

SHEET METAL WORKERS' LOCAL 7-ZONE 3

BENEFIT FUNDS

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NOTICE TO NEW RETIREES AND ANNUAL NOTICE FOR CURRENT RETIREES REGARDING SUSPENSION OF BENEFITS AND LATE RETIREMENT

This notice is provided annually to Retirees and those approaching Normal Retirement Age. Payment of retiree benefits will continue as long as you remain retired and do not return to work in the sheet metal industry or related industries. At any time, the Fund may require evidence of your continued entitlement to a pension benefit.

This notice is also provided to those who have recently reached Normal Retirement Age as defined by Sheet Metal Workers Local 7, Zone 3 Pension Plan, but who have decided to delay their retirement. Certain participants may be eligible for actuarially increased benefits to account for the fact that they have delayed retirement. Others who continue to work in the industry may accrue additional benefits, but will not receive an actuarial increase. This notice describes the late retirement rules.

Suspension of Monthly Benefits

Your Normal or Early Retirement benefits may be suspended if you engage in Disqualifying Employment. "Disqualifying Employment" is defined as:

- (i) Employment with any Contributing Employer;
- (ii) Employment with any employer in the same or related business as any Contributing Employer;
- (iii) Self-employment in the same trade or related business as a Contributing Employer;
- (iv) Employment or self-employment in any business which is under the jurisdiction of the Union;
- (v) Employment in the Sheet Metal Industry that is not covered by a collective bargaining agreement between the Union and the Employer;
- (vi) Teaching, such as, but not limited to, teaching in an apprenticeship school, trade, school, or an accredited university or college;
- (vii) Any work covered under the Collective Bargaining Agreement;
- (viii) Any work in a related industry.

Permissible Limited Amounts of Work

Early Retirement benefits will be suspended on the first day of the month following the month in which you complete any work in Disqualifying Employment in a Plan Year. Normal retirement benefits will be suspended for any month in which you work 40 hours or more in Disqualifying Employment.

When Will Benefits Resume?

If your benefits are suspended because you have exceeded the maximum hours of Disqualifying Employment, your payments will resume no later than first day of the third month after you stopped work in Disqualifying Employment. In order to resume receiving monthly pension payments from the Plan, you must notify the Fund Office in writing that you are no longer working in Disqualifying Employment.

Repayment of Benefits Received While Working in Disqualified Employment

If you receive a pension payment for any month that you worked in Disqualifying Employment, your future monthly benefits will be reduced until the overpayment you received is repaid. Once your monthly pension payments from the Plan resume, your first monthly pension check will be reduced by the full amount of the overpayment. If the overpayment amount exceeds your first check, then subsequent pension checks will be reduced by 25% until the overpayment is repaid in full.

Working Past Normal Retirement Age

A Participant who retires past Normal Retirement Age (generally age sixty-two (62)) may be entitled to an actuarial increase in his accrued benefit to account for the fact that he has delayed receipt of a monthly pension benefit. However, the rule is slightly different for anyone who continues working in "Disqualifying Employment" described above. If you continue to work in Disqualifying Employment past age sixty-two (62), your accrued benefit will increase each year as you continue to earn additional benefits, but you will not receive an actuarial increase.

Remember that monthly pension payments must begin no later than the April 1st of the calendar year in which you reach age 70½ .

Notification

If you are retired and considering a return to employment, you must notify the Fund Office in writing within 21 days, provide specific details of the job involved, and ask the Board of Trustees for approval. Do not rely on any verbal opinion by any individual. The Board will provide you a detailed written reply. The Board must act in a uniform, nondiscriminatory manner and in accordance with Section 203(a)(3)(B) of ERISA and the regulations which apply, which can be found in the Code of Federal Regulations, beginning at 29 CFR § 2530.203-3. If the decision you receive is unfavorable, you have the right to appeal the decision to the Board of Trustees.

You must also notify the Board within 21 days of reaching Normal Retirement Age if you plan to continue to work. This written notice must identify your employer, the scope of your work, the number of hours you will work per month and how long you expect to continue working. If you fail to notify the Fund Office of your continued work, the Trustees will presume that you are working more than 40 hours per month in Disqualifying Employment. To avoid having benefits suspended, you must, upon request and to the Trustees' satisfaction, establish that you have not worked in Disqualifying Employment. Additionally, you must prove that you have stopped working in Disqualifying Employment in order to be awarded a late retirement adjustment.

Additional information about late retirement and the suspension of benefit rules can be found in your Summary Plan Description. If you have any questions please call the Fund Office.

Sincerely

Board of Trustees