Return the completed application with the required documentation to the administrative office. Include a copy of your birth certificate, your spouse or beneficiary's birth certificate (or alternative documentation of proof of birth), and your marriage certificate and/or divorce decree, if applicable as well as sufficient medical certification of total and permanent disability.
3. The administrative office will review the documents to make sure they have been filled out completely and accurately. If there is any missing information, you will be notified within 15 days of the date that the administrative office received the forms. You may receive this notice either by letter or phone call.
4. The administrative office **may** contact your doctor to obtain medical documentation and verification of your disability. If the trustees are not satisfied with the documentation provided, they may require, at the Plan's expense, medical certification by a doctor who is a qualified specialist in the illness, disorder, or injury which is the cause of your disability.
5. The trustees will make a determination of eligibility for a Disability Retirement benefit based on the documentation you and your doctors have submitted. If your application is not approved, you will receive a Notification of Adverse Benefit Determination, and you may submit an appeal according to the Plan's appeal procedures.

Proof of Birth Date Documentation

When you apply for retirement benefits you will be required to prove your date of birth using copies of one of the following documents:

- birth certificate
- valid passport
- valid driver's license which includes birthdate
- baptismal certificate
- records taken from a family Bible or other family register of births
- statement from Social Security Administration

If none of these documents are available, then copies of any two of the following are acceptable, provided the document gives your date of birth:

- life insurance policy at least five years old
- school age record
- affidavit of older relative
- voting registration record
- confirmation record
- military service record
- marriage record
- naturalization record
- census record
- other types of records at least five years old

If you are married, you will need to provide a copy of your marriage certificate.

HOW RETIREMENT BENEFITS ARE PAID

There are four forms of benefit payment options available:

- Lifetime Only Annuity,
- 100% Joint and Survivor Annuity,
- 50% Joint and Survivor Annuity, and
- 10 Year Certain and Life Annuity.

If you are single, the normal method of payment is the Lifetime Only Annuity.

If you are married, you will be paid under the 100% Annuity option. If you wish a different option or a beneficiary other than your spouse, both you and your spouse must sign a notarized consent form. You can obtain a Beneficiary Designation Form at your local union office or from the administrative office.

You are required to select a payment option before benefit payments begin. **Once your retirement benefit payment begins, you cannot change your payment choice.**

Lifetime Only Annuity - You receive a monthly benefit amount as long as you live. When you die, the benefit stops.

Joint and Survivor (J&S) Annuity - You will receive this monthly benefit for your lifetime. Depending on whether you elect a 100% or 50% J&S Annuity, when you die, your beneficiary will receive the same monthly amount (100%) or a reduced monthly amount (50%) until their death. If you choose this option, you will receive a smaller benefit amount than the Lifetime Only Annuity.

The actual amount of the reduction depends upon your age and the age of your spouse or beneficiary, and when payments begin (see examples below). The factors used to calculate J&S payments of the sustainable income portion of your benefit are subject to change each year.

If you select a beneficiary other than your spouse who is more than 10 years younger than you, then you cannot select a 100% J&S Annuity.

If your beneficiary dies before your retirement benefits begin, your J&S Annuity election will be canceled and you will be paid the amount of the Lifetime Only Annuity.

If your beneficiary dies after your retirement benefits begin, but before you die, your future benefit payments will be changed to the Lifetime Only Annuity amount (adjusted for Early Retirement, if applicable). You will not be permitted to select a new J&S Annuity beneficiary.

100% J&S Annuity Example:
Steve's monthly Life Only Annuity benefit is $1,269.90 ($1,113.50 traditional benefit + $156.40 sustainable income benefit). Steve and his spouse are age 62 at retirement and elect a 100% J&S Annuity.

Traditional benefit:	$1,113.50 x 0.7872 = $876.55
Sustainable income benefit:	$156.40 x 0.85137* = $133.15
Total benefit in year of retirement:	$1,009.70
*The factor used for this purpose is updated annually and, therefore, will depend in the year you retire. This factor assumes that Steve retired in 2018.	

In retirement, the traditional portion of the benefit will remain fixed at $876.55 and the sustainable income portion will change with investment returns, as previously described.

If Steve dies before his spouse, his spouse will receive 100% of his benefit at that time and the sustainable income portion continues to adjust each year. If Steve's spouse dies before he does, Steve's benefit increases to the amount that he would have received if he had chosen the Life Only Annuity option. In all cases, the sustainable income portion continues to adjust.

50% J&S Annuity Example:
Say Steve and his spouse elect a 50% J&S Annuity instead.

Traditional benefit:	$1,113.50 x 0.8809 = $980.88
Sustainable income benefit:	$156.40 x 0.91972* = $143.84
Total benefit in year of retirement:	$1,124.72
*The factor used for this purpose is updated annually and, therefore, will depend in the year you retire. This factor assumes that Steve retired in 2018.	

In retirement, the traditional portion of the benefit will remain fixed at $980.88 and the sustainable income portion will change with investment returns, as previously described.

If Steve dies before his spouse, his spouse will receive 50% of his benefit at that time and the sustainable income portion continues to adjust each year. If Steve's spouse dies before he does, Steve's benefit increases to the amount that he would have received if he had chosen the Life Only Annuity option. In all cases, the sustainable income portion continues to adjust.

10 Year Certain and Life Annuity - This monthly benefit is payable for a minimum of 10 years and continues for your lifetime. If you die before you have received 120 monthly payments (10 years), your beneficiary will receive the remaining payments until 120 monthly payments have been paid – and then no additional benefits are payable. The monthly amount you receive will be smaller than if you choose the Lifetime Only Annuity.

10 Year Certain and Life Annuity Example:
Steve is age 62 at retirement and elects a 10 Year Certain and Life Annuity.

Traditional benefit:	$1,113.50 x 0.9371 = $1,043.46
Sustainable income benefit:	$156.40 x 0.98151* = $153.51
Total benefit in year of retirement:	$1,196.97
*The factor used for this purpose is updated annually and, therefore, will depend in the year you retire. This factor assumes that Steve retired in 2018.	

In retirement, the traditional portion of the benefit will remain fixed at $1,043.46 and the sustainable income portion will change with investment returns, as previously described.

If Steve dies before receiving 120 monthly payments (10 years), his beneficiary will receive 100% of his benefit at that time and the sustainable income portion continues to adjust each year until a total of 120 monthly payments have been made, and then the monthly payments will stop.

Minimum Retirement Benefit

If you qualify for a Normal, Early, or Disability Retirement benefit and have at least 10 years of credited service, you will receive a minimum benefit of $100 per month. If you retire early, your benefit will be reduced as shown in the Early Retirement benefit table on page 13 of the Summary Plan Description, or if you elect a J&S Annuity, your benefit will be reduced accordingly.

Benefits Under $5,000 Will Be Paid in One Lump-Sum

When you retire, if your benefit is worth $5,000 or less, your benefit will be paid automatically as a lump-sum payment. You can have the payment “rolled over” to an individual retirement account or to a new employer’s retirement plan (provided your new employer’s retirement plan permits rollovers).

DEATH BENEFITS

Death Benefit Before You Are Vested

If you die before you are vested, your beneficiary will receive a death benefit equal to $600 multiplied by the number of your non-forfeited death benefit credits, see table below.

Lump-Sum Death Benefits

Your designated beneficiary will receive any lump-sum death benefit within 90 days of your death, provided the beneficiary completes the benefit application as required. The application can be obtained from the administrative office.

Death Benefit Table

Hours of Service During the Calendar Year	Death Benefit Credit
1962 through 1968	
Less than 300	0.00
300 but less than 700	0.25
700 but less than 1,100	0.50
1,100 but less than 1,500	0.75
1,500 or more	1.00
1969 through 1989	
Less than 300	0.00
300 but less than 700	0.25
700 but less than 1,100	0.50
1,100 but less than 1,400	0.75
1,400 or more	1.00
1990 and after	
Less than 300	0.00
300 but less than 600	0.25
600 but less than 900	0.50
900 but less than 1,200	0.75
1,200 or more	1.00
One death benefit credit is also granted for each Past Service Credit	

Death Benefit After You Are Vested, But Before Age 55

Married Participants

If you are vested, married, not receiving a retirement benefit, and you die before age 55, your spouse may choose either:

- a monthly benefit based on a 100% J&S Annuity beginning on the first day of the month following the date you would have become age 55, or
- a lump-sum benefit equal to the larger of:
  1. the present value of the monthly survivor's benefit, or
  2. $600 multiplied by the number of your death benefit credits.

Single Participants

- If you are vested, single, not receiving a retirement benefit, and you die before age 55, your beneficiary will receive a lump-sum benefit equal to the larger of:
- the total amount of contributions made to the Plan on your behalf, or
- $600 multiplied by the number of your death benefit credits.

Death Benefit After You Are Vested and After Age 55

Married Participants

If you are vested, married, not receiving retirement benefits, and you die after age 55, your spouse will receive a lump-sum death benefit of $600 multiplied by your death benefit credits. In addition, your spouse will receive a monthly benefit equal to the monthly benefit you would have received if you had retired on the first day of the month following the month in which you died, with a 100% J&S Annuity option in effect.

Single Participants

If you are vested, single, not receiving retirement benefits, and you die after age 55, your beneficiary will receive a lump-sum death benefit of $600 multiplied by your death benefit credits. In addition, your beneficiary will receive the total amount of contributions made to the Plan on your behalf.

Benefits Under $5,000 Will Be Paid in One Lump-Sum

If your monthly death benefit is worth $5,000 or less, it will be paid automatically as a lump-sum payment. The payment can be “rolled over” to an individual retirement account or to another retirement plan in which your beneficiary participates (provided the retirement plan permits rollovers).

Death Benefits After Retirement

If you die after you retire, the lump-sum death benefit payable to your beneficiary will be $600 for each death benefit credit and reduced by the following amounts:

- any retirement benefits paid to you under the Plan, or
- if you retired under a J&S Annuity option, the retirement benefits you would have been paid if you had elected the Lifetime Only Annuity option.

Death Benefits Without a Beneficiary

If you die and you have not designated a beneficiary, benefits will be paid to your spouse. If you are single, the lump-sum death benefit will be paid to other relatives as described in Section 12.06(c) Designation of Alternate Beneficiaries at Death on page 50 of the Plan Document.

Application for Death Benefits

Your spouse or other beneficiary must apply in writing to receive benefits. An application form may be obtained from your local union or the administration office. A certified copy of the participant’s death certificate and any other documentation the trustees request must be submitted with the application.

When Death Benefit Payments Begin

Your qualified beneficiary’s benefits will begin on the first day of the month following the month after you died.

SUSPENSION OR TERMINATION OF BENEFITS

Once you begin receiving retirement benefits, the benefits will usually continue for the rest of your life, or you and your beneficiary's lives, if you have selected a J&S Annuity option. Usually, the only time your benefits will be suspended will be if you work in the industry or a closely related industry after you have retired.

Suspension of Benefits Before Age 65

If you are a retired participant under age 65 and you work 40 hours or more in any calendar month in the trade or a closely related industry in any geographic area, except as a plumbing inspector, mechanical inspector, or training instructor, then your retirement benefit will be permanently withheld for that month.

Suspension of Benefits After Age 65

If you are a retired participant over age 65 and less than age 70.5 and work 40 or more hours in any calendar month while employed in the trade in the states of Washington, Oregon, or Idaho, then your retirement benefits or those months will be permanently withheld.

No Suspension of Normal or Early Benefits After Age 70.5

If you are over age 70.5, benefits cannot be suspended for returning to work – no matter how many hours you work in a month.

Suspension of Disability Retirement Benefits Before Age 65

If you retired because of disability and you are under age 65, you will not be entitled to a retirement benefit for any month you were actively employed for one or more days in the trade or within a closely related industry, except as a plumbing inspector, mechanical inspector, or training instructor.

Termination of Disability Retirement Benefits

If you do not provide continued medical certification of the disabling condition when requested by the Trustees, or if you recover from your disabling condition before your 55th birthday, your Disability Retirement benefit under the Plan stops on the last day of the month in which you fail to provide the requested information or your condition no longer meet the Plan's definition of disability.

<u>Notice of Termination/Suspension</u>

No benefit payment will be withheld until you are notified in writing. Your benefit payment will be withheld beginning the first month in which notice was given. This notification will include:

1. a description of the specific reasons for the suspension,
2. the Plan provision relating to the suspension,
3. a copy of the applicable Plan provisions,
4. a reference to the applicable Department of Labor regulations,
5. the Plan's procedures for review,
6. the procedure for notifying the administrative office of your termination of covered employment, and
7. an explanation of when and how your benefits will be withheld.

Verification of Status

At the request of the Board of Trustees, any retired participant must provide sufficient factual information as determined by the Trustees, that they are not employed in a type of job that could cause benefits to be suspended. If the requested information is not forwarded to the administrative office within 30 days, then future benefit payments may be withheld until the requested information is received.

IF YOUR APPLICATION FOR EARLY OR NORMAL BENEFITS IS DENIED

If your application for benefits is denied, you will receive a written Adverse Benefit Determination (ABD) from the administrative office within 90 days or 180 days if an extension is needed to obtain additional documentation after the administrative office receives your application. The administrative office will notify you in writing if an extension is required. The ABD will provide the following information:

1. the specific reasons for the denial,
2. the specific references to the Plan provisions upon which the denial is based,
3. a description of any additional materials or information you need to have your claim approved and the reasons this is necessary, and
4. an explanation of the Plan's claim appeal/review procedures, the time limits applicable to those procedures and a statement of your right to bring a civil action under section 502(a) of ERISA.

Appealing an Adverse Early or Normal Benefit Determination

You will then have 90 days after you receive the ABD to file an appeal with the administrative office.

Your appeal should be in writing and should contain in clear and concise terms your reasons for disputing the denial. Your appeal request should contain all documents, records, or other information to support your claim. Upon your request you will be provided – free of charge – reasonable access to and copies of all documents, records, and other information used by the trustees to make their determination.

Review of Adverse Early or Normal Benefit Determination

The Board of Trustees will review your appeal as if this is the first review with no prior determination. The appeal will be reviewed at the next regularly scheduled Board of Trustees meeting unless your appeal was received by the administrative office within 30 days of the meeting. In that case the determination by the Board shall be made at its second meeting after receipt of your appeal. If special circumstances require a further extension of time for processing, the determination by the Board shall be made at its third meeting after receipt of your appeal. However, the administrative office will notify you in writing of the date of that Board meeting and describe the special circumstances.

The administrative office will notify you of the benefit determination no later than five days after the Board’s determination of your appeal.

Use and Relevance of Claims Procedures

The above claims procedures relate to all claims for benefits under the Plan except for disability benefits. The claim procedures for disability benefits are summarized below and described on page 16, under "Applying for Your Disability Retirement Benefit." The claims procedures described above are applicable to a participant or a beneficiary of a participant who has a claim for a Normal, Early, or Death benefit. A participant or beneficiary who has a claim must exhaust the claim appeal procedures under the Plan before filing a lawsuit.

IF YOUR APPLICATION FOR DISABILITY RETIREMENT IS DENIED

If your application for Disability Retirement benefits is denied, you will receive an Adverse Benefit Determination (ABD) from the administrative office within 45 days after the receipt of your application. If the administrative office needs additional time to process your application, you will be asked to approve a 30-day extension period before the end of the first 45-day period. This may occur if the administrative office is waiting on medical documentation from your doctors(s). If the administrative office still does not receive the necessary information during the 30-day extension period, one additional 30-day extension may be requested before the first 30-day extension ends.

The ABD will provide the following information:

1. the specific reasons for the denial,
2. specific references to the Plan provisions upon which the denial is based,
3. a description of any additional materials or information you need to have your claim approved and the reason this is necessary, and
4. an explanation of the Plan's claim appeal/review procedures, the time limits applicable to those procedures, and a statement of your right to bring a civil action under section 502(a) of ERISA.

Appealing an Adverse Disability Benefit Determination

You have 180 days after you receive the ABD to file an appeal with the administrative office.

Your appeal should be in writing and should contain in clear and concise terms your reasons for disputing the denial. Your appeal request should contain all documents, records, or other information to support your claim. Upon your request you will be provided – free of charge – reasonable access to and copies of all documents, records, and other information used by the trustees to make their determination.

<u>Review of Adverse Disability Benefit Determination</u>

The Board of Trustees will review your appeal as if this is the first review with no prior determination. The appeal will be reviewed at the next regularly scheduled Board of Trustees meeting unless your appeal was received by the administrative office within 30 days of the meeting. In that case, the determination by the Board shall be made at its second meeting after receipt of your appeal. If special circumstances require a further extension of time for processing, the determination by the Board shall be made at its third meeting after receipt of your appeal. However, the administrative office will notify you in writing of the date of that Board meeting and describe the special circumstances.

The administrative office will notify you of the benefit determination no later than five days after the Board’s determination of your appeal.

Use and Relevance of Disability Claims Procedures

The claims procedures described above are applicable to a participant who has an application for a Disability Retirement benefit under the Plan. A participant who has a disability application for benefits under the Plan must exhaust the claim procedures under the Plan before filing a lawsuit.

ASSIGNMENT OF BENEFITS
Under the Plan, your benefits generally cannot be assigned, sold, transferred, or encumbered. Nor can your benefits be subject to debts. Benefits cannot be subject to attachment, garnishment, or any other legal process. Enforcement of a Qualified Domestic Relations Order (QDRO) is allowed.

DEDUCTION FOR TAXES
The trustees may withhold any taxes required by law from your benefit payments.

FAMILY MEDICAL LEAVE ACT (FMLA)
See Appendix A of the Plan Document on page 60.

OVERPAYMENT OF BENEFITS
At their discretion, the trustees may offset against any future payment(s) any payment made in error, made for a month where a benefit payment was not payable, or any payment suspended or able to be suspended.

RECIPROCITY
The trustees have reciprocal agreements with other pension plans to allow you to have contributions earned in those areas transferred to this Plan. Service credit in those areas may also count to vest benefits in this Plan. If you have questions about this, contact the administrative office.

UNCLAIMED BENEFITS
If the trustees, whether before or after the termination of the Plan, are unable to locate any person entitled to receive any benefit under the Plan, a record will be maintained for the accumulated amount of benefits.

UNIFORMED SERVICE EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)
Under USERRA, certain periods of United States military service (including active duty for training) may be used to prevent a break in service or for benefit accrual and vesting. You must notify your employer before taking a leave (unless precluded by military necessity or other reasonable cause). You should indicate how long you expect to be gone.

Upon honorable release form military duty, you must apply for reemployment by these deadlines:

- less than 31 days' military service - apply immediately, taking into account safe transportation plus an 8-hour rest period,
- 31 to 180 days' military service - apply within 14 days,
- more than 180 days' military service - apply within 90 days.

These reemployment deadlines may be extended for periods during which you are hospitalized or convalescing (but not for longer than two years).

If you are otherwise qualified for disability benefits under the Plan, you must apply for those benefits within three months after your honorable release from military duty.

To ensure proper credited service under USERRA, you should notify the administrative office upon taking military leave, and upon applying for reemployment following leave.

Funding to provide benefits for periods of qualified military service will be a Plan expense. Contributions for qualified military service will be based on your average hours of service during the 12-month period immediately preceding the qualified military service, or, if shorter, the period of employment immediately preceding your qualified military service.

USERRA only applies to reemployment after December 11, 1994. For information on military service before that date, and for further details on service under USERRA, please contact the administrative office.

QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)

A Qualified Domestic Relations Order is a judgment, decree, or order that relates to child support, alimony payments, or marital property rights. If you begin divorce proceedings, check with the administration office for more information about a QDRO and request a sample QDRO to provide to your attorney if needed.

CONTIGUOUS SERVICE EXAMPLES

The following examples show how hours are counted when you work in a non-covered position with a participating employer:

- you work for a participating employer in a position not covered by the collective bargaining agreement of this Plan. You then move to a position with the same employer that is covered by the collective bargaining agreement. As you are still working for the same employer, the hours that you worked in the non-covered position will be counted towards vesting, but will not provide any benefit credit.
- you work for a participating employer in a position covered by the collective bargaining agreement for four years. You then move into a management position which is not covered by the collective bargaining agreement. As you are still working for the same employer the hours worked in the non- covered position can be used towards hours needed to meet the vesting requirement, but will not provide any benefit credit.

ADMINISTRATIVE FACTS

Plan Name
Washington State Plumbing and Pipefitting Industry Pension Plan, referred to as “the Plan.”

Type of Plan
This is a Defined Benefit Plan. The effective date of this Plan was January 1, 1962 and the Plan has been amended since that date.

Plan Year
Begins January 1 and ends December 31.

Plan Numbers
The Employer Identification Number assigned to the Plan by the IRS is: 91-6029141
The Plan Number is: 001

Plan Sponsor and Plan Administrator – Board of Trustees
The Plan is sponsored and administered by a joint Labor-Management Board of Trustees with the assistance of Zenith American Solutions, a contract administration organization.

Name, Address, and Telephone Number of the Board of Trustees
Board of Trustees
Washington State Plumbing and Pipefitting Industry Pension Plan
11724 NE 195th Street, Suite 300
Bothell, WA 98011-8242
(206) 352-9728 / (888) 406-3246

BOARD OF TRUSTEES

PLAN ADVISORS

ACTUARY
Milliman
1301 Fifth Avenue, Suite 3800
Seattle, WA 98101-2635

ATTORNEY
Turner, Stoeve & Gagliardi, P.S.
201 West North River Drive, Suite 190
Spokane, WA 99201

COLLECTION ATTORNEY
McKenzie Rothwell Barlow & Korpi P.S.
1325 Fourth Avenue, Suite 910
Seattle, WA 98101-2573

INVESTMENT CONSULTANT
Verus
800 Fifth Avenue, Suite 3900
Seattle, WA 98104-3176

If You Have Questions or Need Assistance Contact the Administrative Agent (Administration Office)

Zenith American Solutions
11724 NE 195th Street, Suite 300
Bothell, WA 98011-4896
(206) 352-9728 / (888) 406-8242
(206) 298-3422 (fax)

Participating Employers and Unions

A list of participating employers and labor organizations may be obtained upon written request, at the address listed above.

Agent for Service of Legal Process

Legal matters should be directed to:
Turner, Stoeve & Gagliardi, P.S.
201 West North River Drive, Suite 190
Spokane, WA 99201

Any member of the Board of Trustees or the Administrative Agent may also accept service of legal process on behalf of the Plan.

Collective Bargaining Agreements

This Plan is maintained under several Collective Bargaining Agreements between contributing employers and the U.A. Local Unions. You can receive a copy by writing the administration office or at your local union.

Funding Info

This Plan is funded by your employer's contributions. The hourly rate of your employer's contribution is determined through a Collective Bargaining Agreement with the union and contributing employers, or a Special Agreement with the trustees. You are not permitted to contribute to the Plan. These funds are used for the payment of benefits and administrative expenses.

Termination or Amendment of the Plan

The Plan will remain in full force and effect until terminated by the action of the trustees. The trustees may amend or terminate the Plan for any reason at any time. Although the union and the contributing employers expect the Plan to continue indefinitely, in the event the Plan is terminated each participant will be fully vested in their accrued benefit under the Plan to the extent the benefits are funded. The order in which assets will be allocated under the Plan will be determined by the Plan provisions and by Federal Law.

Benefit Guarantee (PBGC Insurance)

In the event this Plan is terminated, your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a Federal Insurance Agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

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

The maximum benefit that the PBGC guarantees is set by law.

Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by:

- 100% of the first $11 of the monthly benefit accrual rate, and
- 75% of the next $33.

The PBGC's maximum guarantee limit is $35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be $12,870.

The PBGC guarantee generally covers:

- Normal and Early Retirement benefits,
- Disability Retirement benefits if you become disabled before the plan becomes insolvent, and
- certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- benefits greater than the maximum guaranteed amount set by law,
- benefit increases and new benefits based on plan provisions that have been in place for fewer than five years at the earlier of the date the plan terminates or the time the plan becomes insolvent,
- benefits that are not vested because you have not worked long enough,
- benefits for which you have not met all of the requirements at the time the plan becomes insolvent, and
- non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your Administrative Agent or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the Federal relay service toll-free at (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.

YOUR RETIREMENT PLAN AND ERISA

As a participant in the Washington State Plumbing and Pipefitting Industry Pension Plan you are entitled to rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants will be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Plan administrator's office and at other specified locations, such as 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 copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The administrator may make a reasonable charge for the copies.

Receive the Plan's Annual Funding Notice, which summarizes the Plan's financial position. The Plan administrator is required by law to furnish each participant with a copy of this notice.

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 the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes obligations upon the persons who are responsible for operation of the employee benefit plan. The people who operate your Plan, the "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforcing Your Rights

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

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may request review by the Board of Trustees pursuant to the claims appeal procedures described in the Plan. After you exhaust the Plan's claim appeal procedure, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If 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 file suit in Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees (if, for example, it finds your claim is frivolous).

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Administrative Agent. 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 (EBSA), U.S. Department of Labor, located at:

Employee Benefits Security Administration
Seattle District Office
1111 Third Avenue, Suite 860
MIDCOM Tower
Seattle, WA 98101-3212
Phone: (206) 553-4244
Fax: (206) 553-0913

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline (866) 444-3272, or at www.dol.gov/ebsa.