

Northwest Sheet Metal Workers Pension Trust

May 2016

SUMMARY OF MATERIAL MODIFICATION TO THE NORTHWEST SHEET METAL WORKERS PENSION PLAN As Revised and Restated Effective May 1, 2014

Please keep this notice with your benefit booklet for future reference.

The Board of Trustees has made the following changes to the Summary Plan Description (SPD) dated May 1, 2014 for the Northwest Sheet Metal Workers Pension Plan. The information below replaces or changes certain information in your Summary Plan Description (SPD) booklet. You should review this information and keep this notice of Summary of Material Modifications with your SPD. If you have a spouse or dependent(s) enrolled, you should review this information with them as well.

ARTICLE IV - ELIGIBILITY FOR BENEFITS

Section 403 - Early Retirement Date

An Employee who is vested shall be eligible for an Early Retirement Date as follows:

- (A) An Employee shall be eligible for Subsidized Early Retirement Benefits in accordance with Section 604 if:
 - (1) He has had a bona fide separation from service and attained age 55, but not yet attained age 65; and
 - (2) He has ten years of Credited Service, at least one of which is Credited Future Service.
- (B) An Employee shall be eligible for Unsubsidized Early Retirement Benefits in accordance with Section 604 if:
 - (1) He has had a bona fide separation from service and attained age 55, but not yet attained age 65; and

(2) He is either fully or partially vested pursuant to the applicable terms of the Plan.

ARTICLE VI – AMOUNT OF BENEFITS

Section 604 - Early Retirement Benefits

Early Retirement Benefits are determined pursuant to the following provisions:

(A) Subsidized Early Retirement

For Employees with at least 300 Covered Hours of Service in a Plan Year beginning on or after May 1, 1997, and who meet the requirements for Subsidized Early Retirement Benefits pursuant to Article IV, Section 403, the monthly Early Retirement Benefit shall be determined as follows:

(1) For Employees age 62 to 65 at the time of their Early Retirement Dates, the Early Retirement Benefit shall be the same as the Normal Retirement Benefit.

(2) For Employees retiring before age 62, the Early Retirement Benefit shall equal the Normal Retirement Benefit reduced by $\frac{1}{2}$ of 1% for each month that the Employee's Early Retirement Date precedes his 62nd birthday.

An Employee may also qualify for the Subsidized Early Retirement Benefit described above if he meets the requirements of Article IV, Section 403, has accrued 3,500 or more Covered Hours of Service in the 60 months immediately preceding his Early Retirement date and has accrued at least one year of Credited Future Service after April 30, 1995.

(B) Unsubsidized Early Retirement

For Employees who do not meet the requirements for Subsidized Early Retirement, as described above, but who are otherwise fully or partially vested in the Plan and meet the requirements for Unsubsidized Early Retirement Benefits pursuant to Article IV, Section 403, the monthly Unsubsidized Early Retirement Benefit shall be determined as follows:

The Employees Unsubsidized Early Retirement Benefit shall be calculated by reducing the Employee's vested Normal Retirement Benefit for each month that the Employee's Early Retirement Date precedes his 65th birthday by the following factors:

- (1) 8% per year on or after age 62 but earlier than age 65 (calculated monthly); plus an additional
- (2) 6% per year on or after age 55 but earlier than age 62 (calculated monthly).

(C) Plan Terms Applicable for Retirements or Terminations Prior to May 1, 1988

Early Retirement Benefits for Employees who retired or had a Break in Service prior to May 1, 1998, and who do not qualify under one of the preceding paragraphs, shall be determined under the terms of the Plan in effect on the date of their retirement or Break in Service.

Eligibility for and payment of Early Retirement Benefits, whether Subsidized Early Retirement or Unsubsidized Early Retirement, is subject to the provisions of Section 605, below.

ARTICLE X

INTERNATIONAL RECIPROCAL AGREEMENT

Section 1001 - Pro Rata Pensions

(A) Purpose

Pro Rata Pensions are provided under this Plan for Employees who would otherwise lack sufficient service credit to be vested for any pension because their years of employment were divided between Pension Plans or, if eligible, whose pensions would be less through partial vesting, because of such division of employment.

(B) Home Fund

The Trustees recognize as the Home Fund that Fund which has executed the International Reciprocal Agreement for Sheet Metal Workers' Pension funds and which was established in part by the local union in which an Employee holds or has applied for membership or by which an Employee was first represented.

The designation of a Home Fund may be changed:

- (1) By a member if he transfers his membership to another local union which participates in a signatory fund by giving a notice both to his former and new Home Funds.

(2) By any other Employee if he has earned at least one pension credit in the jurisdiction of a local union which participates in a signatory Fund by giving notice to his former and new Home Funds.

(C) Related Plans

The Trustees recognize one or more other Plans of Pension Funds which have executed the International Reciprocal Agreement for Sheet Metal Workers' Pension Funds and which have adopted Exhibit A of such Reciprocal Agreement as a Related Plan.

(D) Related Pension Credits

Related Pension Credits earned under a Related Plan shall be determined in accordance with the rules and regulations of the Related Pension Plan. Such Related Pension Credit, including Pension Credit earned before the effective date of this Agreement, to the extent creditable under a Related Plan, shall be recognized as Related Pension Credits. The Trustees of the Related Plan shall certify to this Plan the amount of such Related Pension Credits which have been earned and credited under the Related Plan.

(E) Combined Pension Credit

The total of any Employee's Pension Credit under this Plan and Related Pension Credit together comprises the Employee's Combined Pension Credit. Not more than one year of Combined Pension Credit shall be counted in any Plan Year.

It is not the intent of the Reciprocal Agreement to grant duplicate pension credit under two or more Related Plans for the same period of covered employment. Therefore, an exception to the definition of Related Pension Credits shall be made in the case of pension credits earned simultaneously for covered employment in a local union jurisdiction for which contributions are made to both a signatory Local Pension Fund and the Sheet Metal Workers' National Pension Fund. In such case, such service shall not be considered to be Related Pension Credits between the Plan of the signatory Local Union Pension Fund and the Plan of the Sheet Metal Workers' National Pension Fund.

(F) Eligibility

An Employee shall be eligible for a Pro Rata Pension under this Plan if he satisfies all of the following requirements:

(1) He would be vested for pension under this Plan (other than a Pro Rata Pension) if his Combined Pension Credit were treated as pension credit under this Plan;

(2) In addition to any other requirements necessary to be eligible under (1), he has, under this Plan, at least one year of pension credit based on hours of employment for which contributions were payable to this Fund; and

(3) He is found to be eligible for a Pro Rata Pension from this Plan and at least one Related Plan.

(G) Breaks in Service

In applying the rules of this Plan with respect to cancellation of service credit, any period in which an Employee has earned Related Pension Credit shall not be counted in determining whether there has been a period of non-covered employment sufficient to constitute a break in service.

(H) Non-Duplication

In order to receive a Pro Rata Pension from this Plan an Employee must waive his right to receive any other pension under this Plan.

(I) Pro Rata Pension Amount

The amount of the Pro Rata Pension payable by each signatory Plan under which an Employee qualified for a pension shall be based on the years of Pension Credit he earned under that Plan and the benefit levels in effect under each such Plan.

(J) Payment of Pro Rata Pensions

The payment of a Pro Rata Pension shall be subject to all of the conditions contained in this Plan applicable to all other types of pensions, including, but not limited to, retirement as herein defined and timely application. Pro Rata Pension payments subject to this Article shall be limited to monthly pension payments to a pensioner or to monthly payments to the survivor of a pensioner.

(K) Limited Transfer of Contributions

Except as provided in this Section, no contributions shall be transferred between Funds that are signatory only to Exhibit A. However, if an Employee whose Home Fund is signatory to Part A only or both Part A and Part B works in the jurisdiction of a Fund signatory only to exhibit A and earns less than one year of pension credit in said Fund, then all contributions made on his behalf to said Fund

shall be transferred to his Home Fund within a reasonable period of time after he has returned to his Home Fund. Such transfer shall only be made if authorized by the Employee in writing on a form provided for that purpose.

ARTICLE XI

PARTIAL PENSION FOR THOSE WHOSE EMPLOYMENT HAS BEEN DIVIDED BETWEEN THIS PLAN AND OTHER PLANS IN THE SHEET METAL INDUSTRY

Section 1101 - Purpose

A Partial Pension is provided under this Plan for Employees who would otherwise less than fully vested for benefits because their years of employment have been divided between employment creditable under this Plan and employment creditable under another pension plan in the sheet metal industry, or whose pension would otherwise be less than the full amount because of such division of employment resulted in only partial vesting.

Section 1102 - Related Pension Plans

By motion duly adopted the Board of Trustees may recognize another pension plan in the sheet metal industry as a “Related Plan.”

The recognition of another pension plan as a “Related Plan” is contingent upon the other plan adopting and maintaining partial retirement benefit provisions substantially similar to these provisions, and further, upon the other plan recognizing this Plan as a “Related Plan” under such provisions.

Copies of the motions adopted by the Board of Trustees of this Plan and by the Board of Trustees of the other plan, certified by the executive officers, shall be exchanged.

Section 1103 - Related Hours

The term “Related Hours” means hours of employment which are creditable under a Related Plan, excluding, however, any hours of work of the type which, had it been performed under the Plan, would be Contiguous Non-Covered Service.

Section 1104 - Related Credit

The term “Related Credit” means years of Past Service, or Future Service, or portions thereof, creditable to an Employee under a Related Plan according to the rules of the

Related Plan, excluding, however, any Related Credit based on work of the type which, had it been performed under this Plan, would be Contiguous Non-Covered Service.

Section 1105 - Combined Credited Service

The term “Combined Credited Service” means the total of an Employee’s Related Credit plus the Credited Service accumulated under this Plan, excluding Credited Service earned as a result of work in Contiguous Non-Covered Service.

If an Employee failed to earn a Year of Credited Service under this Plan solely because his employment in a given period was divided between the jurisdiction of the Plan and the Related Plan, he shall be granted a year of Combined Credited Service. If the period of employment in the jurisdiction of this Plan was longer during such given year than in the jurisdiction of the Related Plan, then such Employee will be granted Credited Service under the Plan for such given year provided the Related Plan does not grant any Related Credit for such given year.

Section 1106 - Non-Duplication of Credits

An Employee shall not receive double credit for the same period of employment; no more than one year of Related Credit or Credited Service under the Plan shall be given for all employment in any given year.

Section 1107 - Eligibility for a Partial Pension

An Employee shall be eligible for a Partial Pension if he meets the following requirements:

- (A) He would be eligible for a Normal, Disability, Unsubsidized Early Retirement or Deferred Vested Pension under this Plan if his Combined Credited Service was treated as Credited Service under this Plan; and
- (B) He has earned at least one year of Credited Future Service under the Plan as a result of work in Covered Service.

Section 1108 - Amount of Partial Pension

The amount of the Partial Pension is determined in the same manner as a Normal, Disability, Unsubsidized Early Retirement, or Deferred Vested Pension whichever is applicable, based on the years of Credited Service earned under this Plan, plus the Employer Contributions to this Plan made on behalf of the Employee. No benefit shall be payable under this Plan for Related Credit earned under a Related Plan. In addition, Related Credit is not used in determining whether a Participant qualifies for Subsidized Early Retirement.

Section 1109 - Payment

Payment of a Partial Pension shall be subject to all of the conditions applicable to the types of Pensions in Section 1107(A) above. Specifically, pursuant to Section 4.03 Early Retirement Date, an Employee must complete 10 Years of Credited Service earned in this Plan to qualify for a Subsidized Early Retirement. Related Credit is not used in determining whether the requirements for Subsidized Early Retirement are met.

Section 1110 - Use of Related Hours to Prevent Break in Service

Related hours shall be considered in determining whether an Employee has worked the required number of hours to avoid a Break in Service, as provided in Section 205. Employment creditable under a Related Plan shall be considered in determining whether as Employee has met the definition of Continuous Service as set forth in Section 302.

However, once an Employee has left employment for which contributions are made to this or a Related Plan, the determination as to whether he has had a Permanent Break in Service under this Plan shall be based solely on the Credited Service earned under this Plan and not upon his combined Credited Service.

Section 1111 - Use of Related Credit to Determine Vested Status

Related Credit shall be considered in determining whether an Employee is Vested under the provisions of Article III, Section 309, provided the Employee has earned at least one year of Credited Future Service under this Plan as a result of work in Covered Employment.

Section 1112 - Preretirement Death Benefits

Related Credits shall be considered in determining eligibility for monthly payments to the survivor of an Employee under Section 703.

Section 1113 - Continuation of Arrangement

Sections 1101 through 1112 have been adopted by the Board of Trustees of this Plan in consideration of the adoption of similar provisions of the Boards of Trustees of the Related Plans. It is contemplated that such Sections will be enforced indefinitely. However, the Board of Trustees of this Plan reserves the right to modify or discontinue the provisions of such Sections in whole or in part, upon the giving of 90 days notice, in writing, to all Related Plans.

Administered by BeneSys, Inc.
(formerly A&I Benefit Plan Administrators, Inc.)
1220 SW Morrison St. Suite 300, Portland OR 97205-2222
(503) 222-7694 (800) 413-4928 Fax (503) 228-0149
www.nwsheetmetal.aibpa.com