

# **WESTERN STATES INSULATORS AND ALLIED WORKERS' PENSION PLAN**

**(As Amended and Restated Effective January 1, 2023)**

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**WESTERN STATES INSULATORS AND ALLIED WORKERS' PENSION PLAN**  
(As Amended and Restated Effective January 1, 2023)

**ARTICLE I. DEFINITIONS**

**Section 1.1.** Unless the context or subject matter otherwise requires, as determined by the Board of Trustees, the words and terms used in the Pension Plan shall have the same meaning as the WESTERN STATES INSULATORS AND ALLIED WORKERS' PENSION FUND AGREEMENT AND DECLARATION OF TRUST. Any conflict between the provisions of this Pension Plan and the Trust Agreement shall be resolved in favor of the provisions of the Pension Plan.

Notwithstanding any other Plan provision to the contrary, effective as of June 26, 2013, a spouse shall include the same-sex spouse of a Participant, provided the marriage was validly entered into in a state whose laws authorize the marriage of two individuals of the same sex and regardless of whether the individuals are domiciled in a state that does not recognize the validity of same-sex marriages.

**Section 1.2.** The Plan was originally effective January 1, 1961 and was restated from time to time over the years. This document represents the current amended and restated Plan effective as of January 1, 2023.

This Plan contains provisions that are intended to permit continued compliance with current qualification requirements of the Internal Revenue Code. If any requirement of the Internal Revenue Code (or regulations or rulings thereunder) necessitate the adoption of a conforming amendment as of a particular effective date in order for this Plan to continue to be a qualified plan, the Plan shall be operated in accordance with such requirements until the date when a conforming amendment is adopted, or the date when a clear and unambiguous, non-conforming Plan amendment is adopted, whichever occurs first. If the particular effective date for which a conforming amendment is required is a date prior to January 1, 2023, the conforming amendment shall, to the full extent permitted by the Internal Revenue Service or by legal rules relating to the permissible remedial amendment period for qualified plans, be applied retroactively to prior versions of the Plan as well as the current document.

**Section 1.3.** This Plan, formerly known as the Western States Asbestos Workers' Pension Plan, is now known as the Western States Insulators and Allied Workers' Pension Plan. All references in this document to the Western States Asbestos Workers' Pension Plan shall be read to indicate the Western States Insulators and Allied Workers' Pension Plan.

## **ARTICLE II. PARTICIPATION IN PLAN**

**Section 2.1.** All employees as this term is defined in the Trust Agreement and eligible former employees, as defined by regulations adopted by the Board of Trustees, are eligible to participate in the benefits provided under this Pension Plan.

**Section 2.2.** If payment under a collective bargaining agreement is required to be made into this Pension Fund with respect to classifications of employees not covered on the effective date of the Trust Agreement and Pension Plan, the provisions of this Pension Plan shall, if necessary, be adjusted as to such persons affected as may be fair and equitable in the Board's sole discretion.

**Section 2.3.** Effective January 1, 1999, the term "employee" shall include non-bargaining unit employees, subject to the following conditions and limitations:

- a) The employee must previously have earned contributions to the Plan while employed under a collective bargaining agreement; and
- b) The employee must be employed by one of the following employers:
  - i) A building and construction trades local union affiliated with the Western States Conference of Asbestos Workers, International Association of Heat & Frost Insulators and Asbestos Workers, AFL-CIO (or by the International); or
  - ii) An apprentice training fund or other similar training fund maintained pursuant to a collective bargaining agreement which also requires contributions to this Plan; or
  - iii) An employer engaged in the insulation business which is (a) incorporated and (b) signatory to a collective bargaining agreement requiring contributions to the Plan; and
- c) Contributions for the non-bargaining unit employee must be made on the same basis as for employees working under a collective bargaining agreement in the same geographic area; and
- d) The employer must sign a written participation agreement; and
- e) The total number of non-bargaining unit employees participating pursuant to this Section may not exceed the maximum number permitted under Treasury Regulation Section 1.410(b)-6(d)(2)(ii) or any successor rule. To comply with this limitation, the Trustees may decline to accept contributions tendered for non-bargaining unit employees and/or may retroactively refund such contributions. In accordance with applicable Department of Labor regulations, any such refund shall not include interest.

**Section 2.4.** Except as permitted under Section 2.3, the term "employee" shall not include employers or self-employed persons unless and until all of the following conditions are met and the following happenings occur:

- a) Appropriate legislation is enacted making legal the inclusion of employers or self-employed persons in this Trust and Plan; and
- b) Such inclusion will not result in making this Trust and Plan non-qualified under Section 401(a) or non-tax exempt under Section 501(a) of the Internal Revenue Code; and
- c) The Board of Trustees, by appropriate resolution, authorize such inclusion upon such terms and conditions as the Board may deem advisable and appropriate in its sole discretion; and
- d) The Fund actuary certifies that the actuarial soundness of the Plan will not be adversely affected by such inclusion.

**Section 2.5.** As required by Section 411(a) of the Internal Revenue Code, effective January 1, 1989, a participant who is not covered pursuant to a collective bargaining agreement described in Internal Revenue Code Section 414(f)(1)(B) and who has completed at least five (5) years of Credited Service shall have a nonforfeitable right to one hundred percent (100%) of the participant's accrued benefit derived from employer contributions.

**Section 2.6.** An employee or retired employee shall be required to comply promptly with all reasonable and appropriate requests for information or proof and in good faith. Failure to do so or misrepresentations shall constitute sufficient grounds for denying or discounting benefits to such employee.

## **ARTICLE III. RETIREMENT BENEFITS**

**Section 3.1. Qualified Employee.** An employee shall become a "Qualified employee," eligible to receive pension benefits under this Plan, when he or she:

- a) Has attained the age of fifty (50) or more and has at least fifteen (15) years of Total Credited Benefit Service, or
- b) Has at least twenty (20) years of Total Credited Benefit Service, or
- c) On or after December 31, 1968, has at least fifteen (15) years of Total Credited Benefit Service, or
- d) On or after December 31, 1975, has at least ten (10) years of Total Credited Vesting Service, or
- e) Attains Normal Retirement Age as defined in Section 3.8(b), or
- f) Has at least one (1) hour of Credited Contributory Vesting Service after December 31, 1997 and has at least five (5) years of Total Credited Vesting Service.

**Section 3.2. Total Credited Vesting Service.** Total Credited Vesting Service shall mean the sum of years of Credited Past Service and the years of Credited Contributory Vesting Service.

**Section 3.3. Total Credited Benefit Service.** Total Credited Benefit Service shall mean the sum of years of Credited Past Service and the years of Credited Contributory Benefit Service.

**Section 3.4. Credited Past Service.** Credited Past Service will be determined:

- a) For employees covered under this Plan on or after January 1, 1964 as a result of the inclusion of the bargaining unit of Local #76 of the International Association of Heat and Frost Insulators and Asbestos Workers and New Mexico and Texas Employers in this Plan as of July 1, 1966 as follows:
  - i) An employee on whose behalf contributions are payable to the Pension Fund pursuant to a collective bargaining or pension agreement for at least one (1) hour of employment between July 1, 1963 and December 31, 1964, dates inclusive, provided, however, an employee shall not be required to have a contribution payable on his or her behalf for one (1) hour during said period if during the whole of said period he or she was in the service of any of the armed forces of the United States and returned to such employment not later than one (1) year after release from active military duty after December 31, 1964; or

- ii) An individual who was employed between July 1, 1963 and December 31, 1964, dates inclusive, by an employer but who was not an employee within the jurisdiction of the collective bargaining agreement; or
- b) For employees not included in the class described in section 3.4(a), above as follows:
  - i) An employee on whose behalf contributions are payable to the Pension Fund pursuant to a collective bargaining or pension agreement for at least one (1) hour of employment between August 1, 1959 and December 31, 1960, dates inclusive, provided, however, an employee shall not be required to have a contribution payable on his or her behalf for one (1) hour during said period if during the whole of said period he or she was in the service of any of the armed forces of the United States and returned to such employment not later than one (1) year after release from active military duty after December 31, 1960; or
  - ii) An individual who was employed between August 1, 1959 and December 31, 1960, dates inclusive, by an employer but who was not an employee within the jurisdiction of the collective bargaining agreement, shall receive Credited Past Service on the following basis: He or she shall receive one (1) year of Credited Past Service for each full twelve (12) month period beginning on January 1 of each year and ending December 31 of the same year, prior to January 1, 1960, during which said twelve (12) month period he or she performed at least one (1) hour of work as an employee or an eligible former employee, but no credit shall be given for any employment prior to January 1, 1944, nor shall more than fifteen (15) years of past service credit be given.
- c) For purposes of receiving Credited Past Service only, an employee who on January 1, 1987 had ten (10) or more years of Credited Contributory Benefit Service and who submits evidence that he or she was employed by the United States Government or by an employer who had a sub-contract with the United States Government to perform work as an Asbestos Worker in shipyards in the geographic area covered by this Plan and further submits evidence that he or she is entitled to Social Security Credit for such employment shall be granted Credited Past Service in the same manner as described in Section 3(b)(ii) above.
- d) An employee shall receive no more than one (1) year of Credited Past Service for each twelve (12) month period beginning on January 1st of each year and ending on December 31st of the same year.
- e) Except as provided herein an employee shall lose all of his or her Credited Past Service if he or she performs Noncovered Employment as defined in Article VI, Section 6.2; however, the loss of such Credited Past Service shall not reduce his or her Credited Vesting Service or Credited Benefit Service to an amount less

than the employee was entitled to as of July 1, 1990.

- f) An individual shall receive Credited Past Service in accordance with the above rules for any period of absence due to military service, provided that the individual is entitled to protection from loss of benefits during such absence under the terms of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) or any similar law. Additional benefit amounts payable under this paragraph shall be funded out of investment income.

**Section 3.5. Credited Contributory Benefit Service.** Credited Contributory Benefit Service shall apply to all employees according to the following rules:

- a) For employees covered under this Plan on or after January 1, 1964 as a result of the inclusion of the bargaining unit of Local #76 of the International Association of Heat and Frost Insulators and Asbestos Workers and New Mexico and Texas Employers in this Plan as of July 1, 1966, Credited Contributory Benefit Service, if any, shall be based upon Plan Year Benefit Hours of employment on or after January 1, 1964. Credited Contributory Benefit Service shall be computed for each Plan Year, which is defined as the twelve (12) month period beginning January 1 of each year and ending December 31 of the same year. The first of these periods shall commence January 1, 1964. The amount of credit earned each Plan Year will be determined according to the schedule shown in (c) below.
- b) For employees not included in the class of section 3.5(a), above, Credited Contributory Benefit Service, if any, shall be based upon Plan Year Benefit Hours of employment on or after January 1, 1960. Credited Contributory Benefit Service shall be computed for each Plan Year, which is defined as the twelve (12) month period beginning January 1 of each year and ending December 31 of the same year. The first of these periods shall commence January 1, 1960. The amount of credit earned each Plan Year will be determined according to the schedule shown in (c) below.
- c) For the purposes of the schedule below, “Plan Year Benefit Hours” shall mean hours for which the employee was entitled to payment within the Plan Year for which a payment required by a collective bargaining or pension agreement has been made or was required to be made to this Fund. Such hours shall include hours for which back pay, irrespective of mitigation of damages, was awarded or agreed to by the employer and hours, if any, for which no duties were performed, but only if such hours required a contribution to this Fund by award or agreement. Rules for determining such hours when no duties were performed shall be in accordance with DOL regulations 2530.200b-2(b) and (c).

Plan Year Benefit Hours	Credited Contributory Benefit Service
1,400 or more	1.00 Year
1,050 but less than 1,400	.75

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700 but less than 1,050	.50
350 but less than 700	.25
Less than 350	No Credit

Effective for hours worked on or after January 1, 1998, the above system of granting credits in quarter units shall be discontinued and the employee shall receive proportional credit for all hours in excess of 350 hours up to a maximum of 1,400 hours per year. Credit shall be based on the ratio between the employee's actual hours and the 1,400 hour annual maximum.

- d) In the event a retired employee, as a result of working after retirement accrues additional Credited Contributory Benefit Service, his or her benefit shall be increased effective January 1 of the year following the Plan Year in which the additional credit was accumulated. The credit shall be multiplied by the monthly benefit amount from Article III, Section 3.7(a), and by the appropriate early retirement factor as of the date the additional benefit starts, and by the appropriate Joint and 50%, 75%, or 100% Survivor Annuity factor, if any, which was used to determine the original benefit.
- e) An employee shall receive Credited Contributory Benefit Service in accordance with the above rules for any period of absence due to military service, provided that the employee is entitled to protection from loss of benefits during such absence under USERRA or any similar law. The amount of benefit credit for each year or partial year of such absence shall be based on the employee's Plan Year Benefit Hours during the twelve (12) month period immediately preceding the period of military service. Additional benefit amounts payable under this paragraph normally shall be funded out of investment income. However, in the event that fifteen (15) or more employees qualify for additional benefits under this paragraph based on military service during the same Plan Year, the contributions required to fund the additional benefits for such Plan Year shall be paid by the employee's last employer prior to the period of military service.

**Section 3.6. Credited Contributory Vesting Service.** Credited Contributory Vesting Service shall apply to all employees according to the following rules:

- a) For all Plan Years ending prior to January 1, 1976, Credited Contributory Vesting Service shall be the same as Credited Contributory Benefit Service.
- b) For all Plan Years, beginning January 1, 1976, Credited Contributory Vesting Service, if any, shall be based upon "Plan Year Vesting Hours". Such hours shall be hours of employment or hours for which the employee was entitled to payment within the Plan Year with any employer who had a collective bargaining agreement requiring contributions to this Fund during the Plan Year. Such hours shall include hours for which back pay irrespective of mitigating damages, is awarded or agreed to by the employer and hours, if any, for which no duties were performed. Rules for determining such hours when no duties were performed

shall be in accordance with DOL regulations 2530.200b-2(b) and (c). Hours not requiring contributions to this Fund shall be counted only if such hours preceded or followed hours requiring contributions to this Fund and there was no quit, discharge or retirement occurring between such hours requiring and not requiring contributions to this Fund. The amount of credit earned each calendar year will be determined according to the following schedule:

Plan Year Vesting Hours	Credited Contributory Vesting Service
1,000 or less	1.00 Year
700 but less than 1,000	.50
350 but less than 700	.25

- c) An employee shall receive Credited Contributory Vesting Service in accordance with the above rules for any period of absence due to military service, provided that the employee is entitled to protection from loss of benefits during such absence under USERRA or any similar law. The amount of vesting credit for each year or partial year of such absence shall be based on the employee's Plan Year Benefit Hours or Plan Year Vesting Hours, as applicable, during the twelve (12) month period immediately preceding the period of military service.

**Section 3.7. Amount of Pension.** The amount and payment of an employee's monthly pension payable on and after January 1, 1998, and until further change, shall be according to the following rules:

- a) Each year of Credited Past Service and each year of Credited Contributory Benefit Service earned subsequent to January 1, 1960, shall be multiplied by \$53.00 for benefits payable on or after March 1, 1993 and before January 1, 1994, \$55.00 for benefits payable on or after January 1, 1994 and before January 1, 1996, \$56.00 for benefits payable on or after January 1, 1996 and before January 1, 1997, \$58.00 for benefits payable on or after January 1, 1997 and before January 1, 1998, \$60.00 for benefits payable on or after January 1, 1998, and \$63.00 effective January 1, 1999 for all pensions effective January 1, 2000, \$65.00 effective January 1, 2000 for all pensions effective September 1, 2000, \$67.00 effective January 1, 2001 for all pensions effective September 1, 2001, \$70.00 effective January 1, 2017 for all pensions effective after January 1, 2017, \$71.00 effective January 1, 2019 for all pensions effective after January 1, 2019, \$73.00 effective January 1, 2020 for all pensions effective after January 1, 2020, and \$75.00 effective January 1, 2022 for all pensions effective after January 1, 2022.

For pension recipients on the rolls effective December 1, 1999, a benefit increase of 5% is to be paid retroactively to January 1, 1999 or to the pension recipient's pension effective date, if later. For pension recipients on the rolls effective August 1, 2000, a benefit increase of 3.1746% is to be paid retroactively to

January 1, 2000 or the pension recipient's pension effective date, if later. For pension recipients on the rolls effective January 1, 2017, a benefit increase of 4.4776% is to be paid. For pension recipients on the rolls effective January 1, 2019, a benefit increase of 1.4286% is to be paid. For pension recipients on the rolls effective January 1, 2020, a benefit increase of 2.8169% is to be paid. For pension recipients on the rolls effective January 1, 2022, a benefit increase of 2.7397% is to be paid.

- b) All pension recipients who had a pension benefit on January 1, 1989, shall receive a retroactive adjustment as if the benefit had been based on \$46.00 for each year of Credited Past Service and Credited Contributory Benefit Service for each month for which he received a monthly pension during 1988.

***Section 3.8. Commencement of Pension.***

- a) Subject to the provisions of Article VI, payment of monthly pension benefits shall commence the earlier of the first day of the calendar month following the calendar month in which the vested employee has both applied for retirement benefits and retired from employment for a period of at least three (3) consecutive calendar months, or April 1 of the calendar year following the calendar year in which the employee attains age 70 1/2. Effective January 1, 1998, this rule is modified for all employees except 5% owners (as defined in Code Section 416(i)(1)(B)(i)) to require commencement no later than April 1 of the calendar year following the calendar year in which the employee retires. Effective January 1, 2020, benefits to each employee must commence no later than the following times: (1) if the employee is a 5% owner (as defined in Code Section 416(i)(1)(B)(i)), the earlier of the first day of the calendar month following the calendar month in which the vested employee has both applied for retirement and retired from employment for a period of at least three (3) consecutive calendar months, or April 1 of the calendar year following the calendar year in which the employee attains age 72; (2) for all other employees, no later than April 1 of the calendar year following the calendar year in which the employee retires. If payment commences after the employee attains age 70 1/2, the benefit will be paid retroactively to the date the employee attained age 70 1/2. Effective January 1, 2020, if payment commences after the employee attains age 72, the benefit will be paid retroactively to the date the employee attained age 72.

An employee is retired from employment when he or she has ceased work in the Industry. Work in the Industry means work for any association, individual, partnership, corporation or other entity which performs work of the type covered by the collective bargaining agreement between the Western States Conference of Asbestos Workers and the Western Insulation Contractors Association.

Unless the employee otherwise elects, the payment of benefits will begin not later than the sixtieth (60th) day after the close of the Plan Year in which the employee attains Normal Retirement Age, or has retired or attained age 70 1/2 as set forth

above. Effective January 1, 2020, unless the employee otherwise elects, the payment of benefits will begin not later than the sixtieth (60th) day after the close of the Plan Year in which the employee attains Normal Retirement Age, or has retired or attained age 72 as set forth above.

- b) Normal Retirement Age for an employee shall mean the earlier of:
  - i) The first day of the month coincident with or next following attainment of age 62, provided the employee has at least one (1) hour of Credited Contributory Vesting Service after December 31, 1997 and has at least five (5) years of Total Credited Vesting Service (without regard to years of Total Credited Vesting Service prior to a Permanent Break in Service as defined in Article V).
  - ii) The first day of the month coincident with or next following attainment of age 62, and ten (10) years of Total Credited Vesting Service (without regard to years of Total Credited Vesting Service prior to a Permanent Break in Service as defined in Article V), or after December 31, 1988, five (5) years of Total Credited Vesting Service as an employee of the Plan or of the Union (without regard to years of Total Credited Vesting Service prior to a Permanent Break in Service as defined in Article V); or
  - iii) The later of:
    - (A) Attainment of age 65, or
    - (B) The fifth anniversary of participation in the Plan (without regard to participation prior to a Permanent Break in Service as defined in Article V.)

### ***Section 3.9. Form of Pension.***

- a) ***Joint and 50% Survivor Annuity.*** The standard form of benefit for a married employee is a benefit providing payments to the employee during his or her lifetime and continued payments reduced by 50% to the employee's surviving spouse for the spouse's lifetime, if any, after the employee's death. This form of benefit shall be called the Joint and 50% Survivor Annuity. The monthly amount of benefit during the lifetime of the employee shall be the benefit amount defined in subsection (a) of Section 3.7 reduced by actuarial factors as adopted by the Board of Trustees from time to time based upon ages of the employee and spouse and the applicable mortality table and further reduced for early retirement, if applicable. The option factors are shown in subsection (d) of this Section.
- b) ***Single Life Annuity.*** The standard form of benefit for an unmarried employee is a benefit providing payments to the employee during his or her lifetime equal to the monthly amount defined in subsection (a) of Section 3.7, reduced for early

retirement, if applicable. If an employee who has elected to receive this form of payment dies after commencing to receive his monthly pension but before having received sixty (60) monthly payments, the monthly pension shall continue to the spouse or other named beneficiary, if living, until a total of sixty (60) monthly payments have been made. A married employee may elect this form of payment only by written election signed by the employee with the spouse's written notarized consent within one hundred eighty (180) days immediately preceding the Annuity Starting Date. Such election must designate the specific beneficiary (or form of benefits) that cannot be changed without spousal consent and the spousal consent must acknowledge the effect of the election. An employee and his or her spouse may revoke an election not to take a Joint and Survivor Annuity or choose again to take a Joint and Survivor Annuity at any time any number of times within one hundred eighty (180) days immediately preceding the Annuity Starting Date. The term "Annuity Starting Date" means the first day of the first period for which an amount is payable as an annuity, or, in the case of a benefit that is not payable in the form of an annuity, the first day on which all events have occurred which entitle the employee to such benefit. The employee and spouse may waive the full election period as permitted under applicable law and regulations.

- c) ***Joint and 100% Survivor Annuity.*** A married employee may elect in writing to receive his or her benefits in the form of a Joint and 100% Survivor Annuity, providing payments to the employee during the employee's lifetime and continued payments without reduction to the employee's surviving spouse for the spouse's lifetime, if any, after the employee's death. The monthly benefit shall be the monthly benefit defined in subsection (a) of Section 3.7, reduced by actuarial factors as adopted by the Board of Trustees from time to time based upon ages of the employee and the spouse and the applicable mortality table and further reduced for early retirement, if applicable. The option factors are shown in subsection (d) of this Section.

***Qualified Optional 75% Survivor Annuity.*** A married employee may elect in writing to receive his or her benefits in the form of a Qualified Optional 75% Survivor Annuity, providing payments to the employee during his or her lifetime and continued payments reduced by 25% to the employee's surviving spouse for the spouse's lifetime, if any, after the employee's death. This form of benefit shall be called the Qualified Optional 75% Survivor Annuity. The monthly amount of benefit during the lifetime of the employee shall be the benefit amount defined in Section 3.7(a) reduced by actuarial factors as adopted by the Board of Trustees from time to time based upon ages of the employee and spouse and the applicable mortality table and further reduced for early retirement, if applicable. The option factors are shown in subsection (d) of this subsection. No spousal consent is required to elect the Qualified Optional 75% Survivor Annuity.

- d) For optional elections effective September 1, 1984 and until further change by the Board of Trustees, the option factors for the Survivor Annuities are determined by

subtracting the year of birth of the employee from the year of birth of the spouse. If that difference is not less than zero (0) years nor more than five (5) years, the Qualified Joint 50% Survivor Annuity factor shall be 0.85, the Qualified Optional 75% Survivor Annuity factor shall be 0.775, and the Joint 100% Survivor Annuity factor shall be 0.70. For each year by which the difference exceeds five (5) years there shall be subtracted from each factor 0.005. For each year by which the difference is less than zero (0) years (the spouse is older than the employee) there shall be added to each factor 0.005, but not more than 0.10 shall be added

- e) The monthly pension payable to an employee who is receiving a Joint and Survivor Annuity pursuant to subsection (a) or (c) of this Section and whose spouse dies first shall be increased to the amount that would have been payable without the Joint and Survivor Annuity. The increased benefit shall be effective the month following the month in which the spouse dies or December 1, 1994, whichever is later.
- f) An employee and spouse who are married on the retirement date shall be eligible for the Survivor Annuities described in subsection (a) and (c) of this Section. Such employee shall receive the Qualified Joint 50% Survivor Annuity or the Qualified Optional 75% Survivor Annuity benefit unless the Qualified Joint 50% Survivor Annuity and the Qualified Optional 75% Survivor Annuity forms are waived with the written consent of the spouse as provided in subsection (b). However, if the employee dies before the first anniversary of the marriage, the spouse shall not be entitled to receive any survivor benefits, and payments made to the employee during the period of the marriage shall not be retroactively corrected. If the marriage dissolves before its first anniversary, the spouse shall not be entitled to receive any survivor benefits, and the employee's benefit shall be recalculated as provided in subsection (e) of this Section.
- g) No less than thirty (30) days and no more than one hundred eighty (180) days prior to the annuity starting date, the Plan shall provide to each employee a written explanation including: (1) a general description of the material features, and an explanation of the relative values of, the optional forms of benefit available under the Plan in a manner that would satisfy the notice requirements of section 417(a)(3) of the Code and Treas. Reg. 1.317(a)(3)-1; (2) the terms and conditions of the Qualified Joint 50% Survivor Annuity benefit and the Qualified Optional 75% Survivor Annuity benefit; (3) the employee's right to make, and the effect of, an election to waive the Qualified Joint 50% Survivor Annuity benefit and the Qualified Optional 75% Survivor Annuity benefit; (4) the spouse's right to consent to the employee's election to waive the Qualified Joint 50% Survivor benefit and the Qualified Optional 75% Survivor Annuity benefit and (5) the right to make, and the effect of, a revocation of an election to waive the Qualified Joint 50% Survivor Annuity benefit and the Qualified Optional 75% Survivor Annuity benefit. The term "annuity starting date" means the first day of the first period for which an amount is payable as an annuity or, in the case of a benefit that is not payable in the form of an annuity, the first day on which all events have occurred

which entitle the employee to such benefit.

Notwithstanding the forgoing, an employee may affirmatively elect a retroactive annuity starting date. The term "retroactive annuity starting date" means an annuity starting date that occurs on or before the date the employee is provided with the written explanation of the Joint and 50% Survivor Annuity, provided that all of the following requirements are met:

- i) Future periodic payments with respect to the employee must be the same as the future periodic payments, if any, that would have been paid with respect to the employee had payments actually commenced on the retroactive annuity starting date.
- ii) The employee receives a make-up payment equal to the amount of the missed payment or payments for the period from the retroactive annuity starting date to the date of the make-up payment, with an appropriate adjustment for interest from the date that the missed payment or payments would have been made to the date of the make-up payment.
- iii) The benefit determined as of the retroactive annuity starting date complies with the requirements of Code Section 415, with the applicable interest rate and applicable mortality table determined as of that date.
- iv) The retroactive annuity starting date does not precede the date upon which the employee could have otherwise commenced receiving benefits under the terms of the Plan in effect as of the retroactive annuity starting date.
- v) The employee's spouse (including an alternate payee who is treated as the spouse pursuant to a Qualified Domestic Relations Order (QDRO) as defined in Code Section 414(p)) consents to the distribution in a manner that satisfies Code Section 417(a)(2), unless the amount of the spouse's survivor annuity payments under the retroactive annuity starting date election is not less than the survivor payments under a qualified joint and survivor annuity with an annuity starting date after the date the written explanation was provided.
- vi) The distribution (including appropriate interest adjustments) provided based on the retroactive annuity starting date satisfies the requirements of Code Section 415 as of the date the distribution commences, with the applicable interest rate and mortality table determined as of that date, unless the date distribution commences is no more than twelve (12) months after the retroactive annuity starting date.
- vii) The written explanation of the Qualified Joint 50% Survivor Annuity and the Qualified Optional 75% Survivor Annuity must be provided no more than one hundred eighty (180) days before the date of the first actual

payment of benefits based on the retroactive annuity starting date, and must be provided at least thirty (30) days before the date of the such first actual payment, unless the employee, with any applicable spousal consent, elects to waive the thirty (30) day minimum election period requirement and distribution commences no more than seven (7) days after the date that the written explanation is provided.

If the employee's spouse as of the retroactive annuity starting date is not the employee's spouse as of the date distributions commence, consent of the former spouse is not required for the employee to waive the Joint and 50% Survivor Annuity with respect to the retroactive annuity starting date, unless otherwise provided under a qualified domestic relations order (as defined in Code Section 414(p)).

**Section 3.10. Types of Retirement Pensions.** A vested employee may elect to retire under any one of the three following retirement provisions.

- a) **Unreduced Retirement.** Except as provided in Article VI, Section 6.2, on or after January 1, 1976, a vested employee may retire: (i) upon reaching Normal Retirement Age, or (ii) at any age if he or she has at least thirty (30) years of Total Credited Benefit Service (thirty-five (35) years for retirement prior to January 1, 1997).

In determining whether an employee has sufficient years of Total Credited Benefit Service to qualify for an Unreduced Retirement benefit under this Section, the following hours shall be included: (i) hours worked on or before December 31, 1990 as an Insulator or Allied Worker in the geographic area covered by the Plan for a political subdivision, and (ii) hours worked between August 1, 1990 and December 31, 1990 which required contributions to the Western States Insulators and Allied Workers' Individual Account Plan. Such employment shall not be used to determine the employee's monthly pension amount.

- b) **Postponed Retirement.**

- i) An employee, at his or her option, may postpone his or her retirement past his or her Unreduced Retirement age. The failure to file an application as required under Section 3.8(a) shall be deemed a postponement of his or her retirement past his or her Unreduced Retirement age. In no event may an employee postpone his or her retirement beyond the date required in Section 3.8(a). If the pension effective date is after the employee's Normal Retirement Age, the monthly benefit will be the accrued benefit at Normal Retirement Age, actuarially increased for each complete calendar month between Normal Retirement Age and the pension effective date for which benefits were not suspended, and then converted as of the pension effective date to the benefit payment form elected or to the automatic form of Joint and 50% Survivor Annuity if the participant is married.

- ii) If a participant first becomes entitled to additional benefits after Normal Retirement Age, whether through additional service or because of a benefit increase, the actuarial increase in those benefits will start from the date they would first have been paid rather than Normal Retirement Age.
- iii) The actuarial increase will be 1% per month for the first sixty (60) calendar months after Normal Retirement Age and 1.5% per month for each month thereafter as may be determined in (ii) above.
- iv) Notwithstanding the above, instead of an actuarially increased benefit, a Participant may choose, subject to the requirements of Section 3.9(g), to receive at his or her pension effective date:
  - A) A monthly benefit equal to his or her accrued benefit at Normal Retirement Age, adjusted to include any additional benefits to which he or she becomes entitled after his or her Normal Retirement Age and before his or her pension effective date as described in (ii) above, plus
  - B) A one-time cash payment equal to the total of the amounts payable for the months between his or her Normal Retirement Age and pension effective date for which benefits are not suspended with an appropriate adjustment for interest from the date that the missed payment or payments would have been made to the date of the make-up payment. Effective April 1, 2017, the adjustment for interest should be computed using an annual effective rate of five percent (5%).

c) ***Early Retirement.***

- i) Except as provided in Article IV, Section 4.2, a vested employee may retire prior to attaining age 62, but not before attaining age 55, provided (a) he or she has at least ten (10) years of Total Credited Vesting Service, and (b) that the monthly pension as calculated under subsection (a) of Section 3.7 of this Article shall be reduced by factors which shall be set by the Trustees from time to time. For employees who retire directly from active service on or after August 1, 1992, these factors are  $\frac{1}{4}$  of 1% for each month the early retirement date precedes the Unreduced Retirement Date. For employees who retire directly from active service on or after January 1, 1994, these factors are  $\frac{1}{8}$  of 1% for each month the early retirement date precedes the Unreduced Retirement Date. For all other employees, these factors are  $\frac{1}{2}$  of 1% for each month the early retirement date precedes the Unreduced Retirement Date. For purposes of calculating the benefit under this subparagraph, the Early Retirement date shall be defined as the first day of the month following the month in which the early retirement occurs, and the Unreduced Retirement Date shall be

defined as the first day of the month following the month in which the employee's 62nd birthday occurs, or

- ii) An employee may change from early retirement to disability status if all the following conditions are satisfied:
  - A) The employee simultaneously applied for both early retirement and disability benefits under this Plan;
  - B) The employee had not yet satisfied all the eligibility requirements for commencement of disability benefits on the date of the first early retirement benefit payment; and
  - C) If the employee qualifies for disability benefits based on a determination of disability by the Social Security Administration, the employee notifies the Plan within sixty (60) days after receiving the Social Security disability award.

Any change from early retirement to disability status is irrevocable.

## **ARTICLE IV. ADDITIONAL BENEFITS**

### **Section 4.1. Disability Benefits.**

- a) **Eligibility Requirements for all Disability Benefits.**
  - i) **Active Status at Onset of Disability.** The employee must have worked at least 350 hours of service during the Plan Year in which the disability occurred or within the prior Plan Year. Solely for purposes of the 350 hour requirement set forth in this Article, hours of service are hours of employment under a collective bargaining agreement negotiated by a Local Union affiliated with the International Association of Heat and Frost Insulators and Asbestos Workers Union, AFL-CIO.
  - ii) **Total and Permanent Disability.** The employee must be totally and permanently disabled for more than six (6) consecutive months so as to be unable to work for any remuneration or profit in any occupation or trade for which he or she is reasonably fitted. The employee shall submit whatever evidence of disability may be required by the Board of Trustees, both initially and periodically thereafter. Employees who are receiving disability benefits from the Social Security disability plan for the same disabling condition shall be considered disabled. For other employees, the Trustees shall determine whether the employee is disabled for the purposes of this Section based on medical and other evidence including, but not limited to evidence supplied for Social Security, Workers Compensation or other disability benefits. The Trustees' determination shall be final and binding.
  - iii) The employee must apply for Social Security and/or Workers Compensation benefits, if applicable.
  - iv) Effective for disability benefits payable on or after January 1, 2000, an employee with at least ten (10) years of Total Credited Benefit Service who fails to satisfy the Active Status requirement set forth in subparagraph (i) above because he or she attempted to continue working for a signatory Employer may nonetheless qualify for disability benefits if all the following criteria are met:
    - A) The employee must be totally and permanently disabled as defined in subparagraph (ii) above due to an illness or injury that occurred while the participant was working within the geographic area covered by this Plan under a collective bargaining agreement negotiated by a union or unions affiliated with the Western States Conference of Asbestos Workers.

- B) The employee must have worked at least 350 hours of service under such collective bargaining agreement during the Plan Year in which the illness or injury occurred, or within the prior Plan Year.
- C) During the period between the initial injury or illness and the resulting total and permanent disability, the employee must have been employed at least 350 hours per year for an employer obligated to pay contributions to this Plan under the terms of a collective bargaining agreement negotiated by a union or unions affiliated with the Western States Conference of Asbestos Workers, and must not have accepted any other employment of any kind

b) ***Plan A Disability Rules.***

- i) ***Additional Eligibility Requirements.*** The employee must (a) have attained the age of 50 or more and have at least ten (10) years of Total Credited Vesting Service; or (b) have at least twenty (20) years of Total Credited Benefit Service.
- ii) ***Benefit Amount.*** The amount of disability benefit will be determined according to Article III, Section 3.7, subsection (a). At age 62, the Unreduced Retirement Benefit will become payable as for any retired employee.
- iii) ***Form of Payment.*** Upon presentation of an election signed by the employee and by a spouse to whom the employee has been married throughout the year preceding the date of the election, the disability benefit and the normal benefit beginning at age 62 may be converted to a Joint and 50%, Joint and 75%, or a Joint and 100% Survivor Annuity with the spouse as described in Article III, Section 3.9 (a) and (c).

The election must be made within ninety (90) days after notice of award of the disability benefit, or within ninety (90) days preceding the employee's 62nd birthday. With the election of either Joint and Survivor Annuity, the Spouse's Death Benefit and the Five Year Certain Death Benefit, as described in Section 4.2 (a) and (b) below, are not applicable.

The monthly disability benefit payable to an employee who is receiving a Joint and Survivor Annuity under this Section and whose spouse dies first shall be increased to the amount that would have been payable without the Joint and Survivor Annuity. The increased benefit shall be effective the month following the month in which the spouse dies or December 1, 1994, whichever is later.

c) ***Plan B Disability Rules.***

- i) ***Additional Eligibility Requirements.*** The participant must have five (5) or more years of Credited Vesting Service and one (1) or more years of Credited Contributory Benefit Service since January 1, 1968 (or since January 1 of the year the participant returned after a Plan Year in which he or she did not work 350 Plan Year Vesting Hours).
- ii) ***Benefit Amount.*** For all benefits payable on or after March 1, 1994, the monthly disability benefit shall be \$1750, less the amount of the monthly benefits payable solely by reason of the same disability for which the disabled employee is eligible from the following sources, whether or not the employee applies for the same:
  - A) Any other benefit payable under this Plan, including but not limited to disability benefits under Plan A; or
  - B) Workers Compensation or similar employer liability payments; or
  - C) Any other disability monthly benefit provided by an employer who contributes to this Plan; or
  - D) Any monthly disability payments from any state or local government plans; or
  - E) Any disability benefits under the Western States Insulators and Allied Workers' Health Plan;

And less the amount of any income earned by the employee in any other occupation in excess of that permitted by the Social Security Administration in any calendar year.

d) ***Benefit Period for Both Plan A and Plan B Disability Benefits.*** Benefits shall commence on the date that Social Security disability benefits first become payable to the employee as a result of the same disabling condition. If the Trustees determine that an employee is disabled and eligible for benefits based on other medical evidence, the benefit commencement date shall be the first day of the seventh (7th) calendar month after the month in which the employee becomes disabled, as determined by the Trustees. Benefits shall cease at the end of the first month in which one of the following occurs:

- i) (applicable to Plan A benefits only) The employee attains age 62;
- ii) The employee recovers from disability, whether or not he or she returns to work;

- iii) The employee refuses to submit to reasonable requirements to prove continued disability;
- iv) The employee applies for and receives early retirement benefits from this Plan (unless the employee subsequently returns to work and reestablishes eligibility, or qualifies to change from early retirement to disability status under Article III, Section 3.10(c));
- v) The employee dies (survivor benefits will be paid to the surviving spouse if the employee elected this payment option under Plan A); or
- vi) (applicable to Plan B benefits only) The employee attains Normal Retirement Age.

**Section 4.2. Pre-Retirement Death Benefits.**

- a) **Spouse's Death Benefit.** At the death on or after January 1, 1985 of a vested employee prior to the Annuity Starting Date (as defined in Section 3.9 (b)), a spouse to whom the employee was married throughout the year preceding the date of death shall have a choice of the Spouse's Death Benefit described in this subsection (a) or the Five Year Certain Benefit, if any, described in subsection (b) following. The Spouse's Death Benefit shall consist of monthly payments during the lifetime of the spouse commencing on the later of the first of the month following the month in which the employee's death occurred or following the month in which the employee would first have become eligible for a distribution. The amount of the monthly benefit shall be one-half of the amount defined in Article III, Section 3.7 (a), decreased by the early retirement factor, if applicable, based on the employee's age at the date of death or age 55, whichever is older, as described in Article III, Section 3.10 (c), further decreased by the actuarial factors as adopted by the Board of Trustees from time to time based upon ages of the employee and spouse and the applicable mortality table. The option factors are shown in Article III, Section 3.9 (d). The death benefit described in (b) following shall not apply at the death of the employee or at the death of the spouse.

The vested employee and spouse may elect not to be covered by the Spouse's Death Benefit only if the employee and spouse consent in writing prior to the employee's death. Such election shall be valid only if:

- The spouse of the employee consents in writing to the election;
- The election designates a beneficiary (or form of benefits) which may not be changed without spousal consent; and
- The spouse's consent acknowledges the effect of such election and is witnessed by a Plan representative or notary public.

The election to waive the Spouse's Death Benefit must be made during the period that begins on the first day of the Plan Year in which the employee attains age 35 and ends on the date of the employee's death.

The Plan shall provide each employee with an explanation of:

- The terms and conditions of the Spouse's Death Benefit;
- The employee's right to make, and the effect of, an election to waive the Spouse's Death Benefit;
- The right of the employee's spouse to consent to the employee's election to waive the Spouse's Death Benefit; and
- The right to make, and the effect of, a revocation of an election to waive the Spouse's Death Benefit.

The Plan shall provide the explanation of the Spouse's Death Benefit to each employee during whichever of the following periods ends last:

- The period beginning with the first day of the Plan Year in which the employee attains age 32 and ending on the last day of the Plan Year preceding the Plan Year in which the employee attains age 35;
- A reasonable period after the individual becomes an employee;
- A reasonable period ending after the Plan ceases to fully subsidize the cost of the Spouse's Death Benefit;
- A reasonable period of time after Code Section 401(a)(11) applies to the employee; or
- A reasonable period of time after separation from service in the case of an employee who separates from service before attaining age 35.

b) **Five Year Certain Death Benefit.** On or after January 1, 1976, if an employee with three (3) or more years of Total Credited Benefit Service dies prior to the Annuity Starting Date (as defined in Section 3.9 (b)), and

- i) The employee was unmarried at the time of his or her death, or
- ii) The employee was not married throughout the one (1) year period ending on the date of his or her death, or
- iii) The employee had elected to waive the Spouse's Death Benefit in accordance with subsection (a) of this Section, or

- iv) The employee's spouse elected the Five Year Certain Death Benefit in lieu of the Spouse's Death Benefit after the death of the employee, or
- v) prior to date of eligibility of the Spouse's Benefit

then the Five Year Certain Death Benefit shall be payable on the first of the month following the month of the employee's death to the spouse, if any, or otherwise to the designated beneficiary or beneficiaries so designated by the employee while living in accordance with subsection (d) below.

The Five Year Certain Death Benefit shall be equal to sixty (60) times the accumulated Unreduced Retirement monthly benefit, payable in equal monthly installments over the sixty (60) month period. If sixty (60) or more Unreduced, Early, or Postponed Retirement monthly benefits have been paid, any remaining death benefit shall be paid in a single payment.

If the employee does not leave an eligible spouse, the Five Year Certain Death Benefit may be paid in a single sum at its discounted value as set by the Trustees.

- c) **Lump Sum Death Benefit.** At the death on or after January 1, 1993 of an employee who is not receiving an Unreduced, Early, or Postponed Retirement Benefit and who had at least 350 hours of employer contributions made on his or her behalf to this Plan in either the calendar year prior to the date of his or her death or in the calendar year of his or her death, his or her eligible spouse shall be entitled to a lump sum benefit in the amount of \$10,000. If the employee leaves no eligible spouse, this benefit shall be payable to any beneficiary or beneficiaries designated in writing by the employee and recorded with the Plan's administrative office. If the employee does not leave a surviving spouse and does not designate a beneficiary, or if the beneficiary predeceases the employee, the lump sum death benefit shall be paid to the next of kin in the following order of preference:

- i) The surviving spouse;
- ii) The surviving children in equal shares;
- iii) The surviving parents in equal shares;
- iv) The surviving brothers and sisters in equal shares.

If the employee leaves no named beneficiary, spouse, child, parent or brother or sister, surviving, then his benefit is to be distributed to his estate.

In determining eligibility for this benefit, the Board of Trustees shall assume that the employee would have been able to work thirty-five (35) hours in each week such employee is either incapacitated or in the military service. Eligibility shall be determined using the sum of the assumed hours plus any actual hours worked

for which required contributions by employers were made. Incapacity for this purpose means incapacity because of sickness or accident to perform work for which contributions are required to this Fund.

d) ***Beneficiary Designation.*** Each employee shall have the right to designate, on forms provided by the administrator, a beneficiary or beneficiaries to receive the benefits provided in the Plan in the event of his or her death, and shall have the right at any time to revoke the designation or to substitute another beneficiary or beneficiaries. Whenever the rights of employees are stated or limited herein, their beneficiaries shall be bound thereby.

The written spousal consent of a married participant to a change of beneficiary in which a specific beneficiary is designated may be changed without subsequent written spousal consent only if: (1) the original consent acknowledges the right to limit consent to a specific beneficiary and (2) expressly permits designations by the participant without any requirement of further spousal consent.

The above provisions also apply to a change in a specific form of benefit.

If upon the death of the employee there is no designated beneficiary, benefits shall be paid to the next of kin in the following order of preference:

- i) The surviving spouse;
- ii) The surviving children in equal shares;
- iii) The surviving parents in equal shares;
- iv) The surviving brothers and sisters in equal shares.

If the employee leaves no named beneficiary, spouse, child, parent or brother or sister, surviving, then his benefit is to be distributed to his estate.

e) ***Revocation of Beneficiary Designation.*** Dissolution of a participant's marriage automatically revokes any prior designation of the spouse as the participant's beneficiary. This rule does not apply to post-retirement survivor benefits.

f) ***Heart Act Provision.*** If an employee dies while performing qualified military service (as defined in section 414(u) of the Code) on or after January 1, 2007, the survivors of the employee are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the employee resumed employment and then terminated employment on account of death.

## **ARTICLE V. LOSS OF ACCUMULATED YEARS OF CREDITED SERVICE**

**Section 5.1.** An employee who is not yet vested under Article III, Section 3.1 or who is not eligible for intermediate retention of credits under Article V, Section 5.3, shall lose his or her accumulated years of Total Credited Benefit Service and Total Credited Vesting Service upon incurring a Permanent Break in Service. A Permanent Break in Service occurs according to the following rules:

- a) Prior to January 1, 1976, if, for any three successive calendar years, there have not been contributions to the Fund on his or her behalf for at least 350 hours of employment in at least one (1) of the three (3) years.
- b) From January 1, 1976 through December 31, 1984, at the end of the last of successive calendar years for which there was no Credited Contributory Vesting Service earned when the number of such successive years first equals or exceeds the number of accumulated years of Total Credited Vesting Service.
- c) On and after January 1, 1985 and as provided in Section 5.5, at the end of the last of successive calendar years for which there was no Credited Contributory Vesting Service earned when the number of such successive years first equals or exceeds the greater of five (5) years or the number of accumulated years of Total Credited Vesting Service.

**Section 5.2.** In applying Section 5.1 of this Article only, the Board of Trustees shall assume that the employee would have been able to work thirty-five (35) hours in each week such employee is incapacitated, in the military service, on maternity, paternity, or adoption leave or employed by a political subdivision as an Insulator or Allied Worker in the geographic area covered by this Plan. No loss of accumulated credits shall be suffered if the assumed hours of work, as defined above, plus any actual hours worked for which required contributions by employers were made, totaled 350 hours or more in any one of the successive calendar years referred to in Section 5.1. Except as provided in Article III, Section 3.10(a), no service credits will be given for such assumed hours. Incapacity for this purpose means incapacity because of sickness or accident to perform work for which contributions are required to this Fund. The decision of the Board of Trustees on such questions shall be final.

**Section 5.3.** Section 5.1 of Article V shall not be applied to:

- a) An employee with at least one (1) year of Credited Contributory Vesting Service, during periods of employment by a contributing employer in a position for which contributions to this Plan are not required by the employer's collective bargaining agreement or participation agreement.
- b) An employee who has at least five (5) years of Credited Contributory Vesting Service prior to the application of this subparagraph, during periods of employment under a collective bargaining agreement negotiated by a labor

organization affiliated with the International Union of Heat and Frost Insulators and Asbestos Workers, which agreement does not require contributions to this Plan. The employee must provide satisfactory documentation showing at least 501 hours of such employment per year. Satisfactory documentation means objective third party records such as pay stubs, W2's, pension contribution records, or Social Security earnings records. Satisfactory documentation does not include statements by coworkers, employers, family members or others. This subparagraph applies only to retirements on or after January 1, 1999.

- c) An individual who received any Credited Past Service under Article III, Section 3.4, paragraphs(a)(ii) and (b)(ii) until such time as the individual either:
  - i) Terminates employment with a contributing employer;
  - ii) Retires from employment with a contributing employer; or
  - iii) Returns to work as an employee for whom contributions are required under the employer's collective bargaining agreement or participation agreement;

Whereupon the individual will be required to qualify for pension benefits under this Plan according to the requirements for vested employees in Article III, and the provisions of this Article V will also become applicable.

**Section 5.4.** An employee who has one (1) or more years of Credited Contributory Benefit Service shall be granted a "grace period" to prevent a permanent break in service for employment with the United States Government or employment with an employer who had a sub-contract with the United States Government while performing work as an Asbestos Worker. This employment must be covered by collective bargaining agreements for Unions affiliated with the International Association of Heat and Frost Insulators and Asbestos Workers and within the geographic area of the Western States Conference of Asbestos Workers. Evidence must be submitted verifying entitlement to Social Security Credit for such employment.

**Section 5.5.** Any employee who is vested under Article III, Section 3.1 based on service accumulated after January 1, 1976, shall have the rule of Section 5.1(c) of this Article applied to all his years of Total Credited Benefit Service and Total Credited Vesting Service to determine whether such service was lost. This rule shall apply only to benefits payable on or after August 1, 1992.

**Section 5.6. *Partial Pension.*** Partial Pensions are provided under this Plan for an employee who would otherwise lack sufficient service credit to be eligible for any pension or, if eligible, whose pension would be less than the full amount because, even after the transfer of contributions in accordance with Money-Follows-the-Man Reciprocal Agreements, the employee's years of employment are still divided between different pension plans due to any of the following factors:

- a) The transfer of the employee's Local Union membership by the International Union;
- b) The voluntary transfer by the employee of his Local Union membership; or
- c) Money-Follows-the-Man Reciprocity with this Plan begins or ends.

An employee shall be eligible for a Partial Pension if he or she satisfies all of the following requirements:

- d) The employee would be eligible for any type of pension under this Plan if his or her combined credited service were treated as service under this Plan.
- e) The employee would otherwise lack sufficient credit to be eligible for any pension or, if eligible, his or her pension would be less than the full amount because, even after the transfer of contributions in accordance with a Money-Follows-the-Man Reciprocal Agreement, the employee's years of employment are still divided between different pension plans due to any of the following factors:
  - i) The transfer of the employee's Local Union membership by the International Union;
  - ii) The voluntary transfer by the employee of his or her Local Union membership; or
  - iii) Money-Follows-the-Man Reciprocity with this Plan begins or ends.

**Section 5.7. Restoration of Lost Total Credited Benefit Service.** Effective July 15, 2005, an employee's Total Credited Benefit Service that is lost under this Article V due to a permanent break in service shall be restored to the credit of such employee upon his or her accrual of ten (10) years of Credited Contributory Benefit Service or 14,000 Plan Benefit Hours commencing on or after January 1, 1989.

Effective August 1, 2015, an employee who is eligible for a disability benefit per Section 4.1 shall have any Total Credited Benefit Service that is lost under this Article V due to a permanent break in service restored to the credit of such employee when, prior to disability, he or she had accrued five (5) years of Credited Contributory Vesting Service or 7,000 Plan Benefit Hours commencing on or after January 1, 1989. Additional disability benefits from the restoration will be payable on a prospective basis only and such restoration shall be nullified in the calculation of retirement benefits if disability benefits are stopped per Sections 4.1(d)(ii)-(iv).

## **ARTICLE VI. LOSS OF PENSION AND DELAY OF PENSION**

**Section 6.1.** Effective March 1, 1982, an employee who is eligible to receive or who is receiving pension benefits under this Plan shall lose the benefit otherwise payable for each month in which the employee performs forty (40) or more hours of work in the Industry. Work in the Industry means employment or self-employment within the geographic area covered by the Plan for any association, individual, partnership, corporation or other entity which performs work of the type covered by the collective bargaining agreement between the Western States Conference of Asbestos Workers and the Western Insulation Contractors Association, employment for any apprenticeship fund which trains apprentices to perform such work, and employment for any local union affiliated with the Conference. Self-employment includes employment as a sole-proprietor, as a partner owning more than 5% of the partnership, or as a shareholder owning more than 5% of a corporation. For purposes of this Section, the employee's ownership interest is combined with any ownership interest held by the employee's spouse, parent, grandparent, child or grandchild.

Notice of such activity must be given to the Board of Trustees through the Plan administration office within fifteen (15) days after a retired employee enters into such activity and notice and proof of termination of the activity must be given before pension benefits will be reinstated. If a retiree performs work in the Industry without notifying the Plan, a presumption shall exist that the retiree worked at least forty (40) hours during each month he or she was employed. If the retiree was employed on a construction site, a presumption shall exist that the retiree worked at least forty (40) hours during each month that the retiree's employer performed work at that site.

**Exceptions.** An employee who has retired within the meaning of Section 3.8 may return to work in the Industry for an employer that pays contributions to the Plan without loss of benefits, provided that the employee is not self-employed as defined above and:

- a) The employee does not perform work for which contributions are required under the employer's collective bargaining agreement or participation agreement; or
- b) The employee works forty (40) or more hours per month during no more than one (1) month in any calendar year.
- c) Between January 1, 2007, and December 31, 2008, an employee shall be permitted to work an unlimited number of hours for up to three (3) months per calendar year for an employer that contributes to this Plan without having his benefits suspended. Any month in which an employee works forty (40) or more hours shall count toward this limit.

Between January 1, 2009 and December 31, 2009, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three (3) month limit.

Between January 1, 2010 and December 31, 2010, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three (3) month limit.

Between January 1, 2011 and December 31, 2011, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three-month limit.

Between January 1, 2013 and December 31, 2013, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three-month limit.

Between January 1, 2014 and December 31, 2014, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three-month limit.

Between January 1, 2015 and December 31, 2015, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three-month limit.

Between January 1, 2016 and December 31, 2016, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three-month limit.

Between January 1, 2017 and December 31, 2017, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three-month limit.

Between January 1, 2018 and December 31, 2018, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three-

month limit.

Between January 1, 2019 and December 31, 2019, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three-month limit.

Between January 1, 2020 and December 31, 2020, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three-month limit.

Between January 1, 2021 and December 31, 2021, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three-month limit.

Between January 1, 2022 and December 31, 2022, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three-month limit.

Between January 1, 2023 and December 31, 2023, an employee shall be permitted to work an unlimited number of hours for up to three (3) months for an employer that contributes to this Plan without having his benefits suspended. Any month the employee works forty (40) or more hours shall be counted toward this three-month limit

- d) Between April 1, 2022 and March 31, 2023, an employee shall be permitted to work an unlimited number of hours so long as the work is for a contributing employer, the employer has not made contributions to the Plan for that position, the employee has had at least a 90 day separation from service, the employee's work is in the position of sales, estimating, superintendent or any other office work position as approved by the Board of Trustees, and the employee has notified the Administrative Office prior to taking the position.

Notwithstanding any other provision of this Plan, effective December 31, 1988, a benefit shall not be suspended due to work in the Industry performed after April 1 following the calendar year in which the employee or retiree attains age 70 1/2. Effective January 1, 2020, the above rule shall apply when the employee or retiree attains age 72.

**Section 6.2.**

- a) Effective for benefits accrued on or after July 1, 1990, for any employee who works one (1) hour or more in any calendar quarter in Noncovered Employment, his or her retirement date as defined in Article III, Section 3.8 or Article III, Section 3.10(a) or Article III, Section 3.10(c)(i), whichever is applicable, shall be delayed by six (6) months for any such employment, but not beyond age 65.
- b) Benefit payments to an employee who has worked one (1) or more hours in Noncovered Employment on or after January 1, 1998 shall not commence before the employee's Normal Retirement Age. The form of benefit for a married employee shall be a Joint and 50% Survivor Annuity. The form of benefit for an unmarried employee shall be a Single Life Annuity. No other forms of benefit shall be offered. This subparagraph applies to all benefits accrued after December 31, 1997.
- c) For purposes of this Section, Noncovered Employment means the type of work for which contributions have been made to this Plan pursuant to a collective bargaining agreement, performed within the geographic area covered by the Plan on or after January 1, 1998, and for an employer who does not have, or self-employment which is not covered by, a collective bargaining agreement with the Conference or the Union.

**Section 6.3.** In combination with and consort to this Pension Plan, the Association and the Conference maintain the WESTERN STATES INSULATORS AND ALLIED WORKERS' HEALTH PLAN, a disability benefit plan (hereafter Health Plan). Health Plan's monthly disability benefit payable to an employee is determined by, amongst other things, the amount of benefit an employee receives from this Pension Plan and other sources. Should at any time after December 1, 1991, an employee who is receiving benefits from the Health Plan receive a benefit overpayment from that plan, the Pension Plan shall receive a credit in the amount of such overpayment and shall thereafter withhold sufficient benefit payments to the employee, or his beneficiaries, until such time the amount of the employee's overpayment from the Health Plan is extinguished.

## **ARTICLE VII. PENSION ON TERMINATION OF PLAN**

**Section 7.1.** In the event the Trust should terminate, except as provided under Section 11.5 of the Trust Agreement, after all obligations of this Trust have been provided for, the Board of Trustees shall provide pensions for covered employees who have at least fifteen (15) years of total Credited Benefit Service to the extent of the funds remaining in the order of the groups herein set forth. Each group of employees shall be provided for in full to the extent of accumulated pension credits before any provision is made for the next following group. In the event there are not sufficient funds remaining to provide in full for any group, members of such group shall receive benefits reduced by a percentage to use all of the remaining funds.

- Group 1.** Employees retired under Article III, Section 3.10(a), (b), (c) or Article IV, Section 4.1.
- Group 2.** Employees entitled to retire under Article III, Section 3.10(a), or (b).
- Group 3.** Employees entitled to retire under Article III, Section 3.10(c).
- Group 4.** Employees disabled before the date of termination of this Trust but not yet disabled for the six (6) consecutive months required for a disability pension plus a pension deferred to the Unreduced Retirement Date. No disability benefits will be provided for Groups No. 5, 6, 7, or 8.
- Group 5.** Employees who are vested under Article III, Section 3.1.
- Group 6.** Employees who are not yet vested under Article III, Section 3.1 but with fifteen (15) years of Total Credited Benefit Service.
- Group 7.** All other employees with ten (10) years but not fifteen (15) years of Total Credited Benefit Service.
- Group 8.** All other employees with five (5) years but not ten (10) years of Total Credited Benefit Service.

**Section 7.2.** In the event that all age groups above are provided for in full, any balance remaining shall be applied to increase all pensions provided by this Trust. All assets of the Trust Fund shall be retained for the exclusive benefit of participants and their beneficiaries, and shall be used to pay benefits to such persons and shall not revert to or inure to the benefit of the employers.

**Section 7.3.** In the event the Fund and its assets should be merged with, consolidated with, or transferred to any other plan, the employee or beneficiary of an employee covered by the Plan shall receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation or transfer.

**Section 7.4.** Upon termination or partial termination, the rights of all affected employees to benefits accrued to date of such termination or partial termination, to the extent funded, are nonforfeitable.

## **ARTICLE VIII. MISCELLANEOUS**

### ***Section 8.1 Maximum Benefits.***

- a) ***General Rule.***
  - i) Notwithstanding any other provision of this Plan, the Annual Benefit relating to employment with a contributing employer payable with respect to any employee shall not exceed \$160,000.
  - ii) This limit shall not apply to any benefit payable in a year that does not exceed \$1,000 a year for each year in which the employee earns a year of Credited Contributory Service, subject to a maximum of \$10,000 and a minimum of \$1,000. This paragraph (ii) shall not apply if the employee has also been covered by an individual account plan to which the employer contributed on the employee's behalf, and such plan was maintained as a result of collective bargaining involving the same employee representative as this Plan. The special \$10,000 exception set forth in this subsection (ii) applies to a participant without regard to whether that participant ever participated in one or more other plans maintained by an employer who also maintains this Plan, provided that none of such other plans were maintained as a result of collective bargaining involving the same employee representative as the multiemployer plan.
  - iii) A) The \$160,000 limit in paragraph (i) is adjusted, effective January 1 of each year, under Section 415(d) of the Code in such manner as the Secretary shall prescribe, and payable in the form of a straight life annuity. A limitation as adjusted under Section 415(d) of the Code will apply to limitation years ending with or within the calendar year for which the adjustment applies.  
B) Benefit payments that are limited by this Section shall be increased annually to the level permitted by the limitations of this Section as adjusted for later years in accordance with this paragraph, but in no event to a level higher than the benefits attributable to accrued benefits earned by the employee.  
C) Benefit increases resulting from the increase in the limitations of Section 415(b) of the Code will be provided to all current and former participants (with benefits limited by Section 415(b) of the Code) who have an accrued benefit under the Plan immediately prior to the effective date (other than an accrued benefit resulting from a benefit increase solely as a result of the increases in limitations under Section 415(b) of the Code).

- iv) For the purpose of administering the Plan, the maximum benefit limitation under this Section shall be tested on the basis that the employee's benefit is attributable to service with a single contributing employer. If on the above basis the employee's benefit would be limited because of the maximum benefits under this Section, then the provisions of this Section shall be applied separately for employment with different contributing employers. For this purpose, the benefit under this Plan considered as payable with respect to an employee and an employer shall equal the excess of the benefit over the benefit computed as if the employee has no covered service with the employer.

b) ***Adjustment of Dollar Limit for Early or Late Retirement.***

- i) If the benefit of an employee begins prior to age 62, the defined benefit dollar limitation applicable to the employee at such earlier age is:
  - A) If the annuity starting date is in a limitation year beginning before July 1, 2007, the annual amount of a benefit payable in the form of a straight life annuity commencing at the participant's annuity starting date that is the actuarial equivalent of the dollar limitation under section 415(b)(1)(A) (as adjusted under section 415(d)), with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (i) the interest rate and mortality table or other tabular factor specified in the Plan for determining actuarial equivalence for early retirement purposes; or (ii) a 5% interest rate assumption and the applicable mortality table.
  - B) If the annuity starting date in a limitation year beginning on or after July 1 2007, and the Plan does not have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the annual amount of a benefit payable in the form of a straight life annuity commencing at the participant's annuity starting date that is the actuarial equivalent of the dollar limitation under section 415(b)(1)(A) (as adjusted under section 415(d)), with actuarial equivalence computed using a 5% interest rate assumption and the applicable mortality table and expressing the participant's age based on completed calendar months as of the annuity starting date.
  - C) If the annuity starting date is in a limitation year beginning on or after July 1 2007, and the Plan has an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the lesser of (i) the adjusted dollar limitation determined in accordance with (B); and (ii) the product of the

dollar limitation under section 415(b)(1)(A) (as adjusted under section 415(d)) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan to the participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of section 415.

ii) If the benefit of an employee begins after the employee attains age 65, the defined benefit dollar limitation:

- A) If the annuity starting date is in a limitation year beginning before July 1, 2007, the annual amount of a benefit payable in the form of a straight life annuity commencing at the participant's annuity starting date this is the actuarial equivalent of the dollar limitation under section 415(b)(1)(A) (as adjusted under section 415(d)), with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (i) the interest rate and mortality table or other tabular factor specified in the Plan for determining actuarial equivalence for delayed retirement purposes; or (ii) a 5% interest rate assumptions and the applicable mortality table.
- B) If the annuity starting date is in a limitation year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the annual amount of a benefit payable in the form of a straight life annuity commencing at the participant's annuity starting date that is the actuarial equivalent of the dollar limitation under section 415(b)(1)(A) (as adjusted under section 415(d)), with actuarial equivalence computed using a 5% interest rate assumption and the applicable mortality table and expressing the participant's age based on completed calendar months as of the annuity starting date.
- C) If the annuity starting date is in a limitation year beginning on or after July 1, 2007, and the Plan has an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the lesser of (i) the adjusted dollar limitation determined in accordance with (B); and (ii) the product of the dollar limitation under section 415(b)(1)(A) (as adjusted under section 415(d)) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of section

The applicable mortality table is the mortality table described in Rev. Rul. 2001-62.

c) ***Adjustment for Optional Payment Form.*** For purposes of this Section 8.1, “Annual Benefit” means the employee’s accrued benefit paid annually in the form of a single-life annuity. If the employee’s benefit is paid in any form other than a single-life annuity or a qualified joint and survivor annuity (as defined in Section 417(b) of the Code), the limitation in Section 8.1(a)(i) (as otherwise modified under this Section) is applied to the Annual Benefit before it is converted to the alternative payment form, so that the amount payable under the payment form selected will be the Actuarial Equivalent of the Annual Benefit as limited by Section 8.1(a)(i). Actuarial Equivalence is determined for this purpose based on a 6.5% interest assumption and the 1983 Group Annuity Mortality Male Table based on a 50% male/50% female gender blend.

Notwithstanding the above, for purposes of applying the limitation in Section 8.1(a)(i) in limitation years beginning on or after July 1, 2007, a retirement benefit that is payable in any form other than a single-life annuity and that is not subject to section 417(e)(3) of the Code must be adjusted to an actuarially equivalent straight life annuity that equals the greater of the annual amount of the straight life annuity (if any) payable under the Plan at the same annuity starting date, and the annual amount of a straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the participant’s form of benefit computed using an interest rate of 5% and the applicable mortality table under section 417(e)(3) of the Code.

d) ***Plan Aggregation.***

- i) In applying the limits of this Section, the benefits of and contributions to all other retirement plans sponsored by the employer or any Affiliate shall be taken into consideration, except for multiemployer plans.
- ii) All defined benefit plans sponsored by the employer or any Affiliate are treated as a single plan. Benefits payable under any other such plan with respect to an employee shall be reduced to the extent possible before any reduction will be made in his or her benefits payable under this Plan, if necessary to observe these limits.

e) ***Phase-In Over Years of Participation.*** If the employee has fewer than ten (10) years of participation in the Plan, the defined benefit dollar limitation shall be multiplied by a fraction, (i) the numerator of which is the number of years (or part thereof) of participation in the Plan and (ii) the denominator of which is ten (10).

f) ***Limitation Year.*** The annual limits of this Section shall be applied on a calendar year basis.

- g) ***Interpretation or Definition of Other Terms.*** The term “Affiliate”, and all terms used in this Section not otherwise expressly defined in the Plan, shall be defined, interpreted and applied as prescribed in Internal Revenue Code Section 415 and the regulations and rulings issued thereunder.
- h) ***Protection of Prior Benefits.*** The application of the provisions of this Section 8.1 shall not cause the maximum permissible benefit for any participant to be less than the participant’s accrued benefit under all the defined benefit plans of the employer or a predecessor employer as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, Regulations, and other published guidance relating to Code Section 415 in effect as of the end of the last Limitation Year beginning before July 1, 2007, as described in Section 1.415(a)-1(g)(4) of the Treasury Regulations.
- i) ***Normal Retirement Age under 65.*** If an employee meets the Plan’s normal retirement age under Section 3.8(b)(i) or (ii) and continues to work past such age, and where the employee has a benefit that cannot be actuarially increased without violating Code section 415, such employee shall receive an in-service payment of his benefit not to exceed the amount necessary to ensure that his benefit does not exceed the applicable Code section 415 limitation.

**Section 8.2.** Notwithstanding any other provision of this Plan there shall be no partial or total distribution of any benefit if the actuarial equivalent of the accrued benefit exceeds \$5,000 or after the date an employee’s monthly pension commences unless the distribution is consented to in writing by the employee and the employee’s spouse, if any, or, if the employee is dead, the surviving spouse.

Actuarial Equivalent shall mean a payment or series of payments mathematically equivalent to another amount as computed on the basis of the 1971 Group Annuity Mortality Male Table set forward two (2) years and 6.5% interest compounded annually.

With respect to any lump sum payment that may be payable under this Plan, the present value shall under no circumstances be less than the amount determined by using the 1983 Group Annuity Mortality Table based on a 50% male/50% female gender blend and the thirty (30) year Treasury Bond Rate as of the October prior to the Plan Year in which the benefit is valued.

Notwithstanding any other Plan provision to the contrary, the applicable mortality table used for purposes of satisfying the requirements of §417(e) of the Internal Revenue Code as set forth in this Section of the Plan is the table prescribed in Rev. Rul. 2001-62. This paragraph shall apply to distributions with annuity starting dates on or after December 31, 2002.

For purposes of adjusting any benefit under this Plan that is subject to section 417(e)(3) of the

Code, for distributions made on or after January 1, 2004, the computation of actuarial equivalent shall be based on the applicable mortality table, as determined under the Plan, and the greater of the rate specified in the Plan or 5.5%; and for distributions made on or after January 1, 2006, the computation of Actuarial Equivalent shall be based on the applicable mortality table, and the greatest of (i) 5.5%, (ii) the rate that provides a benefit of not more than 105% of the benefit that would be provided if the “applicable interest rate” as defined in Code Section 417(e)(3) were the interest rate assumption, or (iii) the rate specified in the Plan.

For determinations as of any annuity starting date that is on or after January 1, 2008, the applicable interest rate means the adjusted first, second, and third segment rates applied under rules similar to the rules of Code §430(h)(2)(C) for the month before the date of distribution or such other time as the Secretary may by regulations prescribe. For this purpose, the segment rates shall be subject to the conditions set forth in Code §417(e)(3)(D).

For determinations as of any annuity starting date that is on or after January 1, 2008, any reference in the Plan to the applicable mortality table or the mortality table set forth in Revenue Ruling 95-6 or 2001-62 shall be construed as a reference to the mortality table specified under section 417(e)(3) of the Code.

Effective as of April 1, 2014, for distributions in which the requirements of §417(e) of the Code are applicable, the present value shall be no less than the amount determined by using the applicable mortality table and the adjusted first, second, and third segment rates applied under rules similar to the rules of §430(h)(2)(C) of the Code for the month of October immediately preceding the Plan Year which the benefit is valued. For this purpose, the segment rates shall be subject to the conditions set forth in §417(e)(3)(D) of the Code.

**Section 8.3.** Payments to an alternate payee pursuant to a valid Qualified Domestic Relations Order (QDRO) as defined in Section 414(p) of the Internal Revenue Code may begin at any time after the earliest date on which the employee could begin receiving benefits under the Plan if the employee separated from service.

**Section 8.4.** If the employee is already receiving benefits when the Plan determines that a valid QDRO exists, the alternate payee’s share of the benefit must be paid in compliance with the previously-elected form of distribution. In such circumstances, any benefits payable to the employee after the alternate payee’s death shall be increased to the amount that would have been paid in the absence of the QDRO. This rule shall apply whenever the alternate payee dies first without having received any benefit payment calculated on the basis of the alternate payee’s lifetime in accordance with Section 8.5.

**Section 8.5.** If the Plan determines that a valid QDRO exists before any benefit payments have been made to the employee, the alternate payee may receive his or her share of the benefit in any form permitted by the Plan at the time of distribution, except a Joint and Survivor Annuity providing for survivor benefits to another spouse. If the alternate payee elects and begins receiving any form of benefits calculated on the basis of the alternate payee’s lifetime in accordance with this paragraph, there shall be no adjustment in the employee’s share of the benefit in the event the alternate payee dies first. Any benefit payable over the life of an

alternate payee shall be the actuarial equivalent of the amount deducted from the employee's retirement pursuant to the QDRO. Actuarial equivalence for this purpose shall be determined by using the following actuarial assumptions:

Interest rate	6% per annum
Participant Mortality	1971 Group Annuity mortality table for males set forward four years
Former Spouse Mortality	1983 Group Annuity mortality table for females

**Section 8.6. Nonalienation of Benefits.** Benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, except as directed by a Qualified Domestic Relations Order.

**Section 8.7.** For purposes of this Plan, compensation shall not exceed \$200,000.00 (as adjusted) for Plan Years beginning with the 2002 calendar year and shall not exceed \$150,000.00 (as adjusted) for Plan Years beginning with the 1994 calendar year. The \$200,000 limit on compensation shall be adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

**Section 8.8. Powers of Trustees.** The Trustees shall be the sole judges of the standard of proof required in any case and shall have the discretion to interpret and make factual findings with respect to the Plan. In the application and interpretation of any of the provisions of this Plan, the decisions of the Trustees shall be final and binding on all parties, including employers, the Union, the Association, employees, and beneficiaries. The Trustees' decisions are subject to judicial review only for abuse of discretion.

**Section 8.9. Determination of Disputes.**

- a) **Board of Trustees to Resolve Benefit Disputes.** No employee, annuitant, beneficiary or other person ("Claimant") shall have any right or claim to benefits under this Plan other than as specified herein. Any dispute as to eligibility, type, amount or duration of benefits or any right or claim to payments from the Plan shall be resolved by the Board of Trustees under and pursuant to this Plan, and their decision on the dispute, right or claim, shall be final and binding upon all parties thereto. The Board of Trustees has full discretionary authority to interpret all Plan documents and to make all factual determinations concerning any claim or right asserted under or against the Plan.
- b) **Application for Benefits.** Any person whose application for benefits under the Plan has been denied in whole or in part, or whose claim to benefits is otherwise denied, shall be notified in writing of such decision within a reasonable period of time, but not later than ninety (90) days after receipt of such application or claim

by the Plan. An extension of time for processing not exceeding ninety (90) days may be required by special circumstances, in which case written notice of such extension shall be furnished to the Claimant prior to the expiration of the initial ninety (90) day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render a benefit determination. The initial benefit determination will be made by the Administrative Office, or such other agent as may be appointed by the Board of Trustees.

The notice of denial shall set forth (1) the specific reason or reasons for the denial; (2) specific reference to pertinent plan provisions on which the denial is based; (3) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; (4) appropriate information as to the steps to be taken if the Claimant wishes to submit his or her claim; and (5) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) within two (2) years following an adverse benefit determination.

- c) ***Right to Appeal.*** If the application for benefits or a claim is denied, the Claimant may petition the Board of Trustees for review of the decision. The petition for review shall be in writing, shall state in clear and concise terms the reason or reasons for disagreement with the decision, shall be accompanied by any relevant documentary material relating to the claim not already furnished to the Plan, and shall be filed by the Claimant or the Claimant's duly authorized representative with the Administrative Office within sixty (60) days after receiving the notification of the adverse benefit determination. As part of the review process the Claimant or the Claimant's duly authorized representative will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim. Relevant information includes identification of any medical or vocational expert whose advice was obtained on behalf of the Plan in connection with the adverse benefit determination, without regard to whether the advice was relied upon in making the benefit decision.

Upon receipt of a petition for review, the Board of Trustees or a committee appointed by the Board of Trustees, hereafter referred to as the Appeals Committee, and authorized to act on such petitions shall proceed to review the administrative file, including the petition for review and its contents. All comments, documents, records and other information submitted by the participant relating to the claim will be taken into account without regard to whether such information was submitted or considered in the initial benefit determination. A decision by the Board of Trustees or the Appeals Committee shall be made at the next succeeding regular Trustees' meeting or Appeals Committee meeting following the request for review, unless the request for review is received within thirty (30) days preceding the date of such meeting. In such case, a benefit determination may be made no later than the date of the second meeting following

the Plan's receipt of the request for review. If special circumstances require a further extension of time for processing, a benefit determination will be made no later than the third meeting following the receipt of the petition for review.

Notification of the extension shall be sent to the Claimant prior to the commencement of the extension describing the special circumstances and the date as of which the benefit determination will be made.

The Claimant shall be notified of the decision of the Board of Trustees or the Appeals Committee in writing no later than five (5) days from the date the determination is made. Any notice of adverse determination will include (1) the specific reason or reasons for the adverse determination; (2) reference to the specific plan provisions on which the benefit determination is based; (3) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records, and other information relevant to Claimant's claim; (4) a statement describing any voluntary appeal procedures offered by the Plan and the Claimant's right to obtain information about such procedures; and (5) a statement of the Claimant's right to bring an action under ERISA Section 502(a) within two (2) years after a claim has been denied.

In the event that the Claimant desires additional time to present evidence in support of his or her appeal, the Claimant may request such additional time in writing. The Board of Trustees shall grant the Claimant's written request for additional time necessary to perfect an appeal, provided the written request is received before the Board of Trustees issues its decision. Requests for additional time and requests to submit additional information received after the Board of Trustees' decision has been rendered shall be denied, unless the Board of Trustees in its sole discretion determines that the information is material to the appeal and could not have been provided earlier.

The failure to file a petition for review within such sixty (60) day period shall constitute a waiver of the Claimant's right to review, and the initial decision shall be final and binding.

- d) ***Disability Claims and Appeals.*** If a claim pertains to disability benefits the rules and rights set forth in this subsection shall apply in addition to those set forth above. All claims and appeals under this subsection shall be adjudicated in a manner designed to ensure independence and impartiality of the persons involved in making the determination. Decisions covered by the authority of the Plan regarding hiring, compensation, termination, promotion, or other similar matters with respect to any individual (such as a claims adjudicator or medical or vocational expert) making determinations with respect to disability benefits of the Plan will not be made based upon the likelihood that the individual will support the denial of benefits. Any person whose application for disability benefits is denied shall be notified of such denial within a reasonable period of time, but not later than forty-five (45) days after receipt of such application or claim. An

extension of time not exceeding thirty (30) days may be necessary due to matters beyond the control of the Plan, in which case notice will be sent to the Claimant prior to the expiration of the forty-five (45) day period. If a decision cannot be rendered due to matters beyond the control of the Plan prior to the expiration of the thirty (30) day extension, the period for making a determination may be extended for up to an additional thirty (30) days, in which case notice will be sent to the Claimant prior to the expiration of the first thirty (30) day extension. The notice of extension shall include in addition to the information set forth in subsection (b) above, the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. The Claimant shall be afforded at least forty-five (45) days to provide the specified information, if any. The deadline for the Board of Trustees to render its decision is tolled from the date on which the notification of the extension is sent to the Claimant until the date a response from the Claimant is received.

Any notice of an adverse benefit determination shall include, in addition to the information set forth in subsection (b) above (1) the internal rule, guideline, protocol, standard, or other similar criterion, applied in making the determination, including the basis for disagreeing with the view of health care professionals, vocational professionals, or with the disability determinations by the Social Security Administration (if no such criterion was used, then an affirmative statement to that effect must be provided); (2) an explanation of the scientific or clinical judgment for the determination if the adverse benefit determination was based on medical necessity or other similar exclusion or limitation; and (3) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records, and other information relevant to Claimant's claim.

If the application for benefits or a claim is denied, the Claimant or the Claimant's duly authorized representative may petition the Board of Trustees for review of the decision. The petition for review shall be filed by the Claimant or the Claimant's duly authorized representative with the Administrative Office within one hundred and eighty (180) days of receipt of the notification of adverse benefit determination. The Claimant shall have access to relevant documents, records and other information as set forth in subsection (c) above, including any statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit for the Claimant's diagnosis, without regard to whether such advice or statement was relied upon in making the benefit determination. The Administrative Office shall automatically provide to the Claimant, free of charge, any new evidence or rationales (if any) as soon as possible and sufficiently in advance of the date on which the appeal determination is to be made in order to give the Claimant a reasonable opportunity to address the new evidence or rational prior to the appeal date. The Claimant or the Claimant's duly authorized representative shall have the right to review and respond to new evidence or rationales considered, relied upon or generated by the Plan in connection with the

Claimant's claim during the review process. The Board of Trustees will not afford any deference to the initial benefit determination. If the adverse benefit determination is based in whole or in part on a medical judgment, the Board of Trustees shall consult with a health care professional with appropriate training and experience in the field of medicine involved in the medical judgment. Such consultant shall be different from any individual consulted in connection with the initial determination and shall not be the subordinate of any such person.

A decision by the Board of Trustees or the Appeals Committee shall be made at the next succeeding regular Trustees' meeting or Appeals Committee meeting following the request for review, unless the request for review is received within thirty (30) days preceding the date of such meeting. In such case, a benefit determination may be made no later than the date of the second meeting following the Plan's receipt of the request for review. If special circumstances require a further extension of time for processing, a benefit determination will be made no later than the third meeting following the receipt of the petition for review. Notification of the extension shall be sent to the Claimant prior to the commencement of the extension describing the special circumstances and the date as of which the benefit determination will be made.

The Claimant shall be notified of the decision of the Board of Trustees or the Appeals Committee in writing no later than five (5) days from the date the determination is made. The notice of denial shall include, in addition to the information set forth in subsection (c) above (1) the internal rule, guideline, protocol, standard, or other similar criterion, applied in making the determination, including the basis for disagreeing with the view of health care professionals, vocational professionals, or with the disability determinations by the Social Security Administration (if no such criterion was used, then an affirmative statement to that effect must be provided); and (2) an explanation of the scientific or clinical judgment for the determination if the denial was based on medical necessity or other similar exclusion or limit.

All notices and disclosures under this subsection shall be provided in a culturally and linguistically appropriate manner. The Administrative Office will also provide customer service with oral language services in the non-English language and provide written notices in the non-English language upon request.

e)

***Finality of Decision on Claims.***

(1) The denial of an application or claim under subsection (c) and (d) after the right to review has been waived or the decision of the Board of Trustees on petition for review has been issued shall be final and binding upon all parties, including the Claimant. No lawsuit may be filed without first exhausting the above appeals procedure. In any such lawsuit, the determinations of the Board of Trustees are subject to judicial review only for abuse of discretion. No legal action may be commenced or maintained against the Plan more than two (2) years after a claim has been denied.

(2) The denial of an application or claim under subsection (f) after the right to review has been waived or the decision of the Board of Trustees on petition for review has been issued shall be final and binding upon all parties, including the Claimant. No lawsuit may be filed without first exhausting the above appeals procedure or a showing that the Plan was not compliant with the above procedures (unless the Plan's actions qualify as (i) de minimis; (ii) non-prejudicial; (iii) attributable to good cause or matters beyond the Plan's control; (iv) in context of an ongoing good-faith exchange of information; and (v) not reflective of a pattern or practice of non-compliance). In any such lawsuit, the determinations of the Board of Trustees are subject to judicial review only for abuse of discretion. No legal action may be commenced or maintained against the Plan more than two (2) years after a claim has been denied.

f) ***Claims and Appeals Regarding Permanent Break in Service Pursuant to Article V, Section 5.2.*** If a claim pertains to the ability to avoid a permanent break in service pursuant to Article V, Section 5.2, the rules and rights set forth in this subsection shall apply in addition to those set forth above. All claims and appeals under this subsection shall be adjudicated in a manner designed to ensure independence and impartiality of the persons involved in making the determination. Decisions covered by the authority of the Plan regarding hiring, compensation, termination, promotion, or other similar matters with respect to any individual (such as a claims adjudicator or medical or vocational expert) making determinations with respect to disability benefits of the Plan will not be made based upon the likelihood that the individual will support the denial of benefits. Any person whose application for disability benefits is denied shall be notified of such denial within a reasonable period of time, but not later than forty-five (45) days after receipt of such application or claim. An extension of time not exceeding thirty (30) days may be necessary due to matters beyond the control of the Plan, in which case notice will be sent to the Claimant prior to the expiration of the forty-five (45) day period. If a decision cannot be rendered due to matters beyond the control of the Plan prior to the expiration of the thirty (30) day extension, the period for making a determination may be extended for up to an additional thirty (30) days, in which case notice will be sent to the Claimant prior to the expiration of the first thirty (30) day extension. The notice of extension shall include in addition to the information set forth in subsection (b) above, the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. The Claimant shall be afforded at least forty-five (45) days to provide the specified information, if any. The deadline for the Board of Trustees to render its decision is tolled from the date on which the notification of the extension is sent to the Claimant until the date a response from the Claimant is received.

Any notice of an adverse benefit determination shall include, in addition to the information set forth in subsection (b) above (1) the internal rule, guideline,

protocol, standard, or other similar criterion, applied in making the determination, including the basis for disagreeing with the view of health care professionals, vocational professionals, or with the disability determinations by the Social Security Administration (if no such criterion was used, then an affirmative statement to that effect must be provided); (2) an explanation of the scientific or clinical judgment for the determination if the adverse benefit determination was based on medical necessity or other similar exclusion or limitation; and (3) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records, and other information relevant to Claimant's claim.

If the application for benefits or a claim is denied, the Claimant or the Claimant's duly authorized representative may petition the Board of Trustees for review of the decision. The petition for review shall be filed by the Claimant or the Claimant's duly authorized representative with the Administrative Office within one hundred and eighty (180) days of receipt of the notification of adverse benefit determination. The Claimant shall have access to relevant documents, records and other information as set forth in subsection (c) above, including any statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit for the Claimant's diagnosis, without regard to whether such advice or statement was relied upon in making the benefit determination. The Administrative Office shall automatically provide to the Claimant, free of charge, any new evidence or rationales (if any) as soon as possible and sufficiently in advance of the date on which the appeal determination is to be made in order to give the Claimant a reasonable opportunity to address the new evidence or rational prior to the appeal date. The Claimant or the Claimant's duly authorized representative shall have the right to review and respond to new evidence or rationales considered, relied upon or generated by the Plan in connection with the Claimant's claim during the review process. The Board of Trustees will not afford any deference to the initial benefit determination. If the adverse benefit determination is based in whole or in part on a medical judgment, the Board of Trustees shall consult with a health care professional with appropriate training and experience in the field of medicine involved in the medical judgment. Such consultant shall be different from any individual consulted in connection with the initial determination and shall not be the subordinate of any such person.

A decision by the Board of Trustees or the Appeals Committee shall be made at the next succeeding regular Trustees' meeting or Appeals Committee meeting following the request for review, unless the request for review is received within thirty (30) days preceding the date of such meeting. In such case, a benefit determination may be made no later than the date of the second meeting following the Plan's receipt of the request for review. If special circumstances require a further extension of time for processing, a benefit determination will be made no later than the third meeting following the receipt of the petition for review. Notification of the extension shall be sent to the Claimant prior to the commencement of the extension describing the special circumstances and the date

as of which the benefit determination will be made.

The Claimant shall be notified of the decision of the Board of Trustees or the Appeals Committee in writing no later than five (5) days from the date the determination is made. The notice of denial shall include, in addition to the information set forth in subsection (c) above (1) the internal rule, guideline, protocol, standard, or other similar criterion, applied in making the determination, including the basis for disagreeing with the view of health care professionals, vocational professionals, or with the disability determinations by the Social Security Administration (if no such criterion was used, then an affirmative statement to that effect must be provided); and (2) an explanation of the scientific or clinical judgment for the determination if the denial was based on medical necessity or other similar exclusion or limit.

All notices and disclosures under this subsection shall be provided in a culturally and linguistically appropriate manner. The Administrative Office will also provide customer service with oral language services in the non-English language and provide written notices in the non- English language upon request.

**Section 8.10. Plan Amendments.** Effective for Plan amendments adopted after August 9, 2006, no amendment to the Plan (including a change in the actuarial basis for determining optional or early retirement benefits) shall be effective to the extent that it has the effect of decreasing a participant's accrued benefits. For purposes of this Section, a Plan amendment that has the effect of (1) eliminating or reducing an early retirement benefit or a retirement-type subsidy, or (2) eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment shall be treated as reducing accrued benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a participant who satisfies (either before or after the amendment) the preamendment conditions for the subsidy. Notwithstanding the preceding sentences, a participant's accrued benefit, early retirement benefit, retirement-type subsidy, or optional form of benefit may be reduced to the extent permitted under Sections 1.411(d)-3 and 1.411(d)-4 of the Treasury Regulations.

**Section 8.11 Waiver of Class, Collective, and Representative Actions.** By participating in the Plan, participants, employees, and beneficiaries waive, to the fullest extent permitted by law, whether or not in court, any right to commence, be a party in any way, or be an actual or putative class member of any class, collective, or representative action arising out of or relating to any dispute, claim or controversy relating to the Plan, and participants, employees, and beneficiaries agree that any dispute, claim or controversy may only be initiated or maintained and decided on an individual basis.

## ARTICLE IX. *ROLLOVERS*

**Section 9.1.** This Article applies to distributions made on or after January 1, 1993.

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article, a distributee may elect, at the time and in the manner prescribed by the Plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

**Section 9.2. Definitions.**

- a) **Eligible Rollover Distribution.** An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a special period of ten (10) years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Internal Revenue Code; any distribution made on account of hardship; and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities), except to the extent that such distribution is transferred in a direct trustee-to-trustee transfer to a defined contribution plan which agrees to separately account for the amounts so transferred, including separately accounting for the portion of such distribution which is includable in gross income and the portion which is not so includable, or an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code.
- b) **Eligible Retirement Plan.** An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. An eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined in Section 414(p) of the Code.
- c) **Distributee.** A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or

former employee's spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined in Section 414(p) of the Internal Revenue Code, are distributees with regard to the interest of the spouse or former spouse.

- d) **Direct Rollover.** A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

**Section 9.3. Non-spouse Rollovers.** If a participant dies leaving a benefit to a designated beneficiary who is not his spouse, the designated beneficiary may roll over the assets to an inherited Individual Retirement Account in accordance with the following rules:

- (a) The rollover must meet all the requirements of an eligible rollover distribution as defined in Section 9.2(a) except that the distributee may be a non-spouse beneficiary.
- (b) The rollover must be accomplished by a direct trustee-to-trustee transfer.
- (c) The Individual Retirement Account must be established as an inherited Individual Retirement Account.
- (d) The rollover must comply with the minimum distribution rules found in § 401(a)(9) of the Internal Revenue Code. If the participant dies before his required beginning date, the rollover must be made in accordance with either the five-year rule described in § 401(a)(9)(B)(ii) or the life expectancy rule described in § 401(a)(9)(B)(iii). Rollovers made in accordance with the five (5) year rule must be completed by the end of the calendar year which contains the fifth anniversary of the date of the participant's death. Rollovers made in accordance with the life expectancy rule must be made by the end of the calendar year following the year of the participant's death.
- (e) The Plan may make a direct rollover to an inherited Individual Retirement Account on behalf of a trust in accordance with these rules where the trust is the named beneficiary of the participant, provided the beneficiaries of the trust meet the requirements to be a designated beneficiary under the Plan.
- (f) The rollover must otherwise be in accordance with applicable law.

**Section 9.4. Roth IRA.** Effective for distributions made on or after January 1, 2008, a participant or spouse beneficiary with an adjusted gross income of less than \$100,000 who is not married or who has filed a joint tax return with his spouse, will be permitted to rollover any portion of an eligible rollover distribution to a Roth Individual Retirement Account established under 408(A) of the Internal Revenue Code. Effective January 1, 2010, a participant or spouse beneficiary will be permitted to rollover all or a portion of an eligible rollover distribution to a Roth Individual Retirement Account regardless of his or her adjusted gross income and regardless of his or her filing status.

## **ARTICLE X. MINIMUM DISTRIBUTION REQUIREMENTS**

### **Section 10.1. General Rules.**

- a) **Effective Date.** The provisions of this Article will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- b) **Precedence.** The requirements of this Article will take precedence over any inconsistent provisions of the Plan.
- c) **Requirements of Treasury Regulations Incorporated.** All distributions required under this Article will be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Internal Revenue Code.
- d) **TEFRA Section 242(b)(2) Elections.** Notwithstanding the other provisions of this Article, other than Section 10.1(c), distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to Section 242(b)(2) of TEFRA.

### **Section 10.2. Time and Manner of Distribution.**

- a) **Required Beginning Date.** The employee's entire interest will be distributed, or begin to be distributed, to the employee no later than the employee's required beginning date.
- b) **Death of Employee Before Distributions Begin.** If the employee dies before distributions begin, the employee's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - i) If the employee's surviving spouse is the employee's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the employee died, or by December 31 of the calendar year in which the employee would have attained age 70½, if later. Effective January 1, 2020, if the employee's surviving spouse is the employee's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the employee died, or by December 31 of the calendar year in which the employee would have attained age 72, if later.
  - ii) If the employee's surviving spouse is not the employee's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year

in which the employee died.

- iii) If there is no designated beneficiary as of September 30 of the year following the year of the employee's death, the employee's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the employee's death.
- iv) If the employee's surviving spouse is the employee's sole designated beneficiary and the surviving spouse dies after the employee but before distributions to the surviving spouse begin, this Section 10.2(b), other than Section 10.2(b)(i), will apply as if the surviving spouse were the employee.

For purposes of this Section 10.2(b) and Section 10.5, distributions are considered to begin on the employee's required beginning date (or, if Section 10.2(b)(iv) applies, the date distributions are required to begin to the surviving spouse under Section 10.2(b)(i)). If annuity payments irrevocably commence to the employee before the employee's required beginning date (or to the employee's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 10.2(b)(i)), the date distributions are considered to begin is the date distributions actually commence.

- c) ***Form of Distribution.*** Unless the employee's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 10.3, 10.4 and 10.5 of this Article. If the employee's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations. Any part of the employee's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

### ***Section 10.3. Determination of Amount to be Distributed Each Year.***

- a) ***General Annuity Requirements.*** If the employee's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
  - i) The annuity distributions will be paid in periodic payments made at intervals not longer than one (1) year;
  - ii) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 10.4 or 10.5;
  - iii) Once payments have begun over a period certain, the period certain will

not be changed even if the period certain is shorter than the maximum permitted;

- iv) Payments will either be nonincreasing or increase only as follows:
  - A) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
  - B) To the extent of the reduction in the amount of the employee's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 10.4 dies or is no longer the employee's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code;
  - C) To provide cash refunds of employee contributions upon the employee's death; or
  - D) To pay increased benefits that result from a Plan amendment.

- b) ***Amount Required to be Distributed by Required Beginning Date.*** The amount that must be distributed on or before the employee's required beginning date (or, if the employee dies before distributions begin, the date distributions are required to begin under Section 10.2(b)(i) or (ii)) is the payment that is required for one (1) payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the employee's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the employee's required beginning date.
- c) ***Additional Accruals After First Distribution Calendar Year.*** Any additional benefits accruing to the employee in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

#### ***Section 10.4. Requirements For Annuity Distributions That Commence During Employee's Lifetime.***

- a) ***Joint Life Annuities Where the Beneficiary Is Not the Employee's Spouse.*** If the employee's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the employee and a nonspouse beneficiary, annuity payments to be made on or after the employee's required beginning date to the designated

beneficiary after the employee's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the employee using the table set forth in Q&A-2 of Section 1.401(a)(9)-6T of the Treasury Regulations. If the form of distribution combines a Joint and Survivor annuity for the joint lives of the employee and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

b) ***Period Certain Annuities.*** Unless the employee's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the employee's lifetime may not exceed the applicable distribution period for the employee under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the employee reaches age 70, the applicable distribution period for the employee is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations plus the excess of 70 over the age of the employee as of the employee's birthday in the year that contains the annuity starting date. If the employee's spouse is the employee's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the employee's applicable distribution period, as determined under this Section 10.4(b), or the joint life and last survivor expectancy of the employee and the employee's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the employee's and spouse's attained ages as of the employee's and spouse's birthdays in the calendar year that contains the annuity starting date.

#### ***Section 10.5. Requirements For Minimum Distributions Where Employee Dies Before Date Distributions Begin.***

a) ***Employee Survived by Designated Beneficiary.*** If the employee dies before the date distribution of his or her interest begins and there is a designated beneficiary, the employee's entire interest will be distributed, beginning no later than the time described in Section 10.2.(b)(i) or (ii), over the life of the designated beneficiary or over a period certain not exceeding:

- i) Unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the employee's death; or
- ii) If the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that

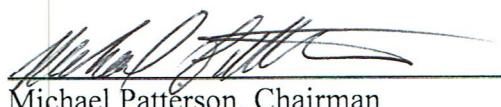
contains the annuity starting date.

- b) ***No Designated Beneficiary.*** If the employee dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the employee's death, distribution of the employee's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the employee's death.
- c) ***Death of Surviving Spouse Before Distributions to Surviving Spouse Begin.*** If the employee dies before the date distribution of his or her interest begins, the employee's surviving spouse is the employee's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section 10.5 will apply as if the surviving spouse were the employee, except that the time by which distributions must begin will be determined without regard to Section 10.2(b)(i).

#### ***Section 10.6. Definitions.***

- a) ***Designated beneficiary.*** The individual who is designated as the beneficiary under Section 4.2 of the Plan and is the designated beneficiary under Section 401(a)(9) of the Internal Revenue Code and Section 1.401(a)(9)-1, Q&A-4, of the Treasury Regulations.
- b) ***Distribution calendar year.*** A calendar year for which a minimum distribution is required. For distributions beginning before the employee's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the employee's required beginning date. For distributions beginning after the employee's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 10.2.2.
- c) ***Life expectancy.*** Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.
- d) ***Required beginning date.*** The date specified in Section 3.8 (a) of the Plan.

Executed this 27 day of October, 2022.



Michael Patterson, Chairman



Rick Supthin, Co-Chairman

## **APPENDIX A**

### **BENEFIT CHRONOLOGY**

Effective January 1, 2013

All retirees, beneficiaries, and alternate payees in pay status as of December 1, 2012 shall receive a one-time single sum payment (13<sup>th</sup> check) in the amount of one hundred percent (100%) of his/her regular monthly pension benefit in effect as of December 1, 2012.