

U. A. LOCAL NO. 393

DEFINED CONTRIBUTION PLAN

**SUMMARY PLAN DESCRIPTION
AND FORMAL PLAN TEXT**

**PLAN AS REVISED JANUARY 1, 2015
AND AMENDMENTS THROUGH DECEMBER 31, 2015**

WHAT DOES THIS BOOKLET COVER?

What's covered? This booklet contains up-to-date information about the U.A. Local No. 393 Defined Contribution Plan (commonly called Part B). Effective January 1, 2015, the Part B Plan changed from a money purchase defined contribution plan to a profit sharing defined contribution plan with a 401(k) feature. For ease of understanding this booklet is broken up into multiple parts:

1. A quick summary of the 401(k) Profit Sharing Part B Plan;
2. A detailed explanation of the rules concerning benefits accrued on or after January 1, 2015;
3. The Formal Plan Rules for contributions earned on or after January 1, 2015;
4. A quick summary of the Money Purchase Part B Plan
4. A detailed explanation of the rules concerning benefits accrued before January 1, 2015; and
5. The Formal Plan Rules for contributions earned before January 1, 2015.

At the end of the booklet is general information about the Plan, with phone numbers and addresses of the Administration Office, Member Advocate, and other providers.

Who's covered? The rules for accrual of benefits discussed in this booklet, such as vesting requirements and amount of benefits, apply to Employees currently working in covered employment under the collective bargaining agreements of U. A. Local No. 393. Except as expressly provided in the Formal Text of the Plans, the rights of any Participant who is not currently working in covered employment are determined by the rules in effect on his or her last day of covered employment. Likewise, the rules for applications and forms of benefits apply to persons applying for benefits after the publication of the booklet. In some cases, however, superseded rules are discussed here for your convenience.

How to get more information? The Board has authorized Benesys Administrators to respond in writing to your written questions. If you have a question about your benefits, you should write to Benesys Administrators at the address listed under "Supplementary Information about the Plan." To obtain an accurate answer, you will need to provide complete and accurate information about your situation. As a courtesy to you, Benesys Administrators may also respond informally to oral questions. Information provided by Benesys Administrators is not binding upon the Board and cannot be relied on in any dispute concerning your benefits.

Only the full Board of Trustees is authorized to interpret the Plan. The Board has discretion to decide all questions about the Plan. No individual trustee,

employer, union representative or other person has authority to interpret this Plan on behalf of the Board or to act as an agent of the Board.

Where there is a conflict between the summary and the Formal Plan Text, the Formal Plan Text shall govern.

TABLE OF CONTENTS

401(K) PROFIT SHARING PLAN	1
QUICK SUMMARY	1
QUESTIONS AND ANSWERS ABOUT PENSION PART B.....	3
1. HOW DO I ACCRUE AN ACCOUNT UNDER THE DEFINED CONTRIBUTION PLAN?.....	3
2. WHAT CONTRIBUTIONS ARE MADE ON MY BEHALF?	3
3. WHEN MAY I RECEIVE A DISTRIBUTION OF MY ACCOUNT?.....	4
4. HOW ARE MY BENEFITS PAID?	6
5. MAY I BORROW FROM THE PLAN?.....	7
6. CAN I DIRECT THE INVESTMENT OF MY PLAN ACCOUNT?	7
7. WHAT IF I HAVE A PROBLEM WITH MY ACCOUNT OR MY APPLICATION FOR A DISTRIBUTION OR LOAN?	8
FORMAL PLAN TEXT FOR CONTRIBUTIONS EARNED ON OR AFTER JANUARY 1, 2015	9
ARTICLE 1 - EFFECTIVE DATE	9
ARTICLE 2 – DEFINITIONS	9
ARTICLE 3 – FUNDING.....	11
ARTICLE 4 - PARTICIPATION AND VESTING.....	12
ARTICLE 5 - COST OF THE PLAN AND CONTRIBUTIONS	14
ARTICLE 6 - ACCOUNTING	15
ARTICLE 7 - PAYMENT OF BENEFITS.....	28
ARTICLE 8 - LOAN PROGRAM	46
ARTICLE 9 - MERGERS.....	48
ARTICLE 10 - MISCELLANEOUS RULES.....	49
ARTICLE 11 - QUALIFIED DOMESTIC RELATIONS ORDERS.....	49
ARTICLE 12 - APPEALS TO THE PLAN	50
ARTICLE 13 - SPECIAL CLAIMS AND APPEAL PROCEDURES FOR DISABILITY RETIREMENT BENEFITS.....	51
MONEY PURCHASE PLAN	56
QUICK SUMMARY	56
QUESTIONS AND ANSWERS ABOUT PENSION PART B.....	58
1. HOW DO I ACCRUE AN ACCOUNT UNDER THE DEFINED CONTRIBUTION PLAN?	58
2. WHAT CONTRIBUTIONS ARE MADE ON MY BEHALF?	58
3. WHEN MAY I RECEIVE A DISTRIBUTION OF MY ACCOUNT?.....	59
4. HOW ARE MY BENEFITS PAID?	61
5. MAY I BORROW FROM THE PLAN?.....	62
6. CAN I DIRECT THE INVESTMENT OF MY PLAN ACCOUNT?	62
7. WHAT IF I HAVE A PROBLEM WITH MY ACCOUNT OR MY APPLICATION FOR A DISTRIBUTION OR LOAN?	63
FORMAL PLAN TEXT FOR CONTRIBUTIONS EARNED BEFORE JANUARY 1, 2015	64
ARTICLE 1 - EFFECTIVE DATE	64
ARTICLE 2 - FUNDING	64
ARTICLE 3 - PARTICIPATION AND VESTING.....	66
ARTICLE 4 - COST OF THE PLAN AND CONTRIBUTIONS	69
ARTICLE 5 - ACCOUNTING	69

ARTICLE 6 - PAYMENT OF BENEFITS.....	77
ARTICLE 7 - LOAN PROGRAM	95
ARTICLE 8 - MERGERS.....	97
ARTICLE 9 - MISCELLANEOUS RULES.....	98
ARTICLE 10 - QUALIFIED DOMESTIC RELATIONS ORDERS.....	98
ARTICLE 11 - APPEALS TO THE PLAN	99
ARTICLE 12 - SPECIAL CLAIMS AND APPEAL PROCEDURES FOR DISABILITY RETIREMENT BENEFITS.....	100
SUPPLEMENTARY INFORMATION ABOUT THE PLAN.....	106
CONTACT INFORMATION.....	107
STATEMENT OF ERISA RIGHTS	109

**U. A. LOCAL NO. 393 DEFINED CONTRIBUTION PLAN
401(k) PROFIT SHARING PLAN**

QUICK SUMMARY

1. **Vesting:** All accounts are 100% vested at all times, and cannot be lost due to a break in service.
2. **Benefits (for current hours):** fixed dollar contributions for each hour of covered employment pursuant to the terms of a collective bargaining agreement as well as 401(k) elective deferrals pursuant to the terms of a collective bargaining agreement.
3. **Eligibility for distribution:** All types of distributions (except hardship distributions Inter-Plan Transfers, and certain distributions made after age 62) require termination of all employment in the Plumbing and Pipefitting Industry.
 - a. Ordinary distributions are payable for qualifying normal, early or disability retirements, or a qualifying period of severance from employment, based on the number of years during which contributions were made to this Plan or the number of years of Part A Vesting Credit.
 - b. Hardship distributions are available, up to the lesser of the amount you need to satisfy an immediate need, or your undistributed elective contributions. Hardship distributions are available only for the following needs: medical expenses, costs directly related to the purchase of a principal residence (excluding mortgage payments); Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the employee, or the employee's spouse, children, or dependents; payments necessary to prevent eviction or foreclosure; funeral expenses for a parent, spouse, or child; and payments for certain repairs to a primary residence.
 - c. If you change membership from U. A. Local No. 393 to another U. A. Local Union, you may transfer your entire balance to their defined contribution plan if they have signed an Inter-Plan Transfer Agreement.
4. **Forms of distributions:** Qualified Joint and 50% Survivor Annuity, 75%, or 100% survivor annuity, single life annuity, lump sum or partial lump sum, and installment payments. Available forms are limited in case of retirement before age 55 and disability retirement without Social Security Disability award. A qualified Employee,

with applicable spousal consent, may elect both a lump sum and installments at initial distribution, and elect additional lump sum(s) and/or change installment payments, subject to processing fee. Lump sums and installments for less than ten years are eligible to be rolled over into an IRA or qualified plan, but if not rolled over are subject to 20% federal withholding taxes.

5. Death Benefits: Spouse beneficiary: Qualified Pre-Retirement Survivor Annuity (QPSA), Qualified Joint and 50% Survivor Annuity (QJSA), Joint and 75% or 100% Survivor Annuity. A surviving spouse may choose to waive the QPSA or the QJSA and receive a lump sum, partial lump sum, or monthly installments. Non-spouse beneficiaries: single life annuity, lump sum, partial lump sum, or monthly installments, but for any benefit form other than the single life annuity, the balance must be paid out within 5 years. A married Participant must receive his spouse's consent to name an alternative non-spouse beneficiary.

QUESTIONS AND ANSWERS ABOUT PENSION PART B 401(k) Profit Sharing Plan

1. HOW DO I ACCRUE AN ACCOUNT UNDER THE DEFINED CONTRIBUTION PLAN?

The Defined Contribution Plan ("Part B") is an individual account plan. Each covered Employee accrues an account based on the amount of contributions required to be made on his or her behalf and may make additional deferrals under the terms of the collective bargaining agreement. That account earns a share of the interest or other income of the Plan, but also pays a share of the Plan's expenses. All Employees who work in a position for which contributions are required to be made to this Plan are Participants in the Plan, and all accounts are 100% vested at all times.

2. WHAT CONTRIBUTIONS ARE MADE ON MY BEHALF?

Employees who work in covered employment under the U. A. Local No. 393 Master Labor Agreement, another Collective Bargaining Agreement, or a participation agreement have contributions made on their behalf in accordance with the terms of that Agreement.

This Plan accepts several other types of contributions.

First, you may make additional 401 (k) deferrals if allowed under the terms of the Collective Bargaining Agreement or participation agreement.

Second, if you are a Participant in this Plan, and you are eligible for a distribution from another tax-qualified pension plan, you may roll that distribution into this Plan. This Plan will accept trustee-to-trustee transfers from another pension plan, or from a "rollover IRA," which received a rollover from another qualified pension plan. It will also accept an eligible rollover distribution which has been made directly to you, so long as you can demonstrate that the rollover distribution was made no more than 60 days before you tender the rollover to this Plan.

Third, if you have changed membership from another U. A. Local Union, you may have your account transferred directly, under the Inter-Plan Transfer Agreement. This option is similar to a rollover, except that the Plan will treat 401 (k) contributions to your original plan as 401 (k) contributions to this Plan.

Fourth, if you work under a collective bargaining agreement of a U. A. Local Union other than Local No. 393, you may have your contributions transferred to this Plan under a "money reciprocity" agreement. To qualify for this type of transfer, there must be an agreement between this Trust Fund and your work trust fund, and

you must complete an authorization form before your contributions are applied to the work trust fund's defined contribution plan.

Employer contributions for all Employees are subject to the limitations of Internal Revenue Code § 415. Elective contributions are also subject to the limitations of Code § 402(g). These limits do not apply to rollovers or Inter-Plan Transfers. You will be advised if these limits apply to you.

3. WHEN MAY I RECEIVE A DISTRIBUTION OF MY ACCOUNT?

This Plan is intended to be supplementary to the U. A. Local No. 393 Defined Benefit Plan. You may elect to receive a distribution from this Plan whenever you retire under that Plan. You may also maintain your interest in this Plan even after you retire under the Defined Benefit Plan. However, you must commence receiving benefits from this Plan on your Required Beginning Date.

In addition to retirement under the Defined Benefit Plan, you may receive a distribution from this Plan at the following times:

- (a) Any time after age 52, if you have accrued 25 years of Benefit Credit under the Defined Benefit Plan, and you have completely retired from Plumbing and Pipefitting Industry Service as defined in the Defined Benefit Plan;
- (b) At the latest of age 62, the fifth anniversary of your participation in the plan, or your retirement from Plumbing and Pipefitting Industry Service;
- (c) When you become permanently or totally disabled from performing work of the types covered under the Collective Bargaining Agreement, as demonstrated by an award of Social Security Disability Benefits or equivalent medical proof confirmed by the Plan's Medical Consultant;
- (d) If you have stopped working in covered employment, upon the occurrence of one of the following combinations of circumstances:
 - (i) If you left Industry because you failed to complete the requirements for journeyman status, then you are eligible when you have been separated from covered employment for a number of years equal to the number of years during which contributions were made on your behalf; or
 - (ii) If your account balance is less than \$20,000, you are not vested under the Defined Benefit Plan and you have permanently

stopped working in the trade, then you are eligible if you have not worked in covered employment for the greater of the number of years of Vesting Credit that you accrued under the Defined Benefit Plan, or two years; or

- (iii) If your account balance is \$20,000 or more, or you are vested under the Defined Benefit Plan, then you are eligible when you have been separated from Industry Service for a period equal to the number of years in which contributions were made to this Plan on your behalf, or you have not performed more than 300 hours of Industry Service within the 10 years preceding your requested distribution date and the Board of Trustees believes, based on objective circumstances, that you will not be performing Industry Service anywhere in the U.S. or Canada for a period in the future equal to the number of years in which contributions were made on your behalf.
- (e) Between ages 62 and 64, if you are working for a contributing Employer and have never worked in the Plumbing and Pipefitting Industry for a non-signatory employer since first becoming a Participant in this Plan, you may take distributions of up to 25% of your account balance per year. At age 65, if you are working for a contributing Employer and have never worked in the Plumbing and Pipefitting Industry for a non-signatory employer since first becoming a Participant in this Plan, you may take distributions up to 100% of your account balance.

If you have had elective contributions made on your behalf, you may also receive a distribution of the elective contributions (but not earnings thereon) upon the occurrence of a qualifying hardship. The amount of your distribution will be limited to the amount necessary to meet your immediate qualifying financial needs, or the amount of your elective contributions (less any prior hardship distributions). If you receive a hardship distribution, and you are otherwise eligible for elective contributions, you will not be permitted to make elective deferrals for six months.

If you have transferred your Local Union membership from U. A. Local No. 393 to another U. A. Local Union which sponsors a defined contribution plan, you may elect to have an Inter-Plan Transfer. This is similar to a rollover, but it is available even when you are not otherwise eligible for a distribution.

4. HOW ARE MY BENEFITS PAID?

(a) **Joint and 50% Survivor Annuity:** This is the normal form of benefit for a married Participant. Election of any other option will require spousal consent witnessed by a Plan representative or notary public. The joint and 50% survivor annuity is a pension for the life of the Participant, and upon the Participant's death, an actuarially reduced lifetime benefit for his or her surviving lawful spouse equal to 50% of the benefit that the Participant had been receiving. The joint and 50% survivor annuity is only available to a married Participant who has designated his spouse as beneficiary.

(b) **Single Life Annuity:** The normal form of benefit for an unmarried Participant is a single life annuity. A married Participant may also elect a single life annuity, provided the spouse gives consent witnessed by a plan representative or notary public. The single life annuity is based on the life expectancy of the Participant and is payable during such person's lifetime. The total benefit payable is limited to the account balance. Therefore, the annuity will terminate when the account is exhausted, which may occur before death if the Participant lives longer than the period provided in the life expectancy tables. The annuity may be purchased from an insurance company or other entity.

(c) **Joint and 75% Survivor Annuity:** The 75% joint and survivor annuity is only available to a married Participant who has designated his spouse as a beneficiary. The joint and 75% survivor annuity provides a pension for the life of the Participant, followed by an actuarially reduced benefit for the life of the surviving spouse equal to 75% of the benefits the Participant had been receiving.

(d) **Joint and 100% Survivor Annuity:** The 100% joint and survivor annuity is only available to a married Participant who has designated his spouse as beneficiary. The joint and 100% survivor annuity provides a pension for the life of the Participant, followed by an actuarially reduced benefit for the life of the surviving spouse equal to one hundred percent (100%) of the benefit the Participant had been receiving.

(e) **Lump sum or partial lump distribution, up to your entire account balance; or**

(f) **Monthly installments of at least \$100 or more, in an amount sufficient to cause the distribution of your entire account over a fixed number of years, or your lifetime.**

For your convenience, when you elect to receive your initial distribution, with applicable spousal consent, you may elect a combination of a partial lump sum benefit and monthly installments. In addition, while you are receiving monthly installments, you may elect to receive additional lump sums, or change the amount of your installments. There is, however, a small charge for using more than one form of distribution or changing your monthly installments. These changes require

spousal consent, and are not available to Participants whose forms of benefit are limited because of the basis of their eligibility for benefits.

Under some retirement options, the forms of distribution which you may elect may be limited. If your benefit commencement date is before your 55th birthday, you are limited to single life annuity, qualified joint and 50% survivor annuity, joint and 75% survivor annuity, or joint and 100% survivor annuity. If you are under age 55 and retire on Disability Retirement, but you do not have a Social Security Disability award, your benefits are limited to monthly installments equal to 120 hours of journeyman wages.

Whenever you receive a lump sum distribution or monthly installments for a period of less than ten years, you may roll your distribution(s) over to an IRA or to another tax-qualified plan. If you do not roll an eligible rollover distribution over directly to an IRA or qualified plan, the Plan is required by federal law to withhold 20% of your distribution for federal income taxes.

5. MAY I BORROW FROM THE PLAN?

The Plan permits creditworthy Participants to borrow against their accounts. However, both the amount of your loan and the permitted repayment period are limited. The amount is limited to the lesser of \$50,000 or half of your account balance (including your money purchase account, your profit-sharing account, and your 401(k) account). You may borrow for any purpose, but the repayment period is limited unless the purpose or your loan is the acquisition of your principal residence, in which case you may elect a repayment period of up to thirty years. You are required to use your Part B account as security for your loan, and if you are married, you must have your spouse's consent to get a loan.

6. CAN I DIRECT THE INVESTMENT OF MY PLAN ACCOUNT?

The Plan provides an option to direct the investment of a portion of your Plan account. The self-directed portion of the Plan is an ERISA § 404(c) plan. Each year, at open enrollment dates selected by the Board of Trustees, if your Plan account is valued at least \$10,000, you may elect to transfer any amount to a self-directed account, so long as at least \$10,000 remains in your pooled asset account. You may also elect, at open enrollment dates, to have any or all of your self-directed account transferred back to the pooled assets of the Plan.

In addition to the fees and expenses charged by the mutual fund providers, there is currently a charge for establishing a self-directed account, and a monthly charge for administration of a self-directed account. These charges are subject to

change from time to time. You will be advised what they are in the self-directed open enrollment materials.

Once you have elected to have a self-directed account, you are free to direct your account at any time, without any charge or load.

Detailed information about the funds is available at the Local Union or from the Administration Office. To direct the investment of your account, call (800) 293-1170 or go to the Plan's Web page at WWW.KANDG.COM.

7. WHAT IF I HAVE A PROBLEM WITH MY ACCOUNT OR MY APPLICATION FOR A DISTRIBUTION OR LOAN?

All Plan Participants receive quarterly statements of their account. If you believe that there has been an error in your account, such as a shortage in the hours or contributions reported by an employer during the last year, contact the Local Union or Administration Office immediately. If a question is not resolved to your satisfaction, or if you or any beneficiary of yours disagrees with, or is aggrieved by, any act, omission, decision, or ruling by the Administration Office or any authorized representative of the Plan affecting your rights or your beneficiaries' rights under the Plan, you may obtain a review of the same by the Board of Trustees by writing to the Administration Office setting forth the substance of your grievance. **You must request your appeal not more than sixty (60) days** from the time you first knew, or by the exercise of reasonable care, should have known, of the circumstances giving rise to your grievance, or you will be deemed to have waived your objections to the determination or decision giving rise to your grievance. The appeal rules for this Plan appear in Article 12 of the Plan. Claims and appeals for Disability Retirement benefits are governed by the Special Claims and Appeals Procedures for Disability Retirement Benefits, found in Article 13.

**U. A. LOCAL NO. 393 DEFINED CONTRIBUTION PLAN
"PART B"**

(As Revised January 1, 2015)

FORMAL PLAN TEXT FOR CONTRIBUTIONS EARNED ON OR AFTER JANUARY 1, 2015

Preamble: This Plan (Plan 003) is known as the U.A. Local 393 Defined Contribution Plan. This Plan was formerly named the U.A. Local No. 393 Supplemental Savings and Pension Augmentation Plan and was originally effective as of July 1, 1979 as a Money Purchase Pension Plan. In 1985, the Board of Trustees established the U.A. Local 393 Profit-Sharing Plan (Plan 004) which was a Profit-Sharing Plan with a 401(k) component. On or about December 31, 1991, contributions to the U.A. Local 393 Profit-Sharing Plan ceased under the U.A. Local 393 Master Labor Agreement. From January 1, 1992 until December 31, 2014, Plan 003 now known as the U.A. Local 393 Defined Contribution Plan was funded with employer contributions to the Money Purchase Pension Plan under the terms of the U.A. Local 393 Master Labor Agreement. Effective January 1, 2015, the U.A. Local 393 Master Labor Agreement was amended to cease all money purchase pension plan contributions. Effective for work hours on or after January 1, 2015 the U.A. Local 393 Master Agreement was amended to provide for employer contributions to a Profit-Sharing Plan with a 401(k) component. Effective for work hours on or after January 1, 2015, the U.A. Local No. 393 Defined Contribution Plan (Plan 003) shall be a Profit-Sharing Plan with a 401(k) component. The Terms of this Plan Text shall govern benefits accrued on work hours on or after January 1, 2015.

ARTICLE 1 - EFFECTIVE DATE

1. **Effective Dates:** This Plan, known as the U. A. Local No. 393 Defined Contribution Pension Plan as of January 1, 1992 and formerly known as the U. A. Local Union No. 393 Supplemental Savings and Pension Augmentation Plan, is effective as of July 1, 1979 and as restated January 1, 1986 and July 1, 1990, March 1, 2000, July 1, 2001 and January 1, 2008, and as amended from time to time.
2. **Plan Year:** The Plan Year shall be from January 1st to December 31st of each year.

ARTICLE 2 – DEFINITIONS

1. **401(k) account:** The term 401(k) account means the separate account which elective deferrals are made into the Plan on behalf of Employees. Such contributions are elected by Participants in accordance with Article 3, Section 2.

2. **Collective Bargaining Agreement** means the Master Labor Agreement of U.A. Local 393, any other labor agreement or project agreement of the U.A. Local No. 393 or any labor agreement or project agreement providing for payment of contributions to this Plan.
3. **Employee** means any person in one of the following categories:
 - a. Any person who performs or has performed employment in a classification covered by a Collective Bargaining Agreement, which requires contributions to be made to this Plan for such employment.
 - b. Any person who is employed in a paid position for U.A. Local No. 393, for U.A. Local No. 393 Lloyd E. Williams Pipe Trades Training Center, or for any related entity approved by the Trustees, for which position the Employee's employer has agreed to make contributions to this Plan.
4. **Employer** means any employer which, has executed a Collective Bargaining Agreement requiring contributions to be made to this Plan. Employer also means U.A. Local No. 393, the U.A. Local No. 393 Lloyd E. Williams Pipe Trades Training Center, or any related entity approved by the Trustees.
5. **Money Purchase Plan Account:** The term Money Purchase Plan Account means the separate account into which money purchase plan contributions are made under the U.A. Local 393 Defined Contribution Plan formerly known as the U.A. Local No. 393 Savings and Augmentation Plan (Plan 003) on behalf of Employees on or before December 31, 2014. Such contributions are "money purchase contributions" as such term is defined under Internal Revenue Code Section 401(a) and its corresponding regulations. No contributions shall be made into the Money Purchase Account for work hours on or after January 1, 2015.
6. **Nonelective Employer Contribution Account** means the separate account into which Employer Contributions are made to the Plan on behalf of Participants on or after January 1, 2015. Such contributions are "qualified nonelective employer contributions" and shall satisfy the safe harbor nonelective contribution requirement under Treas. Reg. Section 1.401(k)-3(b) for a particular bargaining unit if the applicable collective bargaining agreement so provides. For all other bargaining units, nondiscrimination testing shall be performed as provided under Article 6, Section 3(e) of the Plan. No Employer Contributions shall be made into the Nonelective Employer Contribution Account before January 1, 2015. Earnings and losses associated with such nonelective employer contributions shall be included in the Nonelective Employer Contribution Account.

7. **Participant:** Any Employee or former Employee who is or may become eligible to receive a benefit from this plan or whose beneficiaries may be eligible to receive a benefit.
8. **Participant's Basic Account.** The term Participant's Basic Account, Participant's Account or "account balance" means each Participant's individual account maintained under the agreement with the Investment Source in accordance with the terms of this Plan. Each Participant's Basic Account will be maintained so as to reflect the amount attributable to employer contributions, rollovers, earnings thereon and certain expenses incurred. The Participant Basic Account is comprised of the Nonelective Employer Contribution Account, the 401(k) Account, the Money Purchase Account and the Rollover Account.
9. **Plan Year** means the Calendar Year.
10. **Rollover Account.** The term Rollover Account means the separate account into which the assets from a rollover received in accordance with Article 3, Section 4 are deposited and maintained.
11. All other terms not defined in this Plan shall have the meaning ascribed to that term in the Trust Agreement or in an applicable Collective Bargaining Agreement.

ARTICLE 3 – FUNDING

1. **Crediting of Employer Contributions:** For Work Hours on or After January 1, 2015, Employer contributions, exclusive of any administrative charges, shall be credited to each Participant's Basic Account in accordance with the following: (i) non-elective Contributions for work hours on and after January 1, 2015 shall be "qualified non-elective contributions," as such term is defined under Section 401(k) of the Code and its corresponding regulations and deposited into each Participant's Nonelective Employer Contribution Account; and (ii) elective deferrals made for work hours on or after January 1, 2015 shall be deposited into each Participant's 401(k) Account in accordance with Article 3, Section 2.
2. **401(k) Contributions or Elective Deferrals:** Effective for work hours as of January 1, 2015, a Participant may elect to have his or her Employer, on behalf of the Participant, defer a designated amount of the Participant's Compensation on a pre-tax basis and have such Elective Deferral amount deposited into the Participant's 401(k) Account within the time prescribed by the IRS. Initial deferral elections and changes thereto shall be made in accordance with administrative procedures and as provided under the Collective Bargaining Agreement.

Participant who has attained age fifty (50) before the close of the taxable year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, Section 414(v) of the Code. The catch-up contribution limit will be adjusted by the Secretary of the Treasury for cost-of-living increases under Section 414(v)(2)(C) of the Code. Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Section 402(g) of the Code. The Plan shall not be treated as failing to satisfy the requirements of the Plan implementing the requirements of Sections 401(k)(3), 401(k)(11), 402A, 410(b) or 416 of the Code, as applicable, by reason of making such catch-up contributions.

Except as to catch-up contributions as described above, no Participant shall be permitted to make elective deferrals during any taxable year in excess of the dollar limitation contained in Section 402(g) or Section 415 of the Code in effect for such taxable year.

3. **Independence of Plan:** The Board of Trustees shall administer the assets of the Defined Contribution Pension Plan separately and apart from the assets of the U. A. Local No. 393 Defined Benefit Pension Plan.
4. **Rollover Contributions:** This Plan shall accept any rollover tendered by, or on behalf of, any Employee from a qualified plan or qualified rollover IRA if the rollover is an eligible rollover distribution as defined in Internal Revenue Code Section 402(c)(4), and if the rollover is either made directly from a qualified plan or qualified rollover IRA, or is tendered by the Employee within 60 days of distribution of benefits to him or her by a qualified plan. Amounts transferred into the Plan pursuant to this Section shall be deposited and maintained in the Participant's Rollover Account.

ARTICLE 4 - PARTICIPATION AND VESTING

1. **Eligibility to Participate:** Any Employee who has been employed at any time in covered employment shall be eligible to participate in this Defined Contribution Pension Plan, except that union alumni (former journeymen or apprentices who had employment covered under a collective bargaining agreement with U.A. 393 Collective Bargaining Agreement) who become officers/shareholders of a corporate signatory employer) shall be eligible only if the following requirements are met:

- (a) The Employer is incorporated; and
- (b) The Employer is a signatory to a collective bargaining agreement

with U.A. Local 393; and

- (c) The Employer signs a participation agreement requiring the Employer to make hourly contributions on behalf of the officer/shareholder at the journeyman rate; and
- (d) The officer/shareholder's participation is approved by the Trustees or a designated committee of Trustees; and
- (e) The participation is otherwise in accordance with law.

2. Individual Accounts:

- (a) Individual accounts shall be maintained in the name of each Employee which shall separately reflect the extent of the Employee's participation in each of the following:
 - (i) Mandatory employer contributions to this Plan, as defined in Article 3, Section (1) based not only upon hours worked by the Employee, but also upon a proportionate share of the total pension augmentation contributions by all Individual Employers by reason of their employment of Employees on unapproved projects as defined in the Collective Bargaining Agreement;
 - (ii) Elective Employee contributions, as defined in, and subject to, Article 3, Section (2); and
 - (iii) If an Employee qualifies for pension credit under the Veterans Reemployment Rights Act, 38 U.S.C. Section 2021 et seq., or, effective for military service in the Armed Forces of the United States ending on or after December 12, 1994, under the Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. Section 4301 et seq., the Employee shall be granted credit equivalent to the contributions which would have been made if the Employee had continued to perform covered employment during the qualifying military service, determined under the following rules:
 - (A) An Employee will be deemed qualified only if:
 - (1) He or she was employed in, or available for, covered employment under this Plan immediately before entering qualifying military service; and

(2) He or she gave notice of entry into the Armed Forces as required under the applicable statute; and

(3) The Employee became employed in covered employment, or registered for work at the Local Union and actually available for covered employment, within 90 days after a qualifying release or discharge.

(4) The amount of credit will be based on the average of the contributions made on the Employee's behalf during the two Plan Years preceding the year of the qualifying military service, adjusted to reflect the actual period of qualifying service, unless the Board of Trustees finds that there are clear and convincing reasons to believe that some other amount of contributions would have been made.

- (b) (i) If an Employee so elects, in accordance with Article 6, Section 5, to have a portion of his or her account transferred to a Plan account for investment management by the Employee, then an account shall be established for that purpose, until such time as the Employee elects to terminate that account, or it is otherwise terminated under the rules of the Plan. The portion of an Employee's account which is subject to his or her investment management shall be an ERISA 404(c) account.
- (ii) Effective September 1, 2001, each Employee shall have only one account, consisting of his or her proportional share of the Plan's pooled assets and his or her investments, if any, in self-directed assets other than the pooled assets of the Plan. All Employee's self-directed and pooled accounts as of September 1, 2001, shall be deemed merged on that date, and the entire Plan shall be an ERISA Section 404(c) Plan.

3. **Vesting:** The right, title and interest of each Employee in and to his or her accounts as so constituted shall be at all times one hundred percent vested.

ARTICLE 5 - COST OF THE PLAN AND CONTRIBUTIONS

1. Contributions shall be forwarded immediately without deduction for investment in such media as the Trustees from time to time select. Effective with contributions processed on or after September 1, 2001, new contributions for each Employee shall be invested, among the investments authorized by the Board of

Trustees, in accordance with the directions, if any, of the Employee, or if the Employee has no valid directions then in effect, in the pooled assets of the Plan.

2. The expenses of administration shall be paid out of the interest and other increments earned on the investment of the pooled assets of the Fund, or charged to the accounts of the Employees in such amounts as the Board of Trustees, in their exclusive discretion, decide. In addition, the Trustees may allocate non-general expenses to the accounts of individual Participants in such situations as they deem appropriate.

3. When, in the judgment of the Trustees, unpaid contributions are due and payable to the Plan, those unpaid contributions shall be treated as an administrative expense, and appropriate amounts shall be credited to the accounts of the respective Employees as new contributions.

ARTICLE 6 - ACCOUNTING

1. Limitation on Employee Interests:

- (a) Except as provided in subsection (b), no Employee shall have any right, title or interest in any specific asset of the Fund.
- (b) The sole power which an Employee may exercise over his or her account is to direct the investment of that account among assets authorized by the Board of Trustees, under procedures adopted pursuant to Article 6, Section 5.

2. Evaluation of the Plan:

- (a) Except as provided in subsection (b), the income, profits, losses and other transactions of the pooled assets of the Plan (including expense charges of investment media and other charges as provided in Section 2 of Article 4) shall be debited, or credited, as the case may be, to the account of each Employee in proportion to the Employee's interest in the pooled assets of the Plan. Prior to the effective date of unitization of the pooled assets of the Plan, the pooled assets of the Plan shall be evaluated and the individual accounts adjusted not less often than once each Plan Year, as of the last day of the Plan Year, based on the fair market value as of December 31 of each year, or more often as the Board of Trustees may deem necessary or appropriate. On or after the effective date of the unitization of the pooled assets of the Plan, the pooled assets of the Plan shall be evaluated daily at the end of each business day, using the net asset value of mutual funds and the fair market value of all other assets.

- (b) If an Employee has elected to direct the investment of his or her account into assets other than the pooled investment accounts (ERISA 404(c) assets), the only interest, income, gain or losses which the Employee shall earn or suffer on his or her ERISA 404(c) assets, shall be the interest, income, gain, or losses of those assets. The value of an Employee's 404(c) assets on any day shall be the net asset value of those assets at the end of the trading day.

3. **Limitations on Contributions:**

- (a) Contributions and other additions, with respect to a Participant in this plan, when expressed as an annual addition to his or her account, shall not exceed the limits set by Section 415(c) of the Internal Revenue Code, and the Regulations issued thereunder, including all cost of living increases permitted under those laws.
- (b) For purposes of this Plan, compensation means wages or salary which are earned from participating employers and which are includable in gross income, plus any elective deferrals as defined in Internal Revenue Code Section 402(g)(3) pursuant to a cash or deferred arrangement under Code Section 401(k), and any amount excluded from gross income under Code Section 125, and for Plan Years beginning after December 31, 2000, any amount deferred under Code Section 132(f)(4), but in no event more than \$225,000 or such other amount as set forth under Internal Revenue Code Section 401(a)(17) and the regulations and rulings promulgated by the IRS. Notwithstanding the foregoing, effective as of January 1, 2008, any amounts that are includable in the gross income of an employee under the rules of Code Section 409A or 457(f)(1)(A), or because the amounts are constructively received income for such year, shall be included in compensation for purposes of this Section 3(b).

Notwithstanding the foregoing, compensation shall not exceed the annual compensation limit in Code § 401(a)(17), as adjusted.

Post-Severance From Employment Payments Not Includible in Compensation. In no event shall compensation include severance pay. However, the following types of remuneration, if includible for purposes of compensation as defined above, shall be taken into account only if paid by the later of 2-1/2 months after the date of severance from employment with the contributing employer or the end of the Section 415 limitation year that includes the date of severance from employment with the contributing employer, and the

amounts would have been included in compensation if they had been paid before the separation from service date:

- (i) **Regular Pay After Severance from Employment.** The payment of regular compensation for services during the participant's regular working hours, or for services outside of the regular working hours such as overtime or shift differential, commissions, bonuses or other similar payments and the payment would have been paid before severance from employment if the Participant had continued service.
- (ii) **Leave Cash Outs and Deferred Compensation.** Payments of unused accrued bona fide sick, vacation or other leave provided the participant would have been able to use the leave if employment had continued, or payments from a nonqualified unfunded deferred compensation plan, provided the payment would have been paid at the time if the Participant had continued service and such payment would be includible in gross income.

Post-Severance From Employment Salary Continuation Payments.

Effective January 1, 2008, if a contributing employer continues salary to a participant because of the disability of a participant or who is not performing services because of qualified military service, as that term is used in Code section 414(u)(1), at a rate that is not in excess of the salary that would have been payable to the participant had he not entered qualified military service, such salary continuation will be included in compensation for purposes of this Section 3(b).

- (c) If the annual additions made during a Plan Year to a Participant's account exceed the limitation provided herein, then the excess amounts shall be used to reduce employer contributions for the next Plan Year, or for the succeeding years, if necessary. For purposes of this Section 3, annual additions mean the sum for any year of employer contributions, forfeitures, and Employee contributions if allowed under the Plan in that year (but does not include rollover contributions under Internal Revenue Code Sections 402(a)(5), 403(a)(4) and (b)(8), and 408(d)(3)). Effective for limitations years beginning on or after July 1, 2007, annual additions do not include payments allocated to a Participant's account to restore losses to the Plan resulting from actions (or a failure to act) by a Plan fiduciary for which there is a reasonable risk of liability for breach of fiduciary duty under Title I of ERISA or under applicable federal or state law, where similarly situated Plan Participants are similarly treated with respect to the payments. Pending further guidance from the Service, the Plan

may implement the former correction methods for excess annual additions as provided under the 1981 Treasury regulations, pursuant to the self-correction methods under the Employee Plans Compliance Resolution System (EPCRS) and provided the rules of Section 9 of Rev. Proc. 2006-27 are met.

- (d) Notwithstanding any other provision of the Plan, "Excess Elective Deferrals" (as defined below) (and income or loss allocable thereto, including earnings, expenses and appreciation or depreciation in value, whether or not realized) shall be distributed no later than each April 15 to Participants who claim Excess Elective Deferrals for the preceding calendar year.

"Excess Elective Deferrals" shall mean the portion of the Participant's Total Elective Deferrals (as defined below) for a calendar year that the Participant designates to the Plan pursuant to the following procedure. The Participant's designation shall be submitted to the Administrator in writing no later than March 1; shall specify the Participant's Excess Elective Deferrals for the preceding calendar year; and shall be accompanied by the Participant's written statement that if the Excess Elective Deferrals is not distributed, it will, when added to amounts deferred under other plans or arrangements described in Sections 401(k), 408(k) or 403(b) of the Code, exceed the limit imposed on the Participant by Section 402(g) of the Code for the year in which the deferral occurred. Excess Elective Deferrals shall mean the portion of the Participant's Total Elective Deferrals that are includible in a Participant's gross income under Section 402(g) of the Code to the extent such Participant's Total Elective Deferrals for a taxable year exceed the dollar limitation under such Code section.

An Excess Elective Deferral, and the income or loss allocable thereto, may be distributed before the end of the calendar year in which the Elective Deferrals were made. A Participant, who has an Excess Elective Deferral for a taxable year, taking into account only his Elective Deferrals under the Plan or any other plans of the Employer, shall be deemed to have designated the entire amount of such Excess Elective Deferral.

Excess Elective Deferrals shall be adjusted for any income or loss up to the date of distribution. For purposes of this Section, whenever reference is made to the income or loss allocable to an Excess Elective Deferral, such income or loss shall be determined as follows. The income or loss allocable to Excess Elective Deferrals allocated to

each Participant is the sum of: (i) income or loss allocable to the Participant's deferred amounts for the Plan Year multiplied by a fraction, the numerator of which is the Excess Elective Deferrals made on behalf of the Participant for the Plan Year, and the denominator of which is the sum of the Participant's Account balances attributable to the Participant's Elective Deferrals on the last day of the Plan Year; and (ii) ten percent (10%) of the amount determined under (i) multiplied by the number of whole calendar months between the end of the Plan Year and the date of distribution, counting the month of distribution if distribution occurs after the fifteenth (15th) of such month.

With respect to any taxable year, a Participant's Total Elective Deferrals is the sum of all employer contributions made on behalf of such Participant pursuant to an election to defer under any qualified cash or deferred arrangement described in Section 401(k) of the Code, any salary reduction simplified employee pension described in Section 408(k)(6) of the Code, and SIMPLE IRA Plan described in Section 408(p) of the Code, any eligible deferred compensation plan under Section 457 of the Code, any plan described under Section 501(c)(18) of the Code, and any Employer contributions made on behalf of a Participant for the purchase of an annuity contract under Section 403(b) of the Code pursuant to a salary reduction agreement. Elective Deferrals shall not include any deferrals properly distributed as excess annual additions.

Notwithstanding the foregoing, for Plan Years beginning on or after September 1, 2008, the Administrator shall not calculate and distribute income for the period after the close of the Plan Year in which the Excess Elective Deferral occurred and prior to the distribution of such Excess Elective Deferral.

- (e) *Actual Deferral Percentage Test ("ADP Test")*. Amounts contributed as elective deferrals under Article 3, Section 2 and, if so elected by the Trustees, any Fail-Safe Contributions made under this Section, are considered to be amounts deferred pursuant to Section 401(k) of the Code. For purposes of this Section, these amounts are referred to as the "deferred amounts." For purposes of the "actual deferral percentage test" described below, (i) such deferred amounts must be made before the last day of the twelve (12)-month period immediately following the Plan Year to which the contributions relate, and (ii) the deferred amounts relate to Compensation that (A) would have been received by the Participant in the Plan Year but for the Participant's election to make deferrals, and (B) is attributable to

services performed by the Participant in the Plan Year and, but for the Participant's election to make deferrals, would have been received by the Participant within two and one-half (2 ½) months after the close of the Plan Year. The Trustees shall maintain records sufficient to demonstrate satisfaction of the actual deferral percentage test and the deferred amounts used in such test.

Subject to subsection (g) below, as of the last day of each Plan Year, the deferred amounts for the Participants who are Highly-Compensated Employees for the Plan Year (as defined below) shall satisfy either of the following tests:

- (1) The actual deferral percentage for the eligible Participants who are Highly Compensated Employees for the Plan Year shall not exceed the actual deferral percentage for eligible Participants who are Nonhighly-Compensated Employees for the Plan Year multiplied by 1.25; or
- (2) The actual deferral percentage for eligible Participants who are Highly Compensated Employees for the Plan Year shall not exceed the actual deferral percentage of eligible Participants who are Nonhighly-Compensated Employees for the Plan Year multiplied by two (2), provided that the actual deferral percentage for eligible Participants who are Highly-Compensated Employees for the Plan Year does not exceed the actual deferral percentage for eligible Participants who are Nonhighly-Compensated Employees by more than two (2) percentage points.

Notwithstanding the foregoing, if elected by the Trustees by Plan amendment, the foregoing percentage tests shall be applied based on the actual deferral percentage of the Nonhighly-Compensated Employees for the prior Plan Year; provided, however, the change in testing methods complies with the requirements set forth in the Final 401(k) and 401(m) Regulations and any other superseding guidance.

In the event the Plan changes from the current year testing method to the prior year testing method, then, for purposes of the first testing year for which the change is effective, the actual deferral percentage for Nonhighly-Compensated Employees for the prior year shall be determined by taking into account only elective deferrals (within the meaning of Article 3, Section 2) for those Nonhighly-Compensated Employees that were taken into account for purposes of the actual

deferral percentage test (and not the actual contribution percentage test) under the current year testing method for the prior year.

For the first Plan Year, the Plan permits any Participant to make Elective Deferrals, and provided the Plan is not a successor plan, for purposes of the foregoing tests, the actual deferral percentage for Nonhighly-Compensated Employees for the prior year shall be the greater of three percent (3%) or the actual deferral percentage for Nonhighly Compensated Employees for that first Plan Year.

For purposes of the above tests, the "actual deferral percentage" shall mean for a specified group of Participants for a Plan Year, the average of the ratios (calculated separately for each Participant in such group) of (1) deferred amounts actually paid over to the Trust on behalf of such Participant for the Plan Year to (2) the Participant's Compensation (within the meaning of Article 6, Section (3)(b) of the Plan or, if the Trustees choose, Participant's compensation determined by using any other definition of compensation that satisfies the nondiscrimination requirements of Section 414(s) of the Code and the regulations thereunder). For purposes hereof, the Participant's compensation shall be referred to as "414(s) Compensation." The Trustees may limit the period taken into account for determining 414(s) Compensation to that part of the Plan Year or calendar year in which an Employee was a Participant in the component of the Plan being tested. The period used to determine 414(s) Compensation must be applied uniformly to all Participants for the Plan Year. Deferred amounts on behalf of any Participant shall include (1) any Elective Deferrals made pursuant to the Participant's deferral election (including Excess Elective Deferrals of Highly Compensated Employees), but excluding (a) Excess Elective Deferrals of Nonhighly-Compensated Employees that arise solely from Elective Deferrals made under the Plan or plans of the Employer and (b) Elective Deferrals that are taken into account in the actual contribution percentage test (provided the actual deferral percentage test is satisfied both with and without exclusion of these Elective Deferrals); and (2) Fail-Safe Contributions. For purposes of computing Actual Deferral Percentages, an Employee who would be a Participant but for failure to make Elective Deferrals shall be treated as a Participant on whose behalf no Elective Deferrals are made.

For purposes of this Section, the actual deferral percentage for any eligible Participant who is a Highly-Compensated Employee for the Plan Year and who is eligible to have Elective Deferrals allocated to his

account under two (2) or more plans or arrangements described in Section 401(k) of the Code that are maintained by the Employer shall be determined as if all such deferrals were made under a single arrangement. In the event that this Plan satisfies the requirements of Sections 401(k), 401(a)(4) or 410(b) of the Code only if aggregated with one (1) or more other plans, or if one (1) or more other plans satisfy the requirements of such Sections of the Code only if aggregated with this Plan, then the provisions of this Section shall be applied by determining the actual deferral percentage of eligible Participants as if all such plans were a single plan. If the Trustees elect by Plan amendment to use the prior year testing method, any adjustments to the Nonhighly-Compensated Employee actual deferral percentage for the prior year shall be made in accordance with the Final 401(k) and 401(m) Regulations. Plans may be aggregated in order to satisfy Section 401(k) of the Code only if they have the same Plan Year and use the same average actual deferral percentage testing method.

The determination and treatment of deferred amounts and the actual deferral percentage of any Participant shall be subject to the prescribed requirements of the Secretary of the Treasury.

In the event the actual deferral percentage test is not satisfied for a Plan Year, an Employer, in its discretion, may make a Fail-Safe Contribution for eligible Participants who are Nonhighly-Compensated Employees, to be allocated among their Accounts in proportion to their compensation for the Plan Year. For purposes of this paragraph, "compensation" shall mean compensation used for the actual deferral percentage test.

A Highly-Compensated Employee is an Employee of the Employer who: (i) was a five percent (5%) owner of an Employer (as defined in Section 416(i)(I)) of the Code at any time during the "determination year" or "look-back year"; or (ii) earned more than \$80,000 of Compensation from an Employer during the "look-back year". The \$80,000 amount shall be adjusted at the same time and in the same manner as under Section 415(d) of the Code, except that the base period is the calendar quarter ending September 30, 1996. An Employee who terminated employment prior to the "determination year" shall be treated as a Highly-Compensated Employee for the "determination year" if such Employee was a Highly-Compensated Employee at any time after attaining age fifty-five (55). For purposes of this Section, the "determination year" shall be the Plan Year for which a determination is being made as to whether an Employee is a Highly-

Compensated Employee. The "look-back year" shall be the twelve (12) month period immediately preceding the "determination year."

(f) *Distributions of Excess Contributions.*

- (i) In General. If the actual deferral percentage test is not satisfied for a Plan Year, then the "excess contributions", and income allocable thereto, shall be distributed, to the extent required under Treasury regulations, no later than the last day of the Plan Year following the Plan Year for which the excess contributions were made. However, for Plan Years beginning on or after September 1, 2008, if such excess contributions are distributed later than two and one-half (2 ½) months (or such longer period as permitted by applicable law and/or regulatory guidance) following the last day of the Plan Year in which such excess contributions were made, a ten percent (10%) excise tax shall be imposed upon the Employer with respect to such excess contributions.
- (ii) Excess Contributions. For purposes of this Section, "excess contributions" shall mean, with respect to any Plan Year, the excess of:
 - (A) The aggregate amount of Employer contributions actually taken into account in computing the numerator of the actual deferral percentage of Highly-Compensated Employees for such Plan Year, over
 - (B) The maximum amount of such contributions permitted by the ADP Test (determined by hypothetically reducing contributions made on behalf of Highly-Compensated Employees in order of the actual deferral percentages, beginning with the highest of such percentages).

Excess contributions shall be allocated to the Highly-Compensated Employees with the highest dollar amounts of contributions taken into account in calculating the actual deferral percentage test for the year in which the excess arose, beginning with the Highly-Compensated Employee with the highest dollar amount of such contributions and continuing in descending order until all the excess contributions have been allocated. For purposes of the preceding sentence, the "highest dollar amount" is determined after distribution of any excess

contributions. To the extent a Highly-Compensated Employee has not reached his catch-up contribution limit (set forth in Article 3, Section 2 of the Plan), excess contributions allocated to such Highly-Compensated Employee are catch-up contributions and will not be treated as excess contributions.

(iii) Determination of Income. Excess contributions shall be adjusted for any income or loss up to the date of distribution. The income or loss allocable to excess contributions allocated to each Participant is the sum of: (i) income or loss allocable to the Participant's deferred amounts for the Plan Year multiplied by a fraction, the numerator of which is the excess contributions made on behalf of the Participant for the Plan Year, and the denominator of which is the sum of the Participant's Account balances attributable to the Participant's deferred amounts on the last day of the Plan Year; and (ii) ten percent (10%) of the amount determined under (i) multiplied by the number of whole calendar months between the end of the Plan Year and the date of distribution, counting the month of distribution if distribution occurs after the fifteenth (15th) of such month. Notwithstanding the foregoing, for Plan Years beginning on or after September 1, 2008, the Administrator shall not calculate and distribute income for the period after the close of the Plan Year in which the excess contribution occurred and prior to the distribution of such excess contribution.

(g) *ADP Test Safe Harbor Rules.* Notwithstanding anything contained in this Article to the contrary, the provisions of this paragraph (g) shall apply for the Plan Year and any provisions relating to the average actual deferral percentage test (as set forth above) shall not apply to a particular collective bargaining unit, if the applicable collective bargaining agreement so provides. Such collective bargaining unit shall satisfy both the notice requirement and the contribution requirement described below. The safe harbor contribution requirement must be satisfied without regard to Section 401(l) of the Code. Under the nonelective contribution requirement, the nonelective contribution shall be made on behalf of each Participant in the collective bargaining unit. For purposes of this Section, the Plan Year shall equal twelve (12) consecutive months.

(h) Notice Requirement. At least thirty (30) days and no more than ninety (90) days, prior to the beginning of each Plan Year, the Administrator shall provide each applicable Employee eligible to participate in the

Plan with notice in writing in a manner calculated to be understood by the average eligible Employee, or through an electronic medium reasonably accessible to such Employee, of the contribution requirement described below, of any other contributions under the Plan, and the conditions under which such contributions are made, the type and amount of Compensation that may be deferred under the Plan, the procedures for making deferrals and the administrative and timing requirements that apply, the periods available under the Plan for making elective deferrals, the plan to which safe harbor contributions will be made (if different than the Plan), and the withdrawal and vesting provisions applicable to contributions under the Plan. During the ninety (90) day period ending with the day an applicable Employee becomes eligible to participate in the Plan, the same notice shall be provided to that Employee. Notwithstanding the foregoing, the notice shall satisfy both the content requirement and timing requirement of IRS Notice 98-52 and IRS Notice 2000-3, and any subsequent guidance issued by the IRS, or any regulations issued under Section 401(k)(12) of the Code.

- (i) Safe Harbor Nonelective Contribution. Effective January 1, 2015, if so provided under the applicable collective bargaining agreement, an Employer shall make a nonelective contribution of three percent (3%) of an Employee's Compensation to a defined contribution plan on behalf of each Employee who is eligible to participate in the applicable collective bargaining unit without regard to whether such Employee makes elective deferrals under Article 3, Section 2. Nonelective contributions under this Section shall be fully and immediately vested and shall not be distributable prior to:
- (i) the Participant's severance from employment, total and permanent disability, or death; or
 - (ii) the termination of the Plan without the existence at the time of Plan termination of another defined contribution plan or the establishment of an alternative defined contribution plan by an Employer or an affiliated employer within the period ending twelve (12) months after distribution of all assets from the Plan. For this purpose, a defined contribution plan is not treated as an alternative defined contribution plan if it is an employee stock ownership plan (as defined in Section 4975(e)(7) or 409(a) of the Code), a simplified employee pension (as defined in Section 408(k) of the Code), a SIMPLE IRA plan (as defined in Section 408(p) of the Code), a plan or contract that

satisfies the requirements of Section 403(b) of the Code, or a plan that is described in Section 457(b) or (t) of the Code.

4. Crediting of Accounts:

- (a) Prior to the effective date of unitization of the pooled assets of the Plan, each Employee's annual net investment gain or loss in the pooled assets of the Plan shall be calculated and credited based on the average balance in the Employee's account during the Plan Year, or if there is a valuation during the Plan Year, on the average balance during the period since the last valuation. The average balance will be determined by adding one half of the current year contributions allocated to the Employee's account balance at the beginning of the Plan Year. An Employee leaving the Plan during the course of the Plan Year or electing to have assets transferred to an ERISA 404(c) account prior to the unitization of the pooled assets of the Plan will receive proportional net investment gain or loss calculated as of the last month preceding a benefit distribution or transfer.
- (b) On and after the effective date of unitization of the pooled assets of the Plan, each Employee's account shall be deemed adjusted as of each daily valuation of the Plan.

5. Self-Direction of Accounts:

- (a) In accordance with procedures approved by the Board of Trustees, each Employee whose net pooled asset balance, as defined in subsection (c), is at least \$10,000, may elect to give directions for the investment of the assets of that account, including directions for the investment of new contributions. For purposes of this rule, the term "new contributions" includes loan repayments and other income to the Employee's account other than investment income. All procedures adopted by the Board of Trustees for the self-direction of accounts shall provide that an Employee may give directions at least every calendar quarter.
- (b) Until September 1, 2001, the minimum ERISA 404(c) account balance which may be established on an Employee's behalf is \$10,000. If an Employee's ERISA 404(c) account balance declines below \$10,000, the Employee may maintain that account. However, if the Employee elects to make any further election to increase his or her ERISA 404(c) account, he or she must elect to restore his ERISA 404(c) account to at least \$10,000.

- (c)
 - (i) Except as limited below, and by Article 7, Section 7, and Article 11, Section 4, prior to September 1, 2001, an Employee may elect, at an open enrollment, to have his or her ERISA 404(c) account increased by any amount, in increments of \$1,000, up to 50% of his or her net pooled account balance as of the previous December 31. An Employee may also elect to reduce his or her ERISA 404(c) account decreased by any amount, except that no election such transfer may be made to reduce an ERISA 404(c) account to less than \$10,000, other than an election to transfer the entire ERISA 404(c) account back to the Employee's pooled account.
 - (ii) Effective September 1, 2001, an Employee may elect to have any amount transferred into, or out of, the authorized ERISA 404(c) investments, or the pooled assets of the Plan, except that in no event may an Employee elect to have an amount added to his or her ERISA 404(c) assets if it would cause his or her net pooled asset balance to decline below \$10,000. For purposes of this rule, net pooled asset balance means only the assets held in the Employee's account in the pooled investments of the Plan, and shall not include any outstanding loan balance, or any amount held in a segregated sub-account for the benefit of an alternate payee under a QDRO.
- (d) Prior to September 1, 2001, within a reasonable time after each open enrollment period, the Administration Office shall instruct the Investment Manager(s) of the pooled assets of the Plan to have funds made available for transfer in accordance with the elections of the Employees, and thereafter have them transferred into the designated money market fund for the respective benefit of each Employee so electing. On or after September 1, 2001, the designated fiduciary for receiving investment directions from Employees shall process directions which have been properly given, either on the date received or the next business day. Notwithstanding the above, if the Investment Manager(s) or Board of Trustees determine that it is necessary or appropriate to defer transfers out of the pooled assets of the Plan, then the transfers of all Employees shall be delayed until such time as the Investment Manager(s) or Board of Trustees determines that it is appropriate to do so.
- (e) Notwithstanding any other provision of this Plan, in order to prevent excessive short-term trading among investments available under the Plan, in no event may an Employee, surviving spouse or domestic partner give directions for the investment of his or her account which exceed the following limitations:

- (i) No person may give instructions for the purchase or sale of any one mutual fund more than twice in any sixty-day period.
- (ii) No person may give instructions for the purchase or sale of any one investment option (including the Plan's pooled investment fund) more than ten times in any twelve-month period.

In addition, the Board of Trustees reserves the power to limit the right of any individual to direct the investment of his or her account, if the individual's trading among available investments is deemed to be excessive by the Board of Trustees, in their exclusive discretion.

ARTICLE 7 - PAYMENT OF BENEFITS

1. Eligibility for Distributions:

- (a) Employees shall be entitled to distribution of their individual accounts and the same shall be distributed, unless otherwise elected by the Employee in writing, upon the first day of the month coinciding with, or next following, the occurrence of the latest of the following:
 - (i) The Employee retires from the Plumbing and Pipe Fitting Industry; or
 - (ii) The Employee attains age 62; or
 - (iii) The fifth anniversary of Employee's first participation in the Plan.
- (b) Employees shall also be entitled to distribution upon application of the Employee on or after any of the following times:
 - (i) When the Employee has fulfilled the requirements for early, normal or disability retirement under the U. A. Local No. 393 Defined Benefit Plan and retired thereunder; or
 - (ii) When the Employee becomes totally and permanently disabled from performing work of the types covered under the Collective Bargaining Agreement, as demonstrated by a Social Security Disability Award or equivalent medical proof confirmed by the Plan's Medical Consultant; or
 - (iii) If the Employee continues to work after being eligible for retirement, on April 1 of the calendar year following the year the

Employee attains age 70 1/2 even if still employed in Industry Service (unless the Employee is a 5% or more owner in an Employer, in which case distributions shall begin on the Employee's Required Beginning Date regardless of his or her work status); or

- (iv) When the Employee has attained age 52 with 25 or more Years of Benefit Credit under the U. A. Local No. 393 Defined Benefit Plan, and permanently ceased to perform all Industry Service in the Plumbing and Pipefitting Industry (as those terms are defined in the Defined Benefit Plan).
- (c) Compliance with IRS Minimum Distribution Rules: All distributions made from this plan shall be made in accordance with the minimum distributions rule prescribed by IRS Code Section 401(a)(9) and the regulations thereunder, notwithstanding any plan provisions to the contrary.
- (d) If an Employee had elective contributions made, he or she shall also be entitled to a distribution of elective deferrals on grounds of hardship, upon application of the Employee, if he or she is suffering a substantial economic hardship as defined herein.
 - (i) A showing of substantial economic hardship shall be established if the Employee has an immediate and heavy financial need which cannot reasonably be met from other sources. An immediate and heavy financial need shall only include: Expenses for (or necessary to obtain) medical care that would be deductible under Internal Revenue Code Section 213(d) (determined without regard to whether the expenses exceed 7.5% of adjusted gross income); Costs directly related to the purchase of a principal residence for the employee (excluding mortgage payments); Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the employee, or the employee's spouse, children, or dependents (as defined in Internal Revenue Code Section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Internal Revenue Code Section 152(b)(1), (b)(2) and (d)(1)(B)); Payments necessary to prevent the eviction of the employee from the employee's principal residence or foreclosure on the mortgage

on that residence; Payments for burial or funeral expenses for the employee's deceased parent, spouse, children or dependents (as defined in Internal Revenue Code Section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Internal Revenue Code Section 152(d)(1)(B)); or Expenses for the repair of damage to the employee's principal residence that would qualify for the casualty deduction under Internal Revenue Code Section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income).

- (ii) A distribution on account of hardship must be limited to the lesser of the amount necessary to satisfy the immediate and heavy financial need, including the amounts necessary to pay any taxes resulting from the distribution, or the maximum distributable amount. The maximum distributable amount is equal to the Employee's total elective contributions as of the date of distribution, reduced by the amount of previous distributions of elective contributions. Thus, the maximum distributable amount does not include earnings or Qualified Non-Elective Contributions. An Employee must have obtained all other currently available distributions and nontaxable loans, under the plan and all other plans maintained by the employer. An Employee who receives a hardship distribution under this Section is prohibited, from making elective contributions and employee contributions to the plan and all other plans maintained by the employer for at least six (6) months after receipt of the hardship distribution.
- (e) Notwithstanding the above, an Employee who has not yet retired from service in the Plumbing and Pipefitting Industry and who satisfies the following conditions may, between the ages of 62 and 64, take distributions of up to 25% of his or her account balance per Plan Year.
- (i) He or she is currently working for an Employer as defined by Article I, Section 4 of the U.A. Local 393 Defined Benefit Plan;
 - (ii) Since first becoming a Participant in this Plan, he or she has never worked in the Plumbing and Pipefitting Industry whether as an employee or in a managerial, supervisory, proprietary, or self-employed person for an employer or entity who is not signatory to a Collective Bargaining Agreement, as that term is

defined by Article I, Section 12 of the U.A. Local 393 Defined Benefit Plan.

- (iii) An Employee who has not yet retired from service in the Plumbing and Pipe Fitting Industry is entitled to elect a distribution equal to his entire account balance upon attainment of age 65, provided conditions (i) and (ii) above are met.

An eligible Employee may take a distribution under this subsection in the form of a partial lump sum or monthly installments so long as the distribution amounts in total do not exceed the amount limits set forth above.

2. **Form of Benefit:**

- (a) Except as provided below, the forms of benefit available to an Employee who attains eligibility for a distribution from the Plan shall be the following:

- (i) **Normal Benefit for Married Participants:** 50% Joint Pension
The normal benefit for a married Participant is a Qualified Joint and Survivor Annuity ("Joint Pension"). The Joint Pension is a pension for the life of the Participant, and upon the Participant's death, an actuarially reduced lifetime benefit for his or her surviving lawful spouse equal to 50% of the benefit that the Participant had been receiving, and commencing on the first day of the month following the date of the Participant's death. Because a Joint and Survivor Annuity provides pension benefits for the lives of two (2) persons, there is a reduction in the monthly pension benefit that otherwise would be payable during the Participant's life only. This reduction is based on the Participant's age and the age of his or her spouse at the date of retirement.

A married Participant's election not to take a Joint Pension is effective only if the Participant's lawful spouse consents to such election, such consent is witnessed by a Plan representative or notary public, and the spouse acknowledges the effect of her consent in writing. A married Participant is not allowed to designate a beneficiary other than his or her lawful spouse without the spouse's written consent. If a married Participant subsequently desires to revoke the beneficiary designation and to choose another non-spouse beneficiary, his or her lawful

spouse must consent to the revocation and alternative beneficiary selection.

The following benefit options require consent from your spouse:

- (ii) **Single Life Annuity:** The Life Annuity is the normal form of benefit for an unmarried Participant. A married Participant may also elect a Life Annuity, provided the spouse consents to this form of payment as described above. The Single Life Annuity is based on the life expectancy of the Participant and is payable during such person's lifetime. The total benefit payable is limited to the account balance. Therefore, the annuity will terminate when the account is exhausted, which may occur before death if the Participant lives longer than the period provided in the life expectancy tables. The annuity may be purchased from an insurance company or other entity.
- (iii) **Lump Sum Payment:** A lump sum benefit equal to your account balance.
- (iv) **Fixed Periodic Payments:** Equal periodic installments of not less than \$100 over a fixed period of years, not to exceed the life expectancy of the Employee or the Employee and a designated beneficiary, in accordance with Internal Revenue Code Section 401(a)(9) and the applicable regulations of the Internal Revenue Service issued there under.
- (v) **Partial Lump Sum:** A lump sum payment which is less than the entire account balance.
- (vi) **Joint and 75% Survivor Annuity:** A pension for the life of the Participant, followed by an actuarially reduced benefit for the life of the surviving spouse equal to seventy-five percent (75%) of the benefit the Participant had been receiving, and which is actuarially equivalent to the joint and 50% survivor annuity.
- (vii) **Joint and 100% Survivor Annuity:** A pension for the life of the Participant, followed by an actuarially reduced benefit for the life of the surviving spouse equal to one hundred percent (100%) of the benefit the Participant had been receiving, and which is actuarially equivalent to the joint and 50% survivor annuity.

- (b) An Employee, with applicable spousal consent, may elect any of the forms of benefit available under Subsection (a) above, except as provided in the following rules:
- (i) No lump sum distribution of an account which is valued in excess of \$1,000 shall be made without the express consent of the Employee and/or beneficiary, as applicable.
 - (ii) If an Employee has not attained age 55 or retired under the U. A. Local No. 393 Defined Benefit Pension Plan, the only form of benefit available to an Employee receiving a distribution on the grounds of disability, who has not received an award of Social Security Disability Benefits, shall be monthly installments, in an amount limited to the equivalent of 120 hours of covered employment at the wages in effect under the Collective Bargaining Agreements of U. A. Local No. 393 at the time of the Employee's retirement.
 - (iii) If an Employee has not attained age 55 at his or her benefit commencement date, and the Employee is not receiving a distribution on the grounds of disability, then the only form of benefit available to the Employee is the single life annuity, the qualified joint and 50% survivor annuity, the joint and 75% survivor annuity, or the joint and 100% survivor annuity.
 - (iv) An election of a lump sum without an explicit election of installments shall be deemed to include an election of installments consistent with the requirements of Section 4 of this Article.
- (c) Subject to the limits stated in Subsections (a) and (b) above, the election of a method of distribution by Employee or surviving spouse may include the distribution of some of his or her account balance as a lump sum, and some in monthly installments. An Employee, with applicable spousal consent, or surviving spouse who is entitled to distribution of his or her account balance but who has not received a full distribution thereof may make an election at any time to receive a lump sum distribution or to have the amount of monthly installments increased or decreased with adjustment of the amount or term of remaining installments as appropriate. The Trustees reserve the right to deny a request for a change if they determine that it is not in the interests of the Participants and beneficiaries to permit changes in the form of distribution at that time.

- (d) **Notice Requirement:** The Administration Office shall within a reasonable period prior to the Annuity Commencement Date (so as to allow the Participant 180 days in which to make or revoke an election) provide each Participant with a written explanation of:
- (i) The terms and conditions of the Joint and Survivor Annuity;
 - (ii) The Participant's right to make and the effect of an election to waive the Joint and Survivor Annuity form of benefit;
 - (iii) The rights of a Participant's spouse; and
 - (iv) The right to make, and the effect of, a revocation of a previous election to waive the Joint and Survivor Annuity.
- (e) **Information Request:** To comply with ERISA's election, waiver and revocation rule as set forth herein above, the Plan may delay paying a pension benefit to a married Participant until 180 days has expired from the date an application for a pension has been filed with the Administration Office. The Participant and spouse may waive the full election period as permitted under applicable law and regulations.
- (f) **Spousal Consent to Waive Joint Pension:** A Participant who is married on the Annuity Commencement Date may not elect any form of benefit other than a Joint and Survivor Annuity without the written consent of his or her spouse on a spousal consent form acceptable to the Trustees. This requirement also applies to Participant loans.

An election by a married Participant to waive the Qualified Joint and Survivor Annuity is effective only if the Participant's lawful spouse consents to such election, such consent is witnessed by a Plan representative or notary public, and the spouse acknowledges the effect of such election. The Plan shall provide a Participant and his or her lawful spouse with a written explanation of the terms and conditions of the Joint and Survivor Annuity and other information required by ERISA.

The Participant may revoke an election not to select a Joint and Survivor Annuity at any time and any number of times during the 180-day period before the Participant's Annuity Commencement Date.

- (g) **Exception to Spousal Consent Requirement:** Notwithstanding the consent requirement above, a Participant may establish to the

satisfaction of the Board of Trustees that the consent of a lawful spouse may not be obtained because there is no lawful spouse or such spouse cannot be located despite reasonable efforts to do so. Upon such determination, a waiver by the Participant shall be deemed a qualified election. The Board shall have total discretion in making such determinations.

3. **Distributions in the Event of Death of an Employee:**

- (a) **Internal Revenue Code Death Distribution Rules:** Pursuant to requirements of the Internal Revenue Code, if a Participant dies after distribution of his or her interest has begun, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.
- (b) **Death Before Retirement:** Within the period beginning with the first day of the Plan Year when the Employee attains age 32 and ending with the close of the Plan Year when he or she attains age 35, or within a reasonable period after he becomes a Plan Participant, the Administration Office shall provide each Employee and spouse with an explanation of the Qualified Pre-Retirement Survivor Annuity. The Employee thereafter may, with the written consent of his or her spouse, waive or reinstate the QPSA benefit any number of times within the applicable period of time, or within a reasonable period thereafter, ending with his or her retirement or death, whichever first occurs, or within a reasonable period after separation from the Plan if the Employee separates from service before age 35. In order for the spouse's consent to be effective, the spouse must acknowledge the effect of her consent, and her consent must be witnessed by a plan representative or notary public.

If a Participant has not begun receiving his benefits and he is married at the time of his death, his surviving spouse will receive a death benefit in the form of a Qualified Pre-retirement Survivor Annuity, unless the QPSA benefit has been waived as described above or the spouse selects an alternate form of benefit. The annuity is based on the amount in the Participant's account at the time of his death, plus any required adjustments. If the QPSA benefit has been waived, the balance of the account may be distributed to the surviving spouse in the form of a single or partial lump sum or monthly installments of not less than \$100.

If a Participant 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 Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed employment and then terminated employment on account of death.

- (c) **Minimum Distributions -- Death Before Required Beginning Date:** A non-spouse beneficiary must elect among the following payment forms: single life annuity with payments beginning on or before December 31st of the calendar year following the calendar year of the Employee's death, lump sum, partial lump sum, or monthly installments. If the non-spouse elects any payment form other than the single life annuity, the entire account balance must be distributed by December 31st of the calendar year containing the fifth anniversary of the Participant's death. If the Participant's spouse is the beneficiary, he or she does not have to commence receiving benefits until the date the Participant would have attained age seventy and one half (70 ½).
- (d) **Death after Retirement:** If the Employee is unmarried or the Employee is married and his spouse has waived the joint and survivor annuity, the remaining balance in his account may be distributed to the surviving spouse or a designated beneficiary in the form of a single or partial lump sum or monthly installments of not less than \$100.
- (e) **Minimum Distributions -- After Required Beginning Date:** The account balance must continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death in accordance with Section 1.401(a)(9)(5), A-5 of the Treasury Regulations.
- (f) If an Employee becomes married, any designation of beneficiary made before the marriage shall be deemed revoked, and shall not be revived by the dissolution of the marriage. If an Employee divorces his spouse prior to the first disbursement of benefits from his account, any elections made while the Employee was married to his former spouse remain valid, unless otherwise provided in a Qualified Domestic Relations Order, or unless the Employee changes them or is remarried. If an Employee dies after his retirement, the spouse to whom the Participant was married on the Annuity Commencement Date is entitled to the Qualified Joint and Survivor Annuity protection under the plan. The spouse is entitled to this protection (unless waived and consented to by such spouse) even if the Participant and spouse are

not married on the date of the Participant's death, except as provided in a QDRO.

- (g) Every Participant should provide the Board of Trustees with the name of his or her beneficiary. A Participant may change his beneficiary at any time. If a Participant is married, his spouse must consent to any alternative beneficiary designation. Such consent is effective only if the Participant's spouse consents to such election, such consent is witnessed by a Plan representative or notary public, and the spouse acknowledges the effect of such election. Each designation of beneficiary or beneficiaries must be in writing, signed, in a form acceptable to the Trustees and filed with the Trustees during his lifetime. If there is no validly designated beneficiary who has survived an Employee, or there are benefits to be distributed after the death of both an Employee and the Employee's spouse or other designated beneficiary, distribution shall be made to the following persons in the order mentioned, within a period of five (5) years following the death of the Employee, the member(s) of each class to take to the exclusion of the member(s) of each succeeding class:
- (i) Children, if any, natural (and acknowledged) or adopted; or
 - (ii) Father and/or mother, if either is living; or
 - (iii) Sisters and/or brothers, if any are living; or
 - (iv) If none of the above have survived, the Employee's estate.
- (h) All distributions to beneficiaries (other than to alternate payees) shall be made from the pooled assets of the Plan. If an Employee has ERISA 404 (c) assets at the time of his or her death, then within a reasonable time of notification of an Employee's death, the Administration Office shall transfer the Employee's ERISA 404(c) Assets to the pooled assets of the Plan. If the Administration Office determines that the only beneficiary is a surviving spouse or Domestic Partner (as defined by California law), the surviving spouse or Domestic Partner may then direct the investment of the Employee's account under the same procedures which apply to Employees. Under no circumstances shall any beneficiary, other than a surviving spouse or a Domestic Partner, direct the investment of an Employee's account.

4. **Limitations on Retention of Plan Accounts:**

(a) An Employee may elect to maintain his or her Plan account as an interest in the general assets of the Fund, sharing in net appreciation or depreciation and net income or losses, as provided in Article 6, Section 2, but in no event beyond the following, at which time distribution must be commenced:

- (i) If he or she is retired within the meaning of Internal Revenue Code Section 401(a)(9)(C), or if he owns at least 5% of a contributing employer: April 1 of the calendar year following attainment of age 70 1/2; or
- (ii) If not covered under subsection (1): Upon his or her retirement.

(b) **Death On or After the Employee's Required Beginning Date:**

(i) Participant Survived by Designated Beneficiary. If the Participant dies on or after his required beginning date and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:

(A) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(B) If the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(C) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's

remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

- (ii) **No Designated Beneficiary:** If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(c) **Death Before an Employee's Required Beginning Date:**

- (i) If the Participant's surviving spouse is the Participant's sole designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the surviving spouse calculated for each distribution calendar year using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
- (ii) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the designated beneficiary's remaining life expectancy. The beneficiary's life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (iii) No Designated Beneficiary. If the Participant dies before his required beginning date and there is no designated beneficiary

as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

- (d) All distributions made from this plan shall be made in accordance with the minimum distributions rule prescribed by IRS Code Section 401(a)(9) and the regulations there under, notwithstanding any plan provisions to the contrary.
- (e) **Definitions:**
 - (i) **Distribution Calendar Year:** A calendar year for which a minimum distribution is required is a distribution calendar year.
 - (ii) **Life Expectancy:** Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

5. **Distributions on Severance from Employment:**

- (a) Notwithstanding anything to the contrary herein:
 - (i) The Trustees may order immediate lump sum distribution of the share of any Employee leaving employment within the territorial jurisdiction of U. A. Local No. 393 and suffering a one (1) year break in service, up to and including the maximum permitted by Section 203(e)(1) of Employee Retirement Income Security Act of 1974; and
 - (ii) If an Employee changes his or her U. A. Local Union membership, and there is a Defined Contribution Plan in the new home area of the Employee, and that plan has executed an inter-plan transfer agreement with this Plan, then the Trustees may, upon the written request of the Employee and receipt of any supporting documents required by the Trustees, order a transfer to that Plan of the Employee's account, regardless of amount.
- (b) An Employee whose only service under the Plan is as an apprentice, who fails to complete all the qualifications to become a journeyman for any reason, may request a lump sum distribution of the balance of his or her account after a break in service equal to the number of Plan

Years during which contributions were made on behalf of the Employee.

- (c) An Employee who has no vested right to a pension benefit under the terms of the U. A. Local No. 393 Defined Benefit Pension Plan may elect to receive a lump sum distribution of his or her individual account if the following circumstances all apply to the Employee:
 - (i) The balance in the Employee's account is less than \$20,000 on the date of application; and
 - (ii) The Employee has permanently stopped working in the trade; and
 - (iii) The Employee has not worked in covered employment for a number of consecutive Plan Years equal to the greater of: (1) the number of years of Vesting Credits the Employee has earned in the U. A. Local No. 393 Defined Benefit Pension Plan; or two (2) years.

- (d) An Employee may receive a total lump sum distribution of his or her account balance if the Employee has not performed any form of Industry Service in the Plumbing and Pipefitting Industry (ERISA Section 202(a)(3)(B) Service as defined in 29 C.F.R. § 2530.203-3(c)(2)) for a number of consecutive Plan Years equal to the number of Plan Years during which contributions were made on behalf of the Employee. An Employee may also receive a distribution of his or her account if he or she has performed no more than 300 hours of Industry Service within the ten years preceding the requested distribution date, and there is adequate reason, based on objective circumstances, in the exclusive discretionary judgment of the Board of Trustees, to believe that the Employee will not be performing any Industry Service anywhere in the United States or Canada for at least the remainder of the period equal to the number of years during which contributions were made on behalf of the Employee.

- (e) The Trustees may approve the transfer of a Participant's entire individual account balance to a defined contribution plan sponsored by the Participant's Employer if all the following criteria are met:
 - (i) The Participant has at least thirty-five years of participation in the U.A. Local 393 Defined Benefit Plan;

- (ii) The Participant holds a non-bargaining unit position with an Employer who makes contributions to the U.A. Local 393 Defined Contribution Plan;
- (iii) The defined contribution plan sponsored by the Participant's Employer is qualified under § 401 of the Internal Revenue Code;
- (iv) The defined contribution plan sponsored by the Participant's Employer has executed an inter-plan transfer agreement with the U.A. Local 393 Defined Contribution Plan;
- (v) The Participant supplies all supporting documentation requested by the Trustees; and
- (vi) The transfer is in accordance with all governing law.

6. **Rollovers of Distributions:**

(a) This Section 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 Section, 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.

(b) **Definitions.**

(i) **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:

(A) 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 specified period of ten years or more;

(B) Any distribution to the extent that such distribution is required under Section 401(a)(9) of the Internal Revenue Code;

(C) Any hardship distribution described in Section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code and made after October 1, 1999; and

(D) 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).

- (ii) **Eligible Retirement Plan:** An eligible retirement plan is an individual retirement account described in Section 408(a) of the Internal Revenue Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, an annuity contract described in Section 403(b) of the Code, 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, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution.
 - (iii) **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 Code, are distributees with regard to the interest of the spouse or former spouse.
 - (iv) **Direct Rollover:** A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.
- (c) **Non-spouse Rollovers:** If an Employee dies leaving his accrued benefit to a designated beneficiary who is not his spouse, the designated beneficiary may roll over the inherited assets to an inherited Individual Retirement Account in accordance with the following rules:
- (i) The rollover must meet the requirements of an eligible rollover distribution except that the distributee may be a non-spouse beneficiary;
 - (ii) The rollover must be accomplished by a direct trustee-to-trustee transfer;

- (iii) The Individual Retirement Account must be established as an inherited Individual Retirement Account, meaning that the Individual Retirement Account must be established in a form that identifies it as an Individual Retirement Account with respect to the deceased individual and also identifies the deceased individual and the beneficiary, for example, "Tom Smith as beneficiary of John Smith."
 - (iv) The rollover must comply with the minimum distribution rules found in Section 401 (a)(9) of the Internal Revenue Code. If the Employee dies before his required beginning date, the rollover must be made in accordance with either the five-year rule described in Section 401 (a)(9)(B)(ii) or the life expectancy rule described in Section 401 (a)(9)(B)(iii). Rollovers made in accordance with the five-year rule must be completed by the end of the calendar year which contains the fifth anniversary of the date of the Employee'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 Employee's death.
 - (v) 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 Employee, provided the beneficiaries of the trust meet the requirements to be a designated beneficiary under the plan.
 - (vi) The rollover must otherwise be in accordance with law.
- (d) Direct Rollovers to Roth Individual Retirement Accounts. Effective January 1, 2008, an Employee 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 or her spouse, will be permitted to rollover all or a portion of an eligible rollover distribution to a Roth Individual Retirement Account established under Section 408 (A) of the Internal Revenue Code via a direct trustee-to-trustee transfer. Effective January 1, 2010, an Employee or spouse beneficiary will be permitted to rollover all or a portion of an eligible rollover distribution to a Roth Individual Retirement Account via a direct trustee-to-trustee transfer regardless of his or her adjusted gross income and regardless of his or her tax filing status.

7. Treatment of ERISA 404(c) Accounts at Distribution:

- (a) (i) Prior to September 1, 2001, if a less than total distribution, a loan, or an allocation to an alternate payee ("a partial transfer"), is being made from an Employee's account, and the Employee has an ERISA 404(c) account, the entire distribution, loan or allocation shall be taken from the pooled account of the Employee, if sufficient funds are available. Thereafter, the procedure in subsection (d) of this section, as in effect on June 1, 2001, shall apply to restore the Employee's pooled asset balance to the minimum required balance.
- (ii) Effective September 1, 2001, all partial transfers shall be made from all assets in the Employee's account, in proportion to their balances on the day of the transfer. If that causes the net pooled assets in the Employee's account to drop below \$10,000, the Employee's pooled assets shall be restored to \$10,000, as soon as it is practical to do so, by transfers from the ERISA 404(c) assets in proportion to their value on the day of the transfer to the transfer to the pooled assets. If the funding of a partial transfer causes the Employee's net pooled assets to drop below \$10,000, then the entire account shall be held in the pooled assets of the Plan, and the Employee may no longer direct the investment of his or her account.
- (b) If an Employee is receiving an eligible rollover distribution which is being rolled over, and the Plan mutual fund provider and the trustee of the Employee's rollover IRA so agree, then the Employee may elect to have some or all of his or her distribution made in shares of the assets from his or her ERISA 404(c) account. Effective September 1, 2001, the option to have in-kind distributions of mutual funds shall no longer be available.
- (c) If an Employee has elected to have distribution of his or her Plan account in installment payments, then at a reasonable time in advance of each distribution, the Administration Office shall make a partial transfer out of the Employee's account to fund each installment, under the procedures of subsection (a) (ii) of this Section 7.

8. Forfeiture of Accounts: If an Employee is eligible for a distribution under any provision of the Plan, and fails to make application therefore, the Trustees may, at their exclusive discretion, notify him or her in writing at his or her last known address advising him or her of the right to a distribution. If the Employee does not respond for three years after notification, or attempted notification, his or her account shall be forfeited. In the event an Employee's rights to benefits are forfeited, and

thereafter said Employee makes a written request for his or her account, it shall be disbursed to him or her.

ARTICLE 8 - LOAN PROGRAM

1. **Basic Loan Rules:** Employees may receive loans from the Plan in accordance with the rules to be adopted by the Trustees, or by an agency delegated with the responsibility of handling the loans. The amount of money which an Employee may borrow shall not exceed the lowest of the following amounts:

- (a) The amount of money needed for the purpose of the loan;
- (b) Half of the Employee's account balance; or
- (c) \$50,000, less any repayments in the last twelve months.

2. **Spousal Consent Requirements:** If an Employee is married, no loan may be secured by the Employee's interest in the Plan unless the Employee's spouse has given consent at such times as may be required by the Trustees or the agency delegated with the responsibility of handling the loans. However, such spousal consent shall be not considered valid if given more than 90 days prior to when the loan is to be secured.

3. **Security Requirements:** All loans shall be secured by the Employee's account balance. If an Employee fails to repay any part of a loan, and defaults thereon, the Plan shall take reasonable measures to collect any unpaid obligations. However, if the Plan is unable to collect any part of a loan, the rights of the Employee, or any beneficiary of the Employee, to a pension or related benefit, shall be reduced by the unpaid amount of the loan, which amount shall be declared a distribution from the Plan.

4. **Loan Purpose Rules:**

- (a) A loan may be made for any purpose, except that no loan may be made for the purpose of establishment of a company in the Plumbing and Pipefitting Industry unless that company is signatory to a collective bargaining agreement with the Local Union of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada having jurisdiction over the company's work in its geographical area of operations. If a loan is made for the establishment of a company in the Plumbing and Pipefitting Industry, and the company fails to become signatory to a collective bargaining agreement or ceases to remain signatory during

the term of the loan, then the loan shall be declared in breach, and shall be due and payable on the first day of the month following the first month in which the company operates without being signatory to such an agreement, and the borrower shall not be allowed any further loans.

- (b) No loan shall be made for a term greater than five years unless it is for the acquisition of a dwelling unit which will be used, within a reasonable period of time, as the principal residence of the Participant-borrower. A loan for the principal residence of the Participant-borrower may be made for any term which is consistent with the standards of commercial lenders for similar dwelling units.

5. **Creditworthiness Requirements:**

- (a) No loan shall be made to a Participant unless it is determined that the Participant is creditworthy. This determination shall be made in accordance with standards adopted by the loan program administrator. Such standards shall be subject to review by the Board of Trustees, and the denial of a loan, or of a requested term of a loan, is subject to appeal to the Board of Trustees.
- (b) Except as provided in subsection (c), no one creditworthiness factor shall be determinative of a Participant's eligibility for a Plan Loan, if on the whole it appears likely that the Participant is willing and able to repay the requested loan within the required period without a default. In reviewing a Participant's creditworthiness, the loan program administrator may consider any information provided by the Participant, and may consider not only his or her employment history, but also his or her employment prospects.
- (c) Notwithstanding any other provision of these rules:
 - (i) No Plan Loan shall be made to a Participant who has defaulted on a Plan Loan.
 - (ii) A Participant who is not current on a Plan Loan may not have a second Plan Loan.
 - (iii) A Participant may refinance an outstanding Plan Loan (and receive additional funds as part of the new loan), if creditworthy. However, if the original loan was subject to the five-year limitation on repayment, then the repayment schedule of the refinanced loan must provide for a repayment of a principal amount equal to, or greater than, the outstanding

principal amount of the first loan, by the original due date of the first loan.

6. **Interest Rate:** The interest rate on any Plan Loan shall be a reasonable rate as determined by the Trustees in their sole discretion from time to time.

7. **Default:** Failing to make monthly loan installments when due results in a deemed distribution of the entire outstanding balance of the loan (including interest) at the time of such failure.

(a) **Cure Period:** However, the plan administrator may allow the Participant a cure period to repay the monthly arrears and avoid default. The cure period cannot continue beyond the last day of the calendar quarter following the calendar quarter in which the required installment payment was due.

(b) **Bona fide Leave of Absence:** A Participant may receive a deferment of payment obligations for up to one year if he is on a bona fide leave of absence without pay or at a rate of pay (after income and employment tax withholding) that is less than the amount of the installment payments required under the terms of the loan. However, the loan (including interest that accrues during the leave of absence) must be repaid by the latest permissible term of the loan and the amount of the installments due after the leave ends must not be less than the amount required under the terms of the original loan.

(c) **Military Leave of Absence:** A Participant's loan payment obligations will be suspended indefinitely while he is on leave from his employer and serving in the U.S. armed forces. However, loan repayment must resume upon completion of such period of military service and the loan must be repaid in substantially level installments over a period that ends not later than the latest permissible term of the loan.

ARTICLE 9 - MERGERS

1. No merger of the Plan, or transfer of its assets, shall be permitted which would result in any Employee receiving a benefit immediately after the merger or transfer which would be less than the benefit to which he or she would have been entitled if the Plan had been terminated immediately prior thereto.

ARTICLE 10 - MISCELLANEOUS RULES

1. Upon termination of the Plan the interests of all participating Employees shall become vested.
2. The interest of participating Employees shall not be subject to any manner of anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge by any person or entity except that an Employee may, with the approval of the Board of Trustees, direct that benefits due him or her may be paid to another for care and services rendered.
3. No part of the assets of this Defined Contribution Fund shall revert, or be payable, to any person or entity other than to the Employee by way of benefits under this Plan, nor shall any payment made to this Fund be liable or in any manner subject to the debts or liabilities of any participating association, Individual Employer, or the Union.
4. 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 marriage of two individuals of the same sex and regardless of whether the individuals are domiciled in a state that does not recognize validity of same-sex marriage.

ARTICLE 11 - QUALIFIED DOMESTIC RELATIONS ORDERS

1. **Rights of Alternate Payees:** The benefits provided by this Plan are subject to any Qualified Domestic Relations Order ("QDRO") which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to an Employee under the Plan. It includes any judgment, decree or order (including approval of a property settlement agreement) which relates to the provision of child support, alimony payments, or marital property rights to a spouse, child or other dependent of an Employee and is made pursuant to a State Domestic Relations Law (including a community property law). Please note that the Plan's QDRO procedures and a model QDRO may be obtained from the Trust Fund Office.
2. **Notification Rules:** In the event that the Plan is served with an order, it shall promptly notify the Employee and any other alternate payee of the order and of the Plan Administrator's procedures for determining the qualified or unqualified status of the order.
3. **Lump Sum Distributions to Alternate Payees:** The Plan may make a lump sum distribution to an alternate payee, prior to the Employee's earliest distribution date, of the benefits awarded to the alternate payee in a QDRO, provided the order has

been served on the Plan, if the alternate payee is a former spouse or legally separated spouse, and the Plan is served a notice of judgment of final dissolution of the marriage or a judgment of legal separation.

4. **Treatment of ERISA 404(c) Accounts under QDRO:** If a QDRO allocates a portion of an Employee's account to an alternate payee to be maintained as an interest in the Plan, the allocated portion of the Employee's account shall be held in the pooled assets of the Plan, and shall not be counted as part of the Employee's net Plan account balance for purposes of satisfying the requirement of a minimum \$10,000 net pooled account balance. Under no circumstances may an alternate payee direct the investment of any portion of an Employee's account, including the portion allocated to the alternate payee.

ARTICLE 12 - APPEALS TO THE PLAN

1. No Employee, beneficiary, alternate payee named in a domestic relations order, or any other person shall have any right or claim to benefits under this Trust except as specified in the rules of the Trust or Plan. The procedures specified in this Article shall be the sole and exclusive procedures available to any such individual who is dissatisfied with an eligibility determination or benefit award, or who is adversely affected by any action of the Trustees, the Plan Administrator or any other Plan fiduciary. The Board of Trustees shall have full discretionary authority to interpret Plan language and to decide all claims or disputes regarding right, type, amount, duration of benefits, or claim to any payment from this Trust, and the Board's decision shall be final and binding on all parties.

2. Any person whose claim for benefits is wholly or partially denied, shall be notified in writing by the Administrator within a reasonable period of time, but not later than 90 days after receipt of the claim by the plan, unless the plan administrator determines that special circumstances require an extension of time for processing the claim. If an extension of time is necessary, written notice of the extension shall be furnished before the end of the 90-day period. The extension notice shall indicate the special circumstance requiring an extension of time and the date by which the plan expects to render a benefit determination.

3. The notice shall tell the claimant the reason for the denial and the section of the Trust or Plan on which the denial is based. If applicable, the notice shall request any additional information needed together with an explanation as to why the additional information is necessary. The notice will also explain the right to appeal the denial of the claim.

4. The claimant may then file an appeal in writing. This appeal shall be filed with the Plan Administrator not more than 60 days after the claimant has received

written notice of the denial of the claim. Failure to file an appeal within 60 days will be a complete waiver of the claimant's right to appeal, and the initial decision of the Trust or Trustees will be final and binding.

5. The written appeal shall state in clear words, each reason why the claimant feels that the denial was in error. Documents supporting the appeal should be sent at the same time. The claimant may examine any documents in possession of the Trust or Trustees which are pertinent and relevant to the appeal.

6. After receipt of a timely filed appeal, the Board of Trustees will render a decision on appeal at the meeting immediately following the filing of the appeal, unless the appeal is filed within 30 days of the meeting, in which case the decision may be made at the second meeting following the appeal. If special circumstances require further extension, the decision will be made no later than the third meeting following the filing of the appeal. In such cases, the Plan will notify the claimant in writing of the extension, describing the special circumstances and the date the determination will be made, before the extension begins.

7. The plan administrator shall notify the claimant of the benefit determination as soon as possible, but not later than 5 days after the benefit determination is made.

8. The decision of the Trustees or their committee shall be in writing, and shall state the specific reasons for the decision with specific references to the Trust or Plan on which the decision is based.

9. Claims and appeals for distribution based upon total and permanent disability filed on or after January 1, 2002 shall be governed by the Special Claims and Appeals Procedures for Disability Retirement Benefits, set out in Article 13.

10. **Time Limit for Bringing a Lawsuit:** No legal action may be commenced or maintained against the Trust or the Plan more than two (2) years after an appeal for benefits has been denied. The determinations of the Board of Trustees are subject to judicial review only for abuse of discretion.

ARTICLE 13 - SPECIAL CLAIMS AND APPEAL PROCEDURES FOR DISABILITY RETIREMENT BENEFITS

These special claims and appeal procedures shall apply to all claims and appeals for distributions based upon total and permanent disability filed on or after January 1, 2002.

1. **Filing a Claim for Disability Retirement Benefits.**

- (a) To file a claim for Disability Retirement benefits, the Participant must submit a completed application form, with proof of disability, to the Trust Fund Office. Along with the claim form, the claimant may submit written comments, documents, records or other information relating to his or her claim. The Plan will provide access to and/or copies of all documents, records and other information relevant to the claim, upon request and free of charge. An authorized representative may act on behalf of the claimant in filing a claim for Disability Retirement benefits under this Plan.

2. **Notification Rules If The Claim For Benefits is Denied.**

- (a) **Time Limits and Requests for Additional Information.** If a claim for Disability Retirement benefits is denied, the Plan will notify the claimant as soon as reasonably possible, but no later than 45 days after the Plan received the claim. That time period may be extended for up to two additional 30-day periods, but only due to matters beyond the Plan's control. If the Plan needs a 30-day extension, it will notify the claimant, within 45 days of receiving the claim, of the following:

- (i) The reason for the delay,
- (ii) The expected date of decision,
- (iii) The basis on which the decision will be made,
- (iv) Any unresolved issues preventing a decision now, and
- (v) Any additional information the Plan needs to make the decision.

The claimant will then have up to 45 days to provide the specified information. The Plan's response period will be extended by any additional time it takes for the claimant to provide the requested information.

- (b) **Contents of Notice.** The Plan will provide the claimant with written notice if his or her claim for disability benefits is denied. The notice will include the following information:

- (i) A statement of the specific reason(s) for the denial;
- (ii) Reference to the specific Plan provision(s) on which the denial was based;

- (iii) If the Plan's decision relied upon an internal Plan rule, guideline, protocol or similar criterion, either the specific rule, or a statement that the specific rule was relied upon and that a copy of such rule will be provided free of charge upon request;
- (iv) A description of any additional information or documents that the claimant will need to submit if he or she wants the claim to be reconsidered, and an explanation of why that information is necessary;
- (v) A description of the Plan's appeal procedures. These will be found in a separate document, and must be followed in appealing the denial of benefits; and
- (vi) A statement of the claimant's right to bring a civil action under ERISA Section 502(a), if the appeal is unsuccessful.

3. **Appeal Procedures**

- (a) If a claim for Disability Retirement benefits has been denied, the claimant may appeal the denial to the Board of Trustees. Appeals must be in writing, and state in detail the matter or matters involved. To submit an appeal, the claimant must send a letter with any documents and information that he or she wants the Board to consider, to:

U. A. Local No. 393 Defined Contribution Pension Plan
 c/o Benesys Administrators
 1731 Technology Drive, Suite 570
 San Jose, Ca 95110

Claimants must submit their appeals within 180 days of receiving a denial of benefits. If a claimant does not submit an appeal within 180 days of receiving a denial, he or she will be deemed to have waived any objection to the denial. The claimant may appear either in person and/or by his or her representative and may submit written or oral testimony in support of his or her appeal at the meeting of the Board of Trustees at which the appeal is heard.

- (b) The Board of Trustees shall have full discretionary authority to decide upon Plan benefits, to interpret the Plan language conclusively and to make a final determination of the rights of any Participant, beneficiary, assignee, or other person with respect to Plan benefits.

- (c) **Standard for Review.** In deciding the appeal, the Board of Trustees will take into account everything that the claimant submitted, even material that was submitted or considered in the initial benefit determination. The Board of Trustees will not give deference to the initial determination. Neither a person who made the initial determination nor such a person's subordinate shall have a vote in the decision on appeal.
- (d) In deciding an appeal that is based in whole or in part on a medical judgment, the Board of Trustees will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. The Board of Trustees will identify to the claimant any medical or vocational experts whose advice was obtained by the Plan in connection with the decision, whether or not the advice was relied upon in making the decision. The health care professional consulted on appeal will not be an individual who was consulted in connection with the initial benefit denial, or such a person's subordinate.

4. **Notification of the Board's Decision on Appeal**

- (a) **Time Limits.** The Board of Trustees will render a decision on appeal at the meeting immediately following the filing of the appeal, unless the appeal is filed within 30 days of the meeting, in which case the decision may be made at the second meeting following the appeal.
- (b) If special circumstances require further extension, the decision will be made no later than the third meeting following the filing of the appeal. In such cases, the Plan will notify the claimant in writing of the extension, describing the special circumstances and the date the determination will be made, before the extension begins.
- (c) The Plan will notify the claimant of the decision as soon as possible, but no later than 5 days after the decision is made. The Plan's response period will be extended by any additional time it takes for the claimant to provide the requested information.
- (d) **Contents of Notice.** The Plan will send the claimant written notice of the Board of Trustees' decision on appeal. If the appeal has been denied, the notice will include the following information:
 - (i) The specific reason(s) for the denial;
 - (ii) Reference to the specific Plan provision(s) on which the denial is based;

- (iii) If the decision relied upon an internal Plan rule, guideline, protocol or similar criterion, either the specific rule, or a statement that the specific rule was relied upon and that a copy of such rule will be provided free of charge upon request;
 - (iv) A statement that the claimant may view and receive copies of documents, records or other information relevant to the claim, upon request and free of charge; and
 - (v) A statement of the claimant's right to bring a civil action under ERISA Section 502(a).
- (e) The procedures specified in this section shall be the sole and exclusive procedures available to any such individual who is dissatisfied with an eligibility determination or benefit award, or who is adversely affected by any action of the Trustees, the Trust Fund Office or any other Plan fiduciary. The Board of Trustees reserves the full discretionary authority to interpret Plan language and to decide all claims or disputes regarding right, type, amount or duration of benefits, or claim to any payment from this Trust. The decision of the Board of Trustees on any matter within its discretion shall be final and binding on all parties.

5. **Time Limits for Bringing a Lawsuit:** No legal action may be commenced or maintained against the Trust or the Plan more than two (2) years after an appeal for benefits has been denied. The determinations of the Board of Trustees are subject to judicial review only for abuse of discretion.

U. A. LOCAL NO. 393 DEFINED CONTRIBUTION PLAN MONEY PURCHASE PLAN

QUICK SUMMARY

1. **Vesting:** All accounts are 100% vested at all times, and cannot be lost due to a break in service.
2. **Benefits (for current hours):** fixed dollar contributions for each hour of covered employment pursuant to the terms of a collective bargaining agreement.
3. **Eligibility for distribution:** All types of distributions (except hardship distributions and Inter-Plan Transfers, and certain distributions made after age 62) require termination of all employment in the Plumbing and Pipefitting Industry.
 - a. Ordinary distributions are payable for qualifying normal, early or disability retirements, or a qualifying period of severance from employment, based on the number of years during which contributions were made to this Plan or the number of years of Part A Vesting Credit.
 - b. Hardship distributions are available, up to the lesser of the amount you need to satisfy an immediate need, or your undistributed elective contributions.
 - c. If you change membership from U. A. Local No. 393 to another U. A. Local Union, you may transfer your entire balance to their defined contribution plan if they have signed an Inter-Plan Transfer Agreement.
4. **Forms of distributions:** Qualified Joint and 50% Survivor Annuity, 75%, or 100% survivor annuity, single life annuity, lump sum or partial lump sum, and installment payments. A married Participant must get his spouse's consent before electing a benefit option other than the joint and 50% survivor annuity. Only a married Participant may select the joint and survivor annuities. Available forms are limited in case of retirement before age 55 and disability retirement without Social Security Disability award. A qualified Employee, with applicable spousal consent, may elect both a lump sum and installments at initial distribution, and elect additional lump sum(s) and/or change installment payments, subject to processing fee. Lump sums and installments for less than ten years are eligible to be rolled over into an IRA or qualified plan, but if not rolled over are subject to 20% federal withholding taxes.
5. **Death Benefits:** Spouse beneficiary: Qualified Pre-Retirement Survivor Annuity (QPSA), Qualified Joint and 50% Survivor Annuity (QJSA), Joint and 75%, or 100% Survivor Annuity. A surviving spouse may choose to waive the QPSA or the QJSA and receive a lump sum, partial lump sum, or monthly installments. Non-spouse

beneficiaries: single life annuity, lump sum, partial lump sum, or monthly installments, but for any benefit form other than the single life annuity, the balance must be paid out within 5 years. A married Participant must receive his spouse's consent to name an alternative non-spouse beneficiary.

QUESTIONS AND ANSWERS ABOUT PENSION PART B Money Purchase Plan

1. HOW DO I ACCRUE AN ACCOUNT UNDER THE DEFINED CONTRIBUTION PLAN?

The Defined Contribution Plan ("Part B") is an individual account plan. Each covered Employee accrues an account based on the amount of contributions required to be made on his or her behalf. That account earns a share of the interest or other income of the Plan, but also pays a share of the Plan's expenses. All Employees who work in a position for which contributions are required to be made to this Plan are Participants in the Plan, and all accounts are 100% vested at all times.

2. WHAT CONTRIBUTIONS ARE MADE ON MY BEHALF?

Employees who work in covered employment under the U. A. Local No. 393 Master Labor Agreement, another Collective Bargaining Agreement, or a participation agreement have contributions made on their behalf in accordance with the terms of that Agreement.

Some Employees are eligible to have elective contributions ("401(k) contributions") made on their account. This option is currently limited to certain employees of the Union. If you are eligible to have elective contributions, you will be so advised by your employer or the Administration Office, and you will receive the necessary forms from them.

This Plan accepts several other types of contributions. First, if you are a Participant in this Plan, and you are eligible for a distribution from another tax-qualified pension plan, you may roll that distribution into this Plan. This Plan will accept trustee-to-trustee transfers from another pension plan, or from a "rollover IRA," which received a rollover from another qualified pension plan. It will also accept an eligible rollover distribution which has been made directly to you, so long as you can demonstrate that the rollover distribution was made no more than 60 days before you tender the rollover to this Plan.

Second, if you have changed membership from another U. A. Local Union, you may have your account transferred directly, under the Inter-Plan Transfer Agreement. This option is similar to a rollover, except that the Plan will treat 401(k) contributions to your original plan as 401(k) contributions to this Plan.

Third, if you work under a collective bargaining agreement of a U. A. Local Union other than Local No. 393, you may have your contributions transferred to this Plan under a "money reciprocity" agreement. To qualify for this type of transfer,

there must be an agreement between this Trust Fund and your work trust fund, and you must complete an authorization form before your contributions are applied to the work trust fund's defined contribution plan.

Employer contributions for all Employees are subject to the limitations of Internal Revenue Code § 415. Elective contributions are also subject to the limitations of Code § 402(g). These limits do not apply to rollovers or Inter-Plan Transfers. You will be advised if these limits apply to you.

3. WHEN MAY I RECEIVE A DISTRIBUTION OF MY ACCOUNT?

This Plan is intended to be supplementary to the U. A. Local No. 393 Defined Benefit Plan. You may elect to receive a distribution from this Plan whenever you retire under that Plan. You may also maintain your interest in this Plan even after you retire under the Defined Benefit Plan. However, you must commence receiving benefits from this Plan on April 1 of the calendar year following the year in which you turn age 70 1/2 if you are retired or a 5% owner of a contributing employer.

In addition to retirement under the Defined Benefit Plan, you may receive a distribution from this Plan at the following times:

- (a) Any time after age 52, if you have accrued 25 years of Benefit Credit under the Defined Benefit Plan, and you have completely retired from Plumbing and Pipefitting Industry Service as defined in the Defined Benefit Plan;
- (b) At the latest of age 62, the fifth anniversary of your participation in the plan, or your retirement from Plumbing and Pipefitting Industry Service;
- (c) When you become permanently or totally disabled from performing work of the types covered under the Collective Bargaining Agreement, as demonstrated by an award of Social Security Disability Benefits or equivalent medical proof confirmed by the Plan's Medical Consultant;
- (d) If you have stopped working in covered employment, upon the occurrence of one of the following combinations of circumstances:
 - (i) If you left Industry because you failed to complete the requirements for journeyman status, then you are eligible when you have been separated from covered employment for a number of years equal to the number of years during which contributions were made on your behalf; or

- (ii) If your account balance is less than \$20,000, you are not vested under the Defined Benefit Plan and you have permanently stopped working in the trade, then you are eligible if you have not worked in covered employment for the greater of the number of years of Vesting Credit that you accrued under the Defined Benefit Plan, or two years; or
 - (iii) If your account balance is \$20,000 or more, or you are vested under the Defined Benefit Plan, then you are eligible when you have been separated from Industry Service for a period equal to the number of years in which contributions were made to this Plan on your behalf, or you have not performed more than 300 hours of Industry Service within the 10 years preceding your requested distribution date and the Board of Trustees believes, based on objective circumstances, that you will not be performing Industry Service anywhere in the U.S. or Canada for a period in the future equal to the number of years in which contributions were made on your behalf.
- (e) Between ages 62 and 64, if you are working for a contributing Employer and have never worked in the Plumbing and Pipefitting Industry for a non-signatory employer since first becoming a Participant in this Plan, you may take distributions of up to 25% of your account balance per year. At age 65, if you are working for a contributing Employer and have never worked in the Plumbing and Pipefitting Industry for a non-signatory employer since first becoming a Participant in this Plan, you may take distributions up to 100% of your account balance.

If you have had elective contributions made on your behalf, you may also receive a distribution of the elective contributions (but not earnings thereon) upon the occurrence of a qualifying hardship. The amount of your distribution will be limited to the amount necessary to meet your immediate qualifying financial needs, or the amount of your elective contributions (less any prior hardship distributions). If you receive a hardship distribution, and you are otherwise eligible for elective contributions, you will not be permitted to make elective deferrals for six months.

If you have transferred your Local Union membership from U. A. Local No. 393 to another U. A. Local Union which sponsors a defined contribution plan, you may elect to have an Inter-Plan Transfer. This is similar to a rollover, but it is available even when you are not otherwise eligible for a distribution.

4. HOW ARE MY BENEFITS PAID?

- (a) Joint and 50% Survivor Annuity: This is the normal form of benefit for a married Participant. Election of any other option will require spousal consent witnessed by a Plan representative or notary public. The joint and 50% survivor annuity is a pension for the life of the Participant, and upon the Participant's death, an actuarially reduced lifetime benefit for his or her surviving lawful spouse equal to 50% of the benefit that the Participant had been receiving. The joint and 50% survivor annuity is only available to a married Participant who has designated his spouse as beneficiary.
- (b) Single Life Annuity: The normal form of benefit for an unmarried Participant is a single life annuity. A married Participant may also elect a single life annuity, provided the spouse gives consent witnessed by a plan representative or notary public. The single life annuity is based on the life expectancy of the Participant and is payable during such person's lifetime. The total benefit payable is limited to the account balance. Therefore, the annuity will terminate when the account is exhausted, which may occur before death if the Participant lives longer than the period provided in the life expectancy tables. The annuity may be purchased from an insurance company or other entity.
- (c) Joint and 75% Survivor Annuity: The 75% joint and survivor annuity is only available to a married Participant who has designated his spouse as a beneficiary. The joint and 75% survivor annuity provides a pension for the life of the Participant, followed by an actuarially reduced benefit for the life of the surviving spouse equal to 75% of the benefits the Participant had been receiving.
- (d) Joint and 100% Survivor Annuity: The 100% joint and survivor annuity is only available to a married Participant who has designated his spouse as beneficiary. The joint and 100% survivor annuity provides a pension for the life of the Participant, followed by an actuarially reduced benefit for the life of the surviving spouse equal to one hundred percent (100%) of the benefit the Participant had been receiving.
- (e) Lump sum or partial lump distribution, up to your entire account balance; or
- (f) Monthly installments of at least \$100 or more, in an amount sufficient to cause the distribution of your entire account over a fixed number of years, or your lifetime.

For your convenience, when you elect to receive your initial distribution, with applicable spousal consent, you may elect a combination of a partial lump sum benefit and monthly installments. In addition, while you are receiving monthly installments, you may elect to receive additional lump sums, or change the amount of your installments. There is, however, a small charge for using more than one form of distribution or changing your monthly installments. These changes require spousal consent, and are not available to Participants whose forms of benefit are limited because of the basis of their eligibility for benefits.

Under some retirement options, the forms of distribution which you may elect may be limited. If your benefit commencement date is before your 55th birthday, you are limited to single life annuity, qualified joint and 50% survivor annuity, joint and 75% survivor annuity, or joint and 100% survivor annuity. If you are under age 55 and retire on Disability Retirement, but you do not have a Social Security Disability award, your benefits are limited to monthly installments equal to 120 hours of journeyman wages.

Whenever you receive a lump sum distribution or monthly installments for a period of less than ten years, you may roll your distribution(s) over to an IRA or to another tax-qualified plan. If you do not roll an eligible rollover distribution over directly to an IRA or qualified plan, the Plan is required by federal law to withhold 20% of your distribution for federal income taxes.

5. MAY I BORROW FROM THE PLAN?

The Plan permits creditworthy Participants to borrow against their accounts. However, both the amount of your loan and the permitted repayment period are limited. The amount is limited to the lesser of \$50,000 or half of your account balance. You may borrow for any purpose, but the repayment period is limited unless the purpose or your loan is the acquisition of your principal residence, in which case you may elect a repayment period of up to thirty years. You are required to use your Part B account as security for your loan, and if you are married, you must have your spouse's consent to get a loan.

6. CAN I DIRECT THE INVESTMENT OF MY PLAN ACCOUNT?

The Plan provides an option to direct the investment of a portion of your Plan account. The self-directed portion of the Plan is an ERISA § 404(c) plan. Each year, at open enrollment dates selected by the Board of Trustees, if your Plan account is valued at least \$10,000, you may elect to transfer any amount to a self-directed account, so long as at least \$10,000 remains in your pooled asset account. You may also elect, at open enrollment dates, to have any or all of your self-directed account transferred back to the pooled assets of the Plan.

In addition to the fees and expenses charged by the mutual fund providers, there is currently a charge for establishing a self-directed account, and a monthly charge for administration of a self-directed account. These charges are subject to change from time to time. You will be advised what they are in the self-directed open enrollment materials.

Once you have elected to have a self-directed account, you are free to direct your account at any time, without any charge or load.

Detailed information about the funds is available at the Local Union or from the Administration Office. To direct the investment of your account, call (800) 293-1170 or go to the Plan's Web page at WWW.KANDG.COM.

7. WHAT IF I HAVE A PROBLEM WITH MY ACCOUNT OR MY APPLICATION FOR A DISTRIBUTION OR LOAN?

All Plan Participants receive quarterly statements of their account. If you believe that there has been an error in your account, such as a shortage in the hours or contributions reported by an employer during the last year, contact the Local Union or Administration Office immediately. If a question is not resolved to your satisfaction, or if you or any beneficiary of yours disagrees with, or is aggrieved by, any act, omission, decision, or ruling by the Administration Office or any authorized representative of the Plan affecting your rights or your beneficiaries' rights under the Plan, you may obtain a review of the same by the Board of Trustees by writing to the Administration Office setting forth the substance of your grievance. **You must request your appeal not more than sixty (60) days** from the time you first knew, or by the exercise of reasonable care, should have known, of the circumstances giving rise to your grievance, or you will be deemed to have waived your objections to the determination or decision giving rise to your grievance. The appeal rules for this Plan appear in Article 11 of the Plan. Claims and appeals for Disability Retirement benefits filed on or after January 1, 2002 are governed by the Special Claims and Appeals Procedures for Disability Retirement Benefits, found in Article 12.

**U. A. LOCAL NO. 393 DEFINED CONTRIBUTION PLAN
"PART B"**

(As Revised January 1, 2015)

FORMAL PLAN TEXT FOR CONTRIBUTIONS EARNED BEFORE JANUARY 1, 2015

ARTICLE 1 - EFFECTIVE DATE

1. **Effective Dates:** This Plan, known as the U. A. Local No. 393 Defined Contribution Pension Plan as of January 1, 1992 and formerly known as the U. A. Local Union No. 393 Supplemental Savings and Pension Augmentation Plan, is effective as of July 1, 1979 and as restated January 1, 1986 and July 1, 1990, March 1, 2000, July 1, 2001, January 1, 2008, January 1, 2015, and as amended from time to time.
2. **Plan Year:** The Plan Year shall be from January 1st to December 31st of each year.

ARTICLE 2 - FUNDING

1. **Basic Funding Rules:** The Fund shall consist of the following contributions to the U. A. Local No. 393 Pension Trust Fund:
 - (a) All mandatory contributions that are required to be made to this Plan by an Individual Employer: (1) by reason of its employment of any Employee under a Collective Bargaining Agreement with U. A. Local No. 393; or (2) by reason of such employment on any unapproved project as defined in the Collective Bargaining Agreement.
 - (b) Prior to 1992, all contributions that were required to be made by an Individual Employer by reason of its employment of any Employee under a Collective Bargaining Agreement with U. A. Local No. 393 which permitted a qualified cash or deferred arrangement at the election of the Employee as a part of the U. A. Local No. 393 Profit Sharing Plan, subject to the following limitations:
 - (i) In no case may the contributions for an Employee in any year total more than the amount permitted under Internal Revenue Code Section 402(g).
 - (ii) If an Employee receives a hardship distribution under Article 6, Section 1(d), that Employee may not elect any such cash or

deferred arrangement contributions for a period of at least six months after that hardship distribution.

- (iii) If an Employee receives such a hardship distribution, and the Employee is otherwise eligible for a cash or deferred arrangement, no contributions pursuant to the Employee's election may be received for the twelve month period following the distribution, and the total contributions for the taxable year immediately after the year of the hardship distribution may not exceed the amount permitted in Subsection 1 above, minus the contributions made in the taxable year in which the distribution was received.
- (iv) (A) Notwithstanding the above, elective contributions on behalf of highly compensated Employees may not exceed an amount which would cause the actual deferred percentage for highly compensated Employees to violate both of the following relationships to elective contributions on behalf of all other eligible Employees:
 - (1) The actual deferred percentage for the group of eligible highly compensated Employees is not more than the actual deferral percentage for all other eligible Employees multiplied by 1.25; and
 - (2) The excess of the actual deferred percentage for the group of eligible highly compensated Employees over that of all other eligible highly compensated Employees is not more than 2 percentage points, and the actual deferral percentage for the group of eligible highly compensated is not more than the actual deferral percentage of all other eligible Employees multiplied by two.
- (B) If excess contributions have been made on behalf of a highly compensated Employee, the excess contributions as defined in IRS Regulation Section 1.401(k)-1(f)(2), along with the income allocable thereto for the Plan Year of the contribution, shall be distributed to the Employee as a corrective distribution within two and one-half months from the end of the Plan Year.
- (c) Prior to 1992, all contributions that U. A. Local No. 393 or a related entity approved by the Trustees has agreed to make to the U. A. Local No. 393 profit sharing plan on behalf of those of its office Employees

who have requested it to make such contributions and have agreed to take a corresponding reduction in their wages, subject to the same limitations as stated in Subsection (b) above. Contributions on behalf of such Employees, together with interest and other increments realized thereon, may be distributed to them, their spouses, or other designated beneficiary in accordance with the provisions of Article 6, Section 3, or upon termination of employment, whichever is earlier.

- (d) Any funds transferred to the Plan (with appropriate records) from a U. A. defined contribution plan which has adopted an agreement with this Plan providing for such transfers, if the funds are transferred on behalf of, and at the behest of, an Employee who has an effective date under this Plan, and the Employee has transferred his union membership to U. A. Local No. 393. Any contributions thus transferred shall retain their status as mandatory, elective or voluntary contributions. Unless the interest of an alternate payee has been retained by the transferor plan, the Plan will treat any QDRO which applies to the Participant's interest in the transferor plan as applicable to contributions transferred to this Plan. Notwithstanding any other distribution rule of this Plan, this Plan will honor the distribution rules of a transferor plan with respect to funds actually transferred and a reasonable amount of earnings thereon.

2. **Independence of Plan:** The Board of Trustees shall administer the assets of the Defined Contribution Pension Plan separately and apart from the assets of the U. A. Local No. 393 Defined Benefit Pension Plan.

3. **Rollover Contributions:** This Plan shall accept any rollover tendered by, or on behalf of, any Employee from a qualified plan or qualified rollover IRA if the rollover is an eligible rollover distribution as defined in Internal Revenue Code Section 402(c)(4), and if the rollover is either made directly from a qualified plan or qualified rollover IRA, or is tendered by the Employee within 60 days of distribution of benefits to him or her by a qualified plan.

ARTICLE 3 - PARTICIPATION AND VESTING

1. **Eligibility to Participate:** Any Employee who has been employed at any time in covered employment shall be eligible to participate in this Defined Contribution Pension Plan, except that union alumni (former journeymen or apprentices who had employment covered under a collective bargaining agreement with U.A. 393 Collective Bargaining Agreement) who become officers/shareholders of a corporate signatory employer) shall be eligible only if the following requirements are met:

- (a) The Employer is incorporated; and
- (b) The Employer is a signatory to a collective bargaining agreement with U.A. Local 393; and
- (c) The officer/shareholder works with the tools of the trade; and
- (d) The Employer signs a participation agreement requiring the Employer to make hourly contributions on behalf of the officer/shareholder at the journeyman rate; and
- (e) The officer/shareholder's participation is approved by the Trustees or a designated committee of Trustees; and
- (f) The participation is otherwise in accordance with law.

2. Individual Accounts:

- (a) Individual accounts shall be maintained in the name of each Employee which shall separately reflect the extent of the Employee's participation in each of the following:
 - (i) Mandatory employer contributions to this Plan, as defined in Section 1 (a) of Article 2, based not only upon hours worked by the Employee, but also upon a proportionate share of the total pension augmentation contributions by all Individual Employers by reason of their employment of Employees on unapproved projects as defined in the Collective Bargaining Agreement;
 - (ii) Elective Employee contributions, as defined in, and subject to, Section 1 (b) or Section 1 (c) of Article 2; and
 - (iii) Employee contributions, subject to Section 4 of this Article; and
 - (iv) If an Employee qualifies for pension credit under the Veterans Reemployment Rights Act, 38 U.S.C. Section 2021 et seq., or, effective for military service in the Armed Forces of the United States ending on or after December 12, 1994, under the Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. Section 4301 et seq., the Employee shall be granted credit equivalent to the contributions which would have been made if the Employee had continued to perform covered employment during the qualifying military service, determined under the following rules:

(A) An Employee will be deemed qualified only if:

(1) He or she was employed in, or available for, covered employment under this Plan immediately before entering qualifying military service; and

(2) He or she gave notice of entry into the Armed Forces as required under the applicable statute; and

(3) The Employee became employed in covered employment, or registered for work at the Local Union and actually available for covered employment, within 90 days after a qualifying release or discharge.

(4) The amount of credit will be based on the average of the contributions made on the Employee's behalf during the two Plan Years preceding the year of the qualifying military service, adjusted to reflect the actual period of qualifying service, unless the Board of Trustees finds that there are clear and convincing reasons to believe that some other amount of contributions would have been made.

(b) (i) If an Employee so elects, in accordance with Article 5, Section 5, to have a portion of his or her account transferred to a Plan account for investment management by the Employee, then an account shall be established for that purpose, until such time as the Employee elects to terminate that account, or it is otherwise terminated under the rules of the Plan. The portion of an Employee's account which is subject to his or her investment management shall be an ERISA 404(c) account.

(ii) Effective September 1, 2001, each Employee shall have only one account, consisting of his or her proportional share of the Plan's pooled assets and his or her investments, if any, in self-directed assets other than the pooled assets of the Plan. All Employee's self-directed and pooled accounts as of September 1, 2001, shall be deemed merged on that date, and the entire Plan shall be an ERISA Section 404(c) Plan.

3. **Vesting:** The right, title and interest of each Employee in and to his or her accounts as so constituted shall be at all times one hundred percent vested.

5. **Employee Contributions:** Employee contributions shall not be permitted after January 1, 1982. All such contributions made and accumulated prior to December 31, 1981, shall be retained in the separate accounts of the Employees who made them.

ARTICLE 4 - COST OF THE PLAN AND CONTRIBUTIONS

1. Contributions shall be forwarded immediately without deduction for investment in such media as the Trustees from time to time select. Effective with contributions processed on or after September 1, 2001, new contributions for each Employee shall be invested, among the investments authorized by the Board of Trustees, in accordance with the directions, if any, of the Employee, or if the Employee has no valid directions then in effect, in the pooled assets of the Plan.
2. The expenses of administration shall be paid out of the interest and other increments earned on the investment of the pooled assets of the Fund, or charged to the accounts of the Employees in such amounts as the Board of Trustees, in their exclusive discretion, decide. In addition, the Trustees may allocate non-general expenses to the accounts of individual Participants in such situations as they deem appropriate.
3. When, in the judgment of the Trustees, unpaid contributions are due and payable to the Plan, those unpaid contributions shall be treated as an administrative expense, and appropriate amounts shall be credited to the accounts of the respective Employees as new contributions.

ARTICLE 5 - ACCOUNTING

1. **Limitation on Employee Interests:**
 - (a) Except as provided in subsection (b), no Employee shall have any right, title or interest in any specific asset of the Fund.
 - (b) The sole power which an Employee may exercise over his or her account is to direct the investment of that account among assets authorized by the Board of Trustees, under procedures adopted pursuant to Article 5, Section 5.
2. **Evaluation of the Plan:**
 - (a) Except as provided in subsection (b), the income, profits, losses and other transactions of the pooled assets of the Plan (including expense charges of investment media and other charges as provided in

Section 2 of Article 4) shall be debited, or credited, as the case may be, to the account of each Employee in proportion to the Employee's interest in the pooled assets of the Plan. Prior to the effective date of unitization of the pooled assets of the Plan, the pooled assets of the Plan shall be evaluated and the individual accounts adjusted not less often than once each Plan Year, as of the last day of the Plan Year, based on the fair market value as of December 31 of each year, or more often as the Board of Trustees may deem necessary or appropriate. On or after the effective date of the unitization of the pooled assets of the Plan, the pooled assets of the Plan shall be evaluated daily at the end of each business day, using the net asset value of mutual funds and the fair market value of all other assets.

- (b) If an Employee has elected to direct the investment of his or her account into assets other than the pooled investment accounts (ERISA 404(c) assets), the only interest, income, gain or losses which the Employee shall earn or suffer on his or her ERISA 404(c) assets, shall be the interest, income, gain, or losses of those assets. The value of an Employee's 404(c) assets on any day shall be the net asset value of those assets at the end of the trading day.

3. Limitations on Contributions:

- (a) Contributions and other additions, with respect to a Participant in this plan, when expressed as an annual addition to his or her account, shall not exceed the limits set by Section 415(c) of the Internal Revenue Code, and the Regulations issued thereunder, including all cost of living increases permitted under those laws.
- (b) For purposes of this Plan, compensation means wages or salary which are earned from participating employers and which are includable in gross income, plus any elective deferrals as defined in Internal Revenue Code Section 402(g)(3) pursuant to a cash or deferred arrangement under Code Section 401(k), and any amount excluded from gross income under Code Section 125, and for Plan Years beginning after December 31, 2000, any amount deferred under Code Section 132(f)(4), but in no event more than \$225,000 or such other amount as set forth under Internal Revenue Code Section 401(a)(17) and the regulations and rulings promulgated by the IRS. Notwithstanding the foregoing, effective as of January 1, 2008, any amounts that are includable in the gross income of an employee under the rules of Code Section 409A or 457(f)(1)(A), or because the amounts are constructively received income for such year, shall be included in compensation for purposes of this Section 3(b).

Notwithstanding the foregoing, compensation shall not exceed the annual compensation limit in Code § 401(a)(17), as adjusted.

Post-Severance From Employment Payments Not Includible in Compensation. In no event shall compensation include severance pay. However, the following types of remuneration, if includible for purposes of compensation as defined above, shall be taken into account only if paid by the later of 2-1/2 months after the date of severance from employment with the contributing employer or the end of the Section 415 limitation year that includes the date of severance from employment with the contributing employer, and the amounts would have been included in compensation if they had been paid before the separation from service date:

- (i) **Regular Pay After Severance from Employment.** The payment of regular compensation for services during the participant's regular working hours, or for services outside of the regular working hours such as overtime or shift differential, commissions, bonuses or other similar payments and the payment would have been paid before severance from employment if the Participant had continued service.
- (ii) **Leave Cash Outs and Deferred Compensation.** Payments of unused accrued bona fide sick, vacation or other leave provided the participant would have been able to use the leave if employment had continued, or payments from a nonqualified unfunded deferred compensation plan, provided the payment would have been paid at the time if the Participant had continued service and such payment would be includible in gross income.

Post-Severance From Employment Salary Continuation Payments. Effective January 1, 2008, if a contributing employer continues salary to a participant because of the disability of a participant or who is not performing services because of qualified military service, as that term is used in Code section 414(u)(1), at a rate that is not in excess of the salary that would have been payable to the participant had he not entered qualified military service, such salary continuation will be included in compensation for purposes of this Section 3(b).

- (c) If the annual additions made during a Plan Year to a Participant's account exceed the limitation provided herein, then the excess amounts shall be used to reduce employer contributions for the next Plan Year, or for the succeeding years, if necessary. For purposes of this Section 3, annual additions mean the sum for any year of

employer contributions, forfeitures, and Employee contributions if allowed under the Plan in that year (but does not include rollover contributions under Internal Revenue Code Sections 402(a)(5), 403(a)(4) and (b)(8), and 408(d)(3)). Effective for limitations years beginning on or after July 1, 2007, annual additions due not include payments allocated to a Participant's account to restore losses to the Plan resulting from actions (or a failure to act) by a Plan fiduciary for which there is a reasonable risk of liability for breach of fiduciary duty under Title I of ERISA or under applicable federal or state law, where similarly situated Plan Participants are similarly treated with respect to the payments. Pending further guidance from the Service, the Plan may implement the former correction methods for excess annual additions as provided under the 1981 Treasury regulations, pursuant to the self-correction methods under the Employee Plans Compliance Resolution System (EPCRS) and provided the rules of Section 9 of Rev. Proc. 2006-27 are met.

- (d) (i) If the elective contributions made on behalf of a highly-compensated Eligible Employee under Subsection (2)(D) causes the Plan to fail the actual deferred percentage test ("ADP") of Internal Revenue Code Section 401(k)(3) and IRS Reg. Section 1.401(k)-1(b) with respect to the elective contributions of all non-highly compensated Eligible Employees, the excess contributions shall be redistributed in the manner described in Subsection (e). The provisions of IRC Section 401(k)(3) as amended by SBJPA and the regulations there under, as well as any subsequent Internal Revenue Service (IRS) guidance issued under the provisions of IRC Section 401(k)(3), are incorporated herein by reference. The testing method used for purposes of this ADP test shall be the prior year testing method.
- (ii) For purposes of this Subsection (d), the following definitions apply:
 - (A) Eligible Employee means any Employee who performed covered employment under a Collective Bargaining Agreement or who was employed by U. A. Local No. 393, or a union-affiliated entity which contributed to this Plan during the Plan Year on behalf of Employees not covered under a Collective Bargaining Agreement. However, Eligible Employee does not mean an Employee of U. A. Local No. 393 or a union-related entity, if the Employee is covered under a collective bargaining agreement, unless the collective bargaining agreement which covers such Employee permits elective contributions to this Plan. An otherwise eligible Employee shall

not fail to be treated as an Eligible Employee for purposes of the actual deferred percentage test merely because no contributions are made due to the Employee's failure to elect to have contributions made on his or her behalf, or under Plan rules concerning hardship distributions or annual limitations on contributions.

(B) Highly compensated Employee means any Eligible Employee who falls within the definition of highly compensated Employee under Internal Revenue Code Section 414(q) and regulations promulgated there under.

(C) Compensation means compensation as defined in Subsection (b) of this Section 3.

(D) Elective contributions in any Plan Year, for purposes of the actual deferred percentage test, means any contribution made under any cash or deferred arrangement of an Eligible Employee's participating employer(s), related to services performed by the Employee within the Plan Year.

(E) Excess contributions for any Employee means the amount determined as follows:

(1) First, the actual deferred ratio ("ADR") of the highly compensated Employee ("HCE") with the highest ADR is reduced to the lesser of the extent necessary either to satisfy the ADP or to cause such ratio to equal the ADR of the highly compensated Employee with the next highest ADR. Second, if this reduction does not satisfy the ADP, this process is repeated until it does satisfy the ADP. This ratio is the Employee's reduced deferral ratio ("RDR"). The amount of excess contributions for that Employee is then equal to the total of all elective and other contributions taken into account for the ADP minus the product of the Employee's compensation times his or her RDR;

(2) The amount determined in step (A) above is reduced beginning with the HCE with the highest dollar amount of contributions to equal the dollar amount of the HCE with the next highest dollar amount of contributions and continuing in succeeding order of the HCEs until all excess contributions are accounted for as determined in step (A).

(3) Each HCE will receive a distribution of their portion of excess contributions determined in step (B) above, in accordance with Subsection (e).

- (e) (i) If elective deferral contributions are made on behalf of an Employee in excess of the amount permitted under IRC Section 402(g), such excess deferrals shall be redistributed to the Employee prior to April 15 of the year following, together with any interest or other increment realized thereupon.
- (ii) If excess contributions are made on behalf of any Employee in any Plan Year, such excess contributions, along with the income allocable to those excess contributions during the Plan Year, shall be distributed to that Employee within two and one-half months of the close of the Plan Year.
- (iii) If an Employee has both excess deferrals and excess contributions in the same Plan Year, and excess deferrals are distributed to the Employee before, or at the same time as, the Employee's excess contributions are distributed, then the amount of excess contributions which must be distributed under Subsection (e)(ii) shall be reduced by the amount of excess deferrals which have already been distributed, or are being distributed at the same time, to the Employee. If excess contributions are distributed before excess deferrals, then the amount of excess deferrals which are distributed to an Employee shall be reduced by the amount of excess contributions which have already been distributed.

4. **Crediting of Accounts:**

- (a) Prior to the effective date of unitization of the pooled assets of the Plan, each Employee's annual net investment gain or loss in the pooled assets of the Plan shall be calculated and credited based on the average balance in the Employee's account during the Plan Year, or if there is a valuation during the Plan Year, on the average balance during the period since the last valuation. The average balance will be determined by adding one half of the current year contributions allocated to the Employee's account balance at the beginning of the Plan Year. An Employee leaving the Plan during the course of the Plan Year or electing to have assets transferred to an ERISA 404(c) account prior to the unitization of the pooled assets of the Plan will receive proportional net investment gain or loss calculated as of the last month preceding a benefit distribution or transfer.

- (b) On and after the effective date of unitization of the pooled assets of the Plan, each Employee's account shall be deemed adjusted as of each daily valuation of the Plan.

5. **Self-Direction of Accounts:**

- (a) In accordance with procedures approved by the Board of Trustees, each Employee whose net pooled asset balance, as defined in subsection (c), is at least \$10,000, may elect to give directions for the investment of the assets of that account, including directions for the investment of new contributions. For purposes of this rule, the term "new contributions" includes loan repayments and other income to the Employee's account other than investment income. All procedures adopted by the Board of Trustees for the self-direction of accounts shall provide that an Employee may give directions at least every calendar quarter.
- (b) Until September 1, 2001, the minimum ERISA 404(c) account balance which may be established on an Employee's behalf is \$10,000. If an Employee's ERISA 404(c) account balance declines below \$10,000, the Employee may maintain that account. However, if the Employee elects to make any further election to increase his or her ERISA 404(c) account, he or she must elect to restore his ERISA 404(c) account to at least \$10,000.
- (c)
 - (i) Except as limited below, and by Article 6, Section 7, and Article 10, Section 4, prior to September 1, 2001, an Employee may elect, at an open enrollment, to have his or her ERISA 404(c) account increased by any amount, in increments of \$1,000, up to 50% of his or her net pooled account balance as of the previous December 31. An Employee may also elect to reduce his or her ERISA 404(c) account decreased by any amount, except that no election such transfer may be made to reduce an ERISA 404(c) account to less than \$10,000, other than an election to transfer the entire ERISA 404(c) account back to the Employee's pooled account.
 - (ii) Effective September 1, 2001, an Employee may elect to have any amount transferred into, or out of, the authorized ERISA 404(c) investments, or the pooled assets of the Plan, except that in no event may an Employee elect to have an amount added to his or her ERISA 404(c) assets if it would cause his or her net pooled asset balance to decline below \$10,000. For purposes of this rule, net pooled asset balance means only the assets

held in the Employee's account in the pooled investments of the Plan, and shall not include any outstanding loan balance, or any amount held in a segregated sub-account for the benefit of an alternate payee under a QDRO.

- (d) Prior to September 1, 2001, within a reasonable time after each open enrollment period, the Administration Office shall instruct the Investment Manager(s) of the pooled assets of the Plan to have funds made available for transfer in accordance with the elections of the Employees, and thereafter have them transferred into the designated money market fund for the respective benefit of each Employee so electing. On or after September 1, 2001, the designated fiduciary for receiving investment directions from Employees shall process directions which have been properly given, either on the date received or the next business day. Notwithstanding the above, if the Investment Manager(s) or Board of Trustees determine that it is necessary or appropriate to defer transfers out of the pooled assets of the Plan, then the transfers of all Employees shall be delayed until such time as the Investment Manager(s) or Board of Trustees determines that it is appropriate to do so.
- (e) Notwithstanding any other provision of this Plan, in order to prevent excessive short-term trading among investments available under the Plan, in no event may an Employee, surviving spouse or domestic partner give directions for the investment of his or her account which exceed the following limitations:
 - (i) No person may give instructions for the purchase or sale of any one mutual fund more than twice in any sixty-day period.
 - (ii) No person may give instructions for the purchase or sale of any one investment option (including the Plan's pooled investment fund) more than ten times in any twelve-month period.

In addition, the Board of Trustees reserves the power to limit the right of any individual to direct the investment of his or her account, if the individual's trading among available investments is deemed to be excessive by the Board of Trustees, in their exclusive discretion.

ARTICLE 6 - PAYMENT OF BENEFITS

1. Eligibility for Distributions:

- (a) Employees shall be entitled to distribution of their individual accounts and the same shall be distributed, unless otherwise elected by the Employee in writing, upon the first day of the month coinciding with, or next following, the occurrence of the latest of the following:
 - (i) The Employee retires from the Plumbing and Pipe Fitting Industry; or
 - (ii) The Employee attains age 62; or
 - (iii) The fifth anniversary of Employee's first participation in the Plan.
- (b) Employees shall also be entitled to distribution upon application of the Employee on or after any of the following times:
 - (i) When the Employee has fulfilled the requirements for early, normal or disability retirement under the U. A. Local No. 393 Defined Benefit Plan and retired thereunder; or
 - (ii) When the Employee becomes totally and permanently disabled from performing work of the types covered under the Collective Bargaining Agreement, as demonstrated by a Social Security Disability Award or equivalent medical proof confirmed by the Plan's Medical Consultant; or
 - (iii) If the Employee continues to work after being eligible for retirement, on April 1 of the calendar year following the year the Employee attains age 70 1/2, even if still employed in Industry Service; or
 - (iv) When the Employee has attained age 52 with 25 or more Years of Benefit Credit under the U. A. Local No. 393 Defined Benefit Plan, and permanently ceased to perform all Industry Service in the Plumbing and Pipefitting Industry (as those terms are defined in the Defined Benefit Plan).
 - (v) TEMPORARY PARTIAL EARLY DISTRIBUTION FOLLOWING TERMINATION OF EMPLOYMENT. A Participant who meets the following criteria shall be entitled to make a one-time election for a partial lump sum distribution up to a maximum distribution

amount equal to the lesser of 50% of the Participant's account balance as of the date of the election or \$50,000.

A Participant eligible to make such an election:

- (1) Has incurred a Termination of Employment; and
- (2) Has not received any contributions to his or her account for the 180-day period prior to the one-time election.
- (3) Since becoming a Participant in this Plan has not worked in Non-Qualified Employment.

Such distribution election shall be available for participants who incurred a Termination of Employment between January 1, 2008 and December 31, 2011.

Termination of Employment: The term Termination of Employment means a severance of the employer-employee relationship (without continued employment with another employer) which occurs prior to a Participant's Normal Retirement Age for any reason other than death or disability.

Non-Qualified Employment: The term Non-Qualified Employment means employment in the Plumbing and Pipefitting Industry for an employer who does not contribute to this Plan or to any other United Association Pension Plan with which this Plan maintains a reciprocity or inter-plan transfer agreement.

- (c) Compliance with IRS Minimum Distribution Rules: All distributions made from this plan shall be made in accordance with the minimum distributions rule prescribed by IRS Code Section 401(a)(9) and the regulations thereunder, notwithstanding any plan provisions to the contrary.
- (d) If an Employee had elective contributions made prior to 1992, he or she shall also be entitled to a distribution on grounds of hardship, upon application of the Employee, if he or she is suffering a substantial economic hardship and has participated in the Plan for two years. A showing of substantial hardship shall be established if the Employee has an immediate and heavy financial need which cannot reasonably be met from other sources, as demonstrated to the Trustees as they reasonably shall determine. Distribution for this purpose shall not exceed the lesser of the amount required to meet

the financial need, or the amount of the Employee's elective contributions shown as of the last annual valuation.

- (e) Notwithstanding the above, an Employee who has not yet retired from service in the Plumbing and Pipefitting Industry and who satisfies the following conditions may, between the ages of 62 and 64, take distributions of up to 25% of his or her account balance per Plan year:
 - (i) He or she is currently working for an Employer as defined by Article I, Section 4 of the U.A. Local 393 Defined Benefit Plan;
 - (ii) Since first becoming a participant in this Plan, he or she has never worked in the Plumbing and Pipefitting Industry whether as an employee or in managerial, supervisory, proprietary or self-employed person for an employer or entity who is not signatory to a Collective Bargaining Agreement, as that term is defined by Article I, Section 12 of the U.A. Local 393 Defined Benefit Plan;
 - (iii) An Employee who has not yet retired from service in the Plumbing and Pipefitting Industry is entitled to elect a distribution equal to his entire account balance upon attainment of age 65, provided conditions (i) and (ii) above are met.

An eligible Employee may take a distribution under this subsection in the form of a partial lump sum or monthly installments so long as the distribution amounts in total do not exceed the amount limits set forth above.

2. **Form of Benefit:**

- (a) Except as provided below, the forms of benefit available to an Employee who attains eligibility for a distribution from the Plan shall be the following:
 - (i) **Normal Benefit for Married Participants:** 50% Joint Pension
The normal benefit for a married Participant is a Qualified Joint and Survivor Annuity ("Joint Pension"). The Joint Pension is a pension for the life of the Participant, and upon the Participant's death, an actuarially reduced lifetime benefit for his or her surviving lawful spouse equal to 50% of the benefit that the Participant had been receiving, and commencing on the first day of the month following the date of the Participant's death. Because a Joint and Survivor Annuity provides pension benefits for the lives of two (2) persons, there is a reduction in the

monthly pension benefit that otherwise would be payable during the Participant's life only. This reduction is based on the Participant's age and the age of his or her spouse at the date of retirement.

A married Participant's election not to take a Joint Pension is effective only if the Participant's lawful spouse consents to such election, such consent is witnessed by a Plan representative or notary public, and the spouse acknowledges the effect of her consent in writing. A married Participant is not allowed to designate a beneficiary other than his or her lawful spouse without the spouse's written consent. If a married Participant subsequently desires to revoke the beneficiary designation and to choose another non-spouse beneficiary, his or her lawful spouse must consent to the revocation and alternative beneficiary selection.

The following benefit options require consent from your spouse:

- (ii) **Single Life Annuity:** The Life Annuity is the normal form of benefit for an unmarried Participant. A married Participant may also elect a Life Annuity, provided the spouse consents to this form of payment as described above. The Single Life Annuity is based on the life expectancy of the Participant and is payable during such person's lifetime. The total benefit payable is limited to the account balance. Therefore, the annuity will terminate when the account is exhausted, which may occur before death if the Participant lives longer than the period provided in the life expectancy tables. The annuity may be purchased from an insurance company or other entity.
- (iii) **Lump Sum Payment:** A lump sum benefit equal to your account balance.
- (iv) **Fixed Periodic Payments:** Equal periodic installments of not less than \$100 over a fixed period of years, not to exceed the life expectancy of the Employee or the Employee and a designated beneficiary, in accordance with Internal Revenue Code Section 401(a)(9) and the applicable regulations of the Internal Revenue Service issued there under.
- (v) **Partial Lump Sum:** A lump sum payment which is less than the entire account balance.

- (vi) **Joint and 75% Survivor Annuity:** A pension for the life of the Participant, followed by an actuarially reduced benefit for the life of the surviving spouse equal to seventy-five percent (75%) of the benefit the Participant had been receiving, and which is actuarially equivalent to the joint and 50% survivor annuity.
 - (vii) **Joint and 100% Survivor Annuity:** A pension for the life of the Participant, followed by an actuarially reduced benefit for the life of the surviving spouse equal to one hundred percent (100%) of the benefit the Participant had been receiving, and which is actuarially equivalent to the joint and 50% survivor annuity.
- (b) An Employee, with applicable spousal consent, may elect any of the forms of benefit available under Subsection (a) above, except as provided in the following rules:
- (i) No lump sum distribution of an account which is valued in excess of \$1,000 shall be made without the express consent of the Employee and/or beneficiary, as applicable.
 - (ii) If an Employee has not attained age 55 or retired under the U. A. Local No. 393 Defined Benefit Pension Plan, the only form of benefit available to an Employee receiving a distribution on the grounds of disability, who has not received an award of Social Security Disability Benefits, shall be monthly installments, in an amount limited to the equivalent of 120 hours of covered employment at the wages in effect under the Collective Bargaining Agreements of U. A. Local No. 393 at the time of the Employee's retirement.
 - (iii) If an Employee has not attained age 55 at his or her benefit commencement date, and the Employee is not receiving a distribution on the grounds of disability, then:
 - (A) the only form of benefit available to the Employee is the single life annuity, the qualified joint and 50% survivor annuity, the joint and 75% survivor annuity, or the joint and 100% survivor annuity; and
 - (B) the provisions of subsection (c) of this Section 2 (allowing lump sum distributions and changes in installment amounts) shall not apply until the Employee has attained age 59 1/2, but

Section 3(b) of this Article shall apply in the case of the Employee's death.

- (iv) An election of a lump sum without an explicit election of installments shall be deemed to include an election of installments consistent with the requirements of Section 4 of this Article.
- (c) Subject to the limits stated in Subsections (a) and (b) above, the election of a method of distribution by Employee or surviving spouse may include the distribution of some of his or her account balance as a lump sum, and some in monthly installments. An Employee, with applicable spousal consent, or surviving spouse who is entitled to distribution of his or her account balance but who has not received a full distribution thereof may make an election at any time to receive a lump sum distribution or to have the amount of monthly installments increased or decreased with adjustment of the amount or term of remaining installments as appropriate. The Trustees reserve the right to deny a request for a change if they determine that it is not in the interests of the Participants and beneficiaries to permit changes in the form of distribution at that time.
- (d) **Notice Requirement:** The Administration Office shall within a reasonable period prior to the Annuity Commencement Date (so as to allow the Participant 180 days in which to make or revoke an election) provide each Participant with a written explanation of:
 - (i) The terms and conditions of the Joint and Survivor Annuity;
 - (ii) The Participant's right to make and the effect of an election to waive the Joint and Survivor Annuity form of benefit;
 - (iii) The rights of a Participant's spouse; and
 - (iv) The right to make, and the effect of, a revocation of a previous election to waive the Joint and Survivor Annuity.
- (e) **Information Request:** To comply with ERISA's election, waiver and revocation rule as set forth herein above, the Plan may delay paying a pension benefit to a married Participant until 180 days has expired from the date an application for a pension has been filed with the Administration Office. The Participant and spouse may waive the full election period as permitted under applicable law and regulations.

- (f) **Spousal Consent to Waive Joint Pension:** A Participant who is married on the Annuity Commencement Date may not elect any form of benefit other than a Joint and Survivor Annuity without the written consent of his or her spouse on a spousal consent form acceptable to the Trustees. This requirement also applies to Participant loans.

An election by a married Participant to waive the Qualified Joint and Survivor Annuity is effective only if the Participant's lawful spouse consents to such election, such consent is witnessed by a Plan representative or notary public, and the spouse acknowledges the effect of such election. The Plan shall provide a Participant and his or her lawful spouse with a written explanation of the terms and conditions of the Joint and Survivor Annuity and other information required by ERISA.

The Participant may revoke an election not to select a Joint and Survivor Annuity at any time and any number of times during the 180-day period before the Participant's Annuity Commencement Date.

- (g) **Exception to Spousal Consent Requirement:** Notwithstanding the consent requirement above, a Participant may establish to the satisfaction of the Board of Trustees that the consent of a lawful spouse may not be obtained because there is no lawful spouse or such spouse cannot be located despite reasonable efforts to do so. Upon such determination, a waiver by the Participant shall be deemed a qualified election. The Board shall have total discretion in making such determinations.

3. **Distributions in the Event of Death of an Employee:**

- (a) **Internal Revenue Code Death Distribution Rules:** Pursuant to requirements of the Internal Revenue Code, if a Participant dies after distribution of his or her interest has begun, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.
- (b) **Death Before Retirement:** Within the period beginning with the first day of the Plan Year when the Employee attains age 32 and ending with the close of the Plan Year when he or she attains age 35, or within a reasonable period after he becomes a Plan Participant, the Administration Office shall provide each Employee and spouse with an explanation of the Qualified Pre-Retirement Survivor Annuity. The Employee thereafter may, with the written consent of his or her spouse,

waive or reinstate the QPSA benefit any number of times within the applicable period of time, or within a reasonable period thereafter, ending with his or her retirement or death, whichever first occurs, or within a reasonable period after separation from the Plan if the Employee separates from service before age 35. In order for the spouse's consent to be effective, the spouse must acknowledge the effect of her consent, and her consent must be witnessed by a plan representative or notary public.

If a Participant has not begun receiving his benefits and he is married at the time of his death, his surviving spouse will receive a death benefit in the form of a Qualified Pre-retirement Survivor Annuity, unless the QPSA benefit has been waived as described above or the spouse selects an alternate form of benefit. The annuity is based on the amount in the Participant's account at the time of his death, plus any required adjustments. If the QPSA benefit has been waived, the balance of the account may be distributed to the surviving spouse in the form of a single or partial lump sum or monthly installments of not less than \$100.

If a Participant 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 Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed employment and then terminated employment on the account of death.

- (c) **Minimum Distributions -- Death Before Required Beginning Date:** A non-spouse beneficiary must elect among the following payment forms: single life annuity with payments beginning on or before December 31st of the calendar year following the calendar year of the Employee's death, lump sum, partial lump sum, or monthly installments. If the non-spouse elects any payment form other than the single life annuity, the entire account balance must be distributed by December 31st of the calendar year containing the fifth anniversary of the Participant's death. If the Participant's spouse is the beneficiary, he or she does not have to commence receiving benefits until the date the Participant would have attained age seventy and one half (70 ½).
- (d) **Death after Retirement:** If the Employee is unmarried or the Employee is married and his spouse has waived the joint and survivor annuity, the remaining balance in his account may be distributed to the surviving

spouse or a designated beneficiary in the form of a single or partial lump sum or monthly installments of not less than \$100.

- (e) **Minimum Distributions -- After Required Beginning Date:** The account balance must continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death in accordance with Section 1.401(a)(9)(5), A-5 of the Treasury Regulations.
- (f) If an Employee becomes married, any designation of beneficiary made before the marriage shall be deemed revoked, and shall not be revived by the dissolution of the marriage. If an Employee divorces his spouse prior to the first disbursement of benefits from his account, any elections made while the Employee was married to his former spouse remain valid, unless otherwise provided in a Qualified Domestic Relations Order, or unless the Employee changes them or is remarried. If an Employee dies after his retirement, the spouse to whom the Participant was married on the Annuity Commencement Date is entitled to the Qualified Joint and Survivor Annuity protection under the plan. The spouse is entitled to this protection (unless waived and consented to by such spouse) even if the Participant and spouse are not married on the date of the Participant's death, except as provided in a QDRO.
- (g) Every Participant should provide the Board of Trustees with the name of his or her beneficiary. A Participant may change his beneficiary at any time. If a Participant is married, his spouse must consent to any alternative beneficiary designation. Such consent is effective only if the Participant's spouse consents to such election, such consent is witnessed by a Plan representative or notary public, and the spouse acknowledges the effect of such election. Each designation of beneficiary or beneficiaries must be in writing, signed, in a form acceptable to the Trustees and filed with the Trustees during his lifetime. If there is no validly designated beneficiary who has survived an Employee, or there are benefits to be distributed after the death of both an Employee and the Employee's spouse or other designated beneficiary, distribution shall be made to the following persons in the order mentioned, within a period of five (5) years following the death of the Employee, the member(s) of each class to take to the exclusion of the member(s) of each succeeding class:
 - (i) Children, if any, natural (and acknowledged) or adopted; or
 - (ii) Father and/or mother, if either is living; or

- (iii) Sisters and/or brothers, if any are living; or
 - (iv) If none of the above have survived, the Employee's estate.
- (h) All distributions to beneficiaries (other than to alternate payees) shall be made from the pooled assets of the Plan. If an Employee has ERISA 404 (c) assets at the time of his or her death, then within a reasonable time of notification of an Employee's death, the Administration Office shall transfer the Employee's ERISA 404(c) Assets to the pooled assets of the Plan. If the Administration Office determines that the only beneficiary is a surviving spouse or Domestic Partner (as defined by California law), the surviving spouse or Domestic Partner may then direct the investment of the Employee's account under the same procedures which apply to Employees. Under no circumstances shall any beneficiary, other than a surviving spouse or a Domestic Partner, direct the investment of an Employee's account.

4. Limitations on Retention of Plan Accounts:

- (a) An Employee may elect to maintain his or her Plan account as an interest in the general assets of the Fund, sharing in net appreciation or depreciation and net income or losses, as provided in Article 5, Section 2, but in no event beyond the following, at which time distribution must be commenced:
- (i) If he or she is retired within the meaning of Internal Revenue Code Section 401(a)(9)(C), or if he owns at least 5% of a contributing employer: April 1 of the calendar year following attainment of age 70 1/2; or
 - (ii) If not covered under subsection (1): Upon his or her retirement.
- (b) **Death On or After the Employee's Required Beginning Date:**
- (i) Participant Survived by Designated Beneficiary. If the Participant dies on or after his required beginning date and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:

(A) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(B) If the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(C) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(ii) **No Designated Beneficiary:** If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(c) **Death Before an Employee's Required Beginning Date:**

(i) If the Participant's surviving spouse is the Participant's sole designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the surviving spouse calculated for each distribution calendar year using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the

surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

- (ii) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the designated beneficiary's remaining life expectancy. The beneficiary's life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
 - (iii) No Designated Beneficiary. If the Participant dies before his required beginning date and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (d) All distributions made from this plan shall be made in accordance with the minimum distributions rule prescribed by IRS Code Section 401(a)(9) and the regulations there under, notwithstanding any plan provisions to the contrary.
- (e) **Definitions:**
- (i) **Distribution Calendar Year:** A calendar year for which a minimum distribution is required is a distribution calendar year.
 - (ii) **Life Expectancy:** Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.
- (f) **2009 Required Minimum Distribution Waiver.** Notwithstanding any other provisions of the Plan, a Participant or beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of section 401(a)(9)(H) of the Code ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more

payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated beneficiary, or for a period of at least 10 years, will not receive those distributions for 2009.

In addition, a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to section 401(a)(9)(H).

5. Distributions on Severance from Employment:

- (a) Notwithstanding anything to the contrary herein:
 - (i) The Trustees may order immediate lump sum distribution of the share of any Employee leaving employment within the territorial jurisdiction of U. A. Local No. 393 and suffering a one (1) year break in service, up to and including the maximum permitted by Section 203(e)(1) of Employee Retirement Income Security Act of 1974; and
 - (ii) If an Employee changes his or her U. A. Local Union membership, and there is a Defined Contribution Plan in the new home area of the Employee, and that plan has executed an inter-plan transfer agreement with this Plan, then the Trustees may, upon the written request of the Employee and receipt of any supporting documents required by the Trustees, order a transfer to that Plan of the Employee's account, regardless of amount.
- (b) An Employee whose only service under the Plan is as an apprentice, who fails to complete all the qualifications to become a journeyman for any reason, may request a lump sum distribution of the balance of his or her account after a break in service equal to the number of Plan Years during which contributions were made on behalf of the Employee.
- (c) An Employee who has no vested right to a pension benefit under the terms of the U. A. Local No. 393 Defined Benefit Pension Plan may elect to receive a lump sum distribution of his or her individual account if the following circumstances all apply to the Employee:

- (i) The balance in the Employee's account is less than \$20,000 on the date of application; and
 - (ii) The Employee has permanently stopped working in the trade; and
 - (iii) The Employee has not worked in covered employment for a number of consecutive Plan Years equal to the greater of: (1) the number of years of Vesting Credits the Employee has earned in the U. A. Local No. 393 Defined Benefit Pension Plan; or two (2) years.
- (d) An Employee may receive a total lump sum distribution of his or her account balance if the Employee has not performed any form of Industry Service in the Plumbing and Pipefitting Industry (ERISA Section 202(a)(3)(B) Service as defined in 29 C.F.R. § 2530.203-3(c)(2)) for a number of consecutive Plan Years equal to the number of Plan Years during which contributions were made on behalf of the Employee. An Employee may also receive a distribution of his or her account if he or she has performed no more than 300 hours of Industry Service within the ten years preceding the requested distribution date, and there is adequate reason, based on objective circumstances, in the exclusive discretionary judgment of the Board of Trustees, to believe that the Employee will not be performing any Industry Service anywhere in the United States or Canada for at least the remainder of the period equal to the number of years during which contributions were made on behalf of the Employee.
- (e) The Trustees may approve the transfer of a Participant's entire individual account balance to a defined contribution plan sponsored by the Participant's Employer if all the following criteria are met:
 - (i) The Participant has at least thirty-five years of participation in the U.A. Local 393 Defined Benefit Plan;
 - (ii) The Participant holds a non-bargaining unit position with an Employer who makes contributions to the U.A. Local 393 Defined Contribution Plan;
 - (iii) The defined contribution plan sponsored by the Participant's Employer is qualified under § 401 of the Internal Revenue Code;

- (iv) The defined contribution plan sponsored by the Participant's Employer has executed an inter-plan transfer agreement with the U.A. Local 393 Defined Contribution Plan;
- (v) The Participant supplies all supporting documentation requested by the Trustees; and
- (vi) The transfer is in accordance with all governing law.

6. **Rollovers of Distributions:**

(a) This Section 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 Section, 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.

(b) **Definitions.**

(i) **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:

(A) 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 specified period of ten years or more;

(B) Any distribution to the extent that such distribution is required under Section 401(a)(9) of the Internal Revenue Code;

(C) Any hardship distribution described in Section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code and made after October 1, 1999; and

(D) 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).

- (ii) **Eligible Retirement Plan:** An eligible retirement plan is an individual retirement account described in Section 408(a) of the Internal Revenue Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, an annuity contract described in Section 403(b) of the Code, 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, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution.
 - (iii) **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 Code, are distributees with regard to the interest of the spouse or former spouse.
 - (iv) **Direct Rollover:** A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.
- (c) **Non-spouse Rollovers:** If an Employee dies leaving his accrued benefit to a designated beneficiary who is not his spouse, the designated beneficiary may roll over the inherited assets to an inherited Individual Retirement Account in accordance with the following rules:
- (i) The rollover must meet the requirements of an eligible rollover distribution except that the distributee may be a non-spouse beneficiary;
 - (ii) The rollover must be accomplished by a direct trustee-to-trustee transfer;
 - (iii) The Individual Retirement Account must be established as an inherited Individual Retirement Account, meaning that the Individual Retirement Account must be established in a form that identifies it as an Individual Retirement Account with respect to the deceased individual and also identifies the deceased individual and the beneficiary, for example, "Tom Smith as beneficiary of John Smith."

- (iv) The rollover must comply with the minimum distribution rules found in Section 401(a)(9) of the Internal Revenue Code. If the Employee dies before his required beginning date, the rollover must be made in accordance with either the five-year rule described in Section 401(a)(9)(B)(ii) or the life expectancy rule described in Section 401(a)(9)(B)(iii). Rollovers made in accordance with the five-year rule must be completed by the end of the calendar year which contains the fifth anniversary of the date of the Employee'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 Employee's death.
 - (v) 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 Employee, provided the beneficiaries of the trust meet the requirements to be a designated beneficiary under the plan.
 - (vi) The rollover must otherwise be in accordance with law.
- (d) Direct Rollovers to Roth Individual Retirement Accounts. Effective January 1, 2008, an Employee 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 or her spouse, will be permitted to rollover all or a portion of an eligible rollover distribution to a Roth Individual Retirement Account established under Section 408(A) of the Internal Revenue Code via a direct trustee-to-trustee transfer. Effective January 1, 2010, an Employee or spouse beneficiary will be permitted to rollover all or a portion of an eligible rollover distribution to a Roth Individual Retirement Account via a direct trustee-to-trustee transfer regardless of his or her adjusted gross income and regardless of his or her tax filing status.

7. **Treatment of ERISA 404(c) Accounts at Distribution:**

- (a) (i) Prior to September 1, 2001, if a less than total distribution, a loan, or an allocation to an alternate payee ("a partial transfer"), is being made from an Employee's account, and the Employee has an ERISA 404(c) account, the entire distribution, loan or allocation shall be taken from the pooled account of the Employee, if sufficient funds are available. Thereafter, the procedure in subsection (d) of this section, as in effect on June 1, 2001, shall apply to restore the Employee's pooled asset balance to the minimum required balance.
- (ii) Effective September 1, 2001, all partial transfers shall be made from all assets in the Employee's account, in proportion to their balances on the day of the transfer. If that causes the net pooled assets in the Employee's account to drop below \$10,000, the Employee's pooled assets shall be restored to \$10,000, as soon as it is practical to do so, by transfers from the ERISA 404(c) assets in proportion to their value on the day of the transfer to the transfer to the pooled assets. If the funding of a partial transfer causes the Employee's net pooled assets to drop below \$10,000, then the entire account shall be held in the pooled assets of the Plan, and the Employee may no longer direct the investment of his or her account.
- (b) If an Employee is receiving an eligible rollover distribution which is being rolled over, and the Plan mutual fund provider and the trustee of the Employee's rollover IRA so agree, then the Employee may elect to have some or all of his or her distribution made in shares of the assets from his or her ERISA 404(c) account. Effective September 1, 2001, the option to have in-kind distributions of mutual funds shall no longer be available.
- (c) If an Employee has elected to have distribution of his or her Plan account in installment payments, then at a reasonable time in advance of each distribution, the Administration Office shall make a partial transfer out of the Employee's account to fund each installment, under the procedures of subsection (a) (ii) of this Section 7.

8. **Forfeiture of Accounts:** If an Employee is eligible for a distribution under any provision of the Plan, and fails to make application therefore, the Trustees may, at their exclusive discretion, notify him or her in writing at his or her last known address advising him or her of the right to a distribution. If the Employee does not respond for three years after notification, or attempted notification, his or her account shall be forfeited. In the event an Employee's rights to benefits are forfeited, and

thereafter said Employee makes a written request for his or her account, it shall be disbursed to him or her.

ARTICLE 7 - LOAN PROGRAM

1. **Basic Loan Rules:** Employees may receive loans from the Plan in accordance with the rules to be adopted by the Trustees, or by an agency delegated with the responsibility of handling the loans. The amount of money which an Employee may borrow shall not exceed the lowest of the following amounts:

- (a) The amount of money needed for the purpose of the loan;
- (b) Half of the Employee's account balance; or
- (c) \$50,000, less any repayments in the last twelve months.

2. **Spousal Consent Requirements:** If an Employee is married, no loan may be secured by the Employee's interest in the Plan unless the Employee's spouse has given consent at such times as may be required by the Trustees or the agency delegated with the responsibility of handling the loans. However, such spousal consent shall be not considered valid if given more than 90 days prior to when the loan is to be secured.

3. **Security Requirements:** All loans shall be secured by the Employee's account balance. If an Employee fails to repay any part of a loan, and defaults thereon, the Plan shall take reasonable measures to collect any unpaid obligations. However, if the Plan is unable to collect any part of a loan, the rights of the Employee, or any beneficiary of the Employee, to a pension or related benefit, shall be reduced by the unpaid amount of the loan, which amount shall be declared a distribution from the Plan.

4. **Loan Purpose Rules:**

- (a) A loan may be made for any purpose, except that no loan may be made for the purpose of establishment of a company in the Plumbing and Pipefitting Industry unless that company is signatory to a collective bargaining agreement with the Local Union of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada having jurisdiction over the company's work in its geographical area of operations. If a loan is made for the establishment of a company in the Plumbing and Pipefitting Industry, and the company fails to become signatory to a collective bargaining agreement or ceases to remain signatory during

the term of the loan, then the loan shall be declared in breach, and shall be due and payable on the first day of the month following the first month in which the company operates without being signatory to such an agreement, and the borrower shall not be allowed any further loans.

- (b) No loan shall be made for a term greater than five years unless it is for the acquisition of a dwelling unit which will be used, within a reasonable period of time, as the principal residence of the Participant-borrower. A loan for the principal residence of the Participant-borrower may be made for any term which is consistent with the standards of commercial lenders for similar dwelling units.

5. **Creditworthiness Requirements:**

- (a) No loan shall be made to a Participant unless it is determined that the Participant is creditworthy. This determination shall be made in accordance with standards adopted by the loan program administrator. Such standards shall be subject to review by the Board of Trustees, and the denial of a loan, or of a requested term of a loan, is subject to appeal to the Board of Trustees.
- (b) Except as provided in subsection (c), no one creditworthiness factor shall be determinative of a Participant's eligibility for a Plan Loan, if on the whole it appears likely that the Participant is willing and able to repay the requested loan within the required period without a default. In reviewing a Participant's creditworthiness, the loan program administrator may consider any information provided by the Participant, and may consider not only his or her employment history, but also his or her employment prospects.
- (c) Notwithstanding any other provision of these rules:
 - (i) No Plan Loan shall be made to a Participant who has defaulted on a Plan Loan.
 - (ii) A Participant who is not current on a Plan Loan may not have a second Plan Loan.
 - (iii) A Participant may refinance an outstanding Plan Loan (and receive additional funds as part of the new loan), if creditworthy. However, if the original loan was subject to the five-year limitation on repayment, then the repayment schedule of the refinanced loan must provide for a repayment of a principal amount equal to, or greater than, the outstanding

principal amount of the first loan, by the original due date of the first loan.

6. **Interest Rate:** The interest rate on any Plan Loan shall be the greater of: (a) the then current prime rate, plus one and one-half percent; or (b) eight percent.

7. **Default:** Failing to make monthly loan installments when due results in a deemed distribution of the entire outstanding balance of the loan (including interest) at the time of such failure.

(a) **Cure Period:** However, the plan administrator may allow the Participant a cure period to repay the monthly arrears and avoid default. The cure period cannot continue beyond the last day of the calendar quarter following the calendar quarter in which the required installment payment was due.

(b) **Bona fide Leave of Absence:** A Participant may receive a deferment of payment obligations for up to one year if he is on a bona fide leave of absence without pay or at a rate of pay (after income and employment tax withholding) that is less than the amount of the installment payments required under the terms of the loan. However, the loan (including interest that accrues during the leave of absence) must be repaid by the latest permissible term of the loan and the amount of the installments due after the leave ends must not be less than the amount required under the terms of the original loan.

(c) **Military Leave of Absence:** A Participant's loan payment obligations will be suspended indefinitely while he is on leave from his employer and serving in the U.S. armed forces. However, loan repayment must resume upon completion of such period of military service and the loan must be repaid in substantially level installments over a period that ends not later than the latest permissible term of the loan.

ARTICLE 8 - MERGERS

1. No merger of the Plan, or transfer of its assets, shall be permitted which would result in any Employee receiving a benefit immediately after the merger or transfer which would be less than the benefit to which he or she would have been entitled if the Plan had been terminated immediately prior thereto.

ARTICLE 9 - MISCELLANEOUS RULES

1. Upon termination of the Plan the interests of all participating Employees shall become vested.
2. The interest of participating Employees shall not be subject to any manner of anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge by any person or entity except that an Employee may, with the approval of the Board of Trustees, direct that benefits due him or her may be paid to another for care and services rendered.
3. No part of the assets of this Defined Contribution Fund shall revert, or be payable, to any person or entity other than to the Employee by way of benefits under this Plan, nor shall any payment made to this Fund be liable or in any manner subject to the debts or liabilities of any participating association, Individual Employer, or the Union.
4. 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 regardless of whether the individuals are domiciled in a state that does not recognize the validity of same-sex marriage.

ARTICLE 10 - QUALIFIED DOMESTIC RELATIONS ORDERS

1. **Rights of Alternate Payees:** The benefits provided by this Plan are subject to any Qualified Domestic Relations Order ("QDRO") which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to an Employee under the Plan. It includes any judgment, decree or order (including approval of a property settlement agreement) which relates to the provision of child support, alimony payments, or marital property rights to a spouse, child or other dependent of an Employee and is made pursuant to a State Domestic Relations Law (including a community property law). Please note that the Plan's QDRO procedures and a model QDRO may be obtained from the Trust Fund Office.
2. **Notification Rules:** In the event that the Plan is served with an order, it shall promptly notify the Employee and any other alternate payee of the order and of the Plan Administrator's procedures for determining the qualified or unqualified status of the order.
3. **Lump Sum Distributions to Alternate Payees:** The Plan may make a lump sum distribution to an alternate payee, prior to the Employee's earliest distribution date,

of the benefits awarded to the alternate payee in a QDRO, provided the order has been served on the Plan, if the alternate payee is a former spouse or legally separated spouse, and the Plan is served a notice of judgment of final dissolution of the marriage or a judgment of legal separation.

4. **Treatment of ERISA 404(c) Accounts under QDRO:** If a QDRO allocates a portion of an Employee's account to an alternate payee to be maintained as an interest in the Plan, the allocated portion of the Employee's account shall be held in the pooled assets of the Plan, and shall not be counted as part of the Employee's net Plan account balance for purposes of satisfying the requirement of a minimum \$10,000 net pooled account balance. Under no circumstances may an alternate payee direct the investment of any portion of an Employee's account, including the portion allocated to the alternate payee.

ARTICLE 11 - APPEALS TO THE PLAN

1. No Employee, beneficiary, alternate payee named in a domestic relations order, or any other person shall have any right or claim to benefits under this Trust except as specified in the rules of the Trust or Plan. The procedures specified in this Article shall be the sole and exclusive procedures available to any such individual who is dissatisfied with an eligibility determination or benefit award, or who is adversely affected by any action of the Trustees, the Plan Administrator or any other Plan fiduciary. The Board of Trustees shall have full discretionary authority to interpret Plan language and to decide all claims or disputes regarding right, type, amount, duration of benefits, or claim to any payment from this Trust, and the Board's decision shall be final and binding on all parties.

2. Any person whose claim for benefits is wholly or partially denied, shall be notified in writing by the Administrator within a reasonable period of time, but not later than 90 days after receipt of the claim by the plan, unless the plan administrator determines that special circumstances require an extension of time for processing the claim. If an extension of time is necessary, written notice of the extension shall be furnished before the end of the 90-day period. The extension notice shall indicate the special circumstance requiring an extension of time and the date by which the plan expects to render a benefit determination.

3. The notice shall tell the claimant the reason for the denial and the section of the Trust or Plan on which the denial is based. If applicable, the notice shall request any additional information needed together with an explanation as to why the additional information is necessary. The notice will also explain the right to appeal the denial of the claim.

4. The claimant may then file an appeal in writing. This appeal shall be filed with the Plan Administrator not more than 60 days after the claimant has received written notice of the denial of the claim. Failure to file an appeal within 60 days will be a complete waiver of the claimant's right to appeal, and the initial decision of the Trust or Trustees will be final and binding.
5. The written appeal shall state in clear words, each reason why the claimant feels that the denial was in error. Documents supporting the appeal should be sent at the same time. The claimant may examine any documents in possession of the Trust or Trustees which are pertinent and relevant to the appeal.
6. After receipt of a timely filed appeal, the Board of Trustees will render a decision on appeal at the meeting immediately following the filing of the appeal, unless the appeal is filed within 30 days of the meeting, in which case the decision may be made at the second meeting following the appeal. If special circumstances require further extension, the decision will be made no later than the third meeting following the filing of the appeal. In such cases, the Plan will notify the claimant in writing of the extension, describing the special circumstances and the date the determination will be made, before the extension begins.
7. The plan administrator shall notify the claimant of the benefit determination as soon as possible, but not later than 5 days after the benefit determination is made.
8. The decision of the Trustees or their committee shall be in writing, and shall state the specific reasons for the decision with specific references to the Trust or Plan on which the decision is based.
9. Claims and appeals for distribution based upon total and permanent disability filed on or after January 1, 2002 shall be governed by the Special Claims and Appeals Procedures for Disability Retirement Benefits, set out in Article 12.
10. **Time Limit for Bringing a Lawsuit:** No legal action may be commenced or maintained against the Trust or the Plan more than two (2) years after an appeal for benefits has been denied. The determinations of the Board of Trustees are subject to judicial review only for abuse of discretion.

ARTICLE 12 - SPECIAL CLAIMS AND APPEAL PROCEDURES FOR DISABILITY RETIREMENT BENEFITS

These special claims and appeal procedures shall apply to all claims and appeals for distributions based upon total and permanent disability filed on or after January 1, 2002.

1. **Filing a Claim for Disability Retirement Benefits.**

- (a) To file a claim for Disability Retirement benefits, the Participant must submit a completed application form, with proof of disability, to the Trust Fund Office. Along with the claim form, the claimant may submit written comments, documents, records or other information relating to his or her claim. The Plan will provide access to and/or copies of all documents, records and other information relevant to the claim, upon request and free of charge. An authorized representative may act on behalf of the claimant in filing a claim for Disability Retirement benefits under this Plan.

2. **Notification Rules If The Claim For Benefits is Denied.**

- (a) **Time Limits and Requests for Additional Information.** If a claim for Disability Retirement benefits is denied, the Plan will notify the claimant as soon as reasonably possible, but no later than 45 days after the Plan received the claim. That time period may be extended for up to two additional 30-day periods, but only due to matters beyond the Plan's control. If the Plan needs a 30-day extension, it will notify the claimant, within 45 days of receiving the claim, of the following:

- (i) The reason for the delay,
- (ii) The expected date of decision,
- (iii) The basis on which the decision will be made,
- (iv) Any unresolved issues preventing a decision now, and
- (v) Any additional information the Plan needs to make the decision.

The claimant will then have up to 45 days to provide the specified information. The Plan's response period will be extended by any additional time it takes for the claimant to provide the requested information.

- (b) **Contents of Notice.** The Plan will provide the claimant with written notice if his or her claim for disability benefits is denied. The notice will include the following information:

- (i) A statement of the specific reason(s) for the denial;
- (ii) Reference to the specific Plan provision(s) on which the denial was based;

- (iii) If the Plan's decision relied upon an internal Plan rule, guideline, protocol or similar criterion, either the specific rule, or a statement that the specific rule was relied upon and that a copy of such rule will be provided free of charge upon request;
- (iv) A description of any additional information or documents that the claimant will need to submit if he or she wants the claim to be reconsidered, and an explanation of why that information is necessary;
- (v) A description of the Plan's appeal procedures. These will be found in a separate document, and must be followed in appealing the denial of benefits; and
- (vi) A statement of the claimant's right to bring a civil action under ERISA Section 502(a), if the appeal is unsuccessful.

3. **Appeal Procedures**

- (a) If a claim for Disability Retirement benefits has been denied, the claimant may appeal the denial to the Board of Trustees. Appeals must be in writing, and state in detail the matter or matters involved. To submit an appeal, the claimant must send a letter with any documents and information that he or she wants the Board to consider, to:

U. A. Local No. 393 Defined Contribution Pension Plan
c/o Benesys Administrators
1731 Technology Drive, Suite 570
San Jose, Ca 95110

Claimants must submit their appeals within 180 days of receiving a denial of benefits. If a claimant does not submit an appeal within 180 days of receiving a denial, he or she will be deemed to have waived any objection to the denial. The claimant may appear either in person and/or by his or her representative and may submit written or oral testimony in support of his or her appeal at the meeting of the Board of Trustees at which the appeal is heard.

- (b) The Board of Trustees shall have full discretionary authority to decide upon Plan benefits, to interpret the Plan language conclusively and to make a final determination of the rights of any Participant, beneficiary, assignee, or other person with respect to Plan benefits.

- (c) **Standard for Review.** In deciding the appeal, the Board of Trustees will take into account everything that the claimant submitted, even material that was submitted or considered in the initial benefit determination. The Board of Trustees will not give deference to the initial determination. Neither a person who made the initial determination nor such a person's subordinate shall have a vote in the decision on appeal.
- (d) In deciding an appeal that is based in whole or in part on a medical judgment, the Board of Trustees will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. The Board of Trustees will identify to the claimant any medical or vocational experts whose advice was obtained by the Plan in connection with the decision, whether or not the advice was relied upon in making the decision. The health care professional consulted on appeal will not be an individual who was consulted in connection with the initial benefit denial, or such a person's subordinate.

4. **Notification of the Board's Decision on Appeal**

- (a) **Time Limits.** The Board of Trustees will render a decision on appeal at the meeting immediately following the filing of the appeal, unless the appeal is filed within 30 days of the meeting, in which case the decision may be made at the second meeting following the appeal.
- (b) If special circumstances require further extension, the decision will be made no later than the third meeting following the filing of the appeal. In such cases, the Plan will notify the claimant in writing of the extension, describing the special circumstances and the date the determination will be made, before the extension begins.
- (c) The Plan will notify the claimant of the decision as soon as possible, but no later than 5 days after the decision is made. The Plan's response period will be extended by any additional time it takes for the claimant to provide the requested information.
- (d) **Contents of Notice.** The Plan will send the claimant written notice of the Board of Trustees' decision on appeal. If the appeal has been denied, the notice will include the following information:
 - (i) The specific reason(s) for the denial;
 - (ii) Reference to the specific Plan provision(s) on which the denial is based;

- (iii) If the decision relied upon an internal Plan rule, guideline, protocol or similar criterion, either the specific rule, or a statement that the specific rule was relied upon and that a copy of such rule will be provided free of charge upon request;
 - (iv) A statement that the claimant may view and receive copies of documents, records or other information relevant to the claim, upon request and free of charge; and
 - (v) A statement of the claimant's right to bring a civil action under ERISA Section 502(a).
- (e) The procedures specified in this section shall be the sole and exclusive procedures available to any such individual who is dissatisfied with an eligibility determination or benefit award, or who is adversely affected by any action of the Trustees, the Trust Fund Office or any other Plan fiduciary. The Board of Trustees reserves the full discretionary authority to interpret Plan language and to decide all claims or disputes regarding right, type, amount or duration of benefits, or claim to any payment from this Trust. The decision of the Board of Trustees on any matter within its discretion shall be final and binding on all parties.

5. **Time Limits for Bringing a Lawsuit:** No legal action may be commenced or maintained against the Trust or the Plan more than two (2) years after an appeal for benefits has been denied. The determinations of the Board of Trustees are subject to judicial review only for abuse of discretion.

IN WITNESS WHEREOF, the Trustees have approved and adopted this U.A. Local No. 393 Defined Contribution Plan, 401(k) Profit Sharing Plan and Money Purchase Plan, effective January 1, 2015.

Chairman

Bill Guthrie

Co-Chairman

Larry Gates

SUPPLEMENTARY INFORMATION ABOUT THE PLAN

This plan is known as the U. A. Local No. 393 Defined Contribution Plan or "Part B" (formerly the U. A. Local No. 393 Supplemental Savings and Pension Augmentation Plan). The Trust Fund is known as the U. A. Local No. 393 Pension Trust Fund. The Employer Identification Number assigned to the plan by the Internal Revenue Service is 94-6075617, Plan No. 003.

The Plan Year extends from January 1 of each year through December 31 of the same year.

The Plan is administered directly by the Board of Trustees with the assistance of a contract manager, designated throughout this booklet as the Administration Office. The agent for service or process is the Fund Legal Counsel, and service may also be made upon any of the Trustees at their regular places of business or upon the Administration Office. The addresses and phone numbers of the individual trustees, the Administration Office, and Legal Counsel are listed below.

The Plan is maintained under Collective Bargaining Agreements between U. A. Local No. 393 and employer associations, including the Northern California Mechanical Contractors Association, Industrial Contractors (UMIC), Inc., Plumbing-Heating-Cooling Contractors Association of the Greater Bay Area, Inc., and Santa Clara Valley Contractors Association, as well as a number of Individual Employers not affiliated with any particular association. Copies of these Collective Bargaining Agreements may be obtained upon written request to the Administration Office or to the Local Union. A complete list of unions, employer and employer associations maintaining the Plan is available upon written request to the Administration Office, and is available for inspection by Participants and beneficiaries upon request and reasonable notice. Participants and beneficiaries may also request a statement whether a particular employer or union is a sponsor of the Plan, and if so, their address.

The Plan is funded by mandatory contributions which are fixed by the Collective Bargaining Agreements at certain rates per hour for each hour worked by each of the Employees of the participating Individual Employers. Employees may also elect to have cash or deferred arrangement ("elective contributions").

The assets of the Plan are held in trust under a written custodial agreement.. The assets of the Plan are invested in diversified portfolios under the discretionary investment control of qualified investment managers selected from time to time by the Board of Trustees.

CONTACT INFORMATION

BOARD OF TRUSTEES

LABOR TRUSTEES

Mr. Bill Guthrie
U. A. Local No. 393
6150 Cottle Road
San Jose, CA 95123
(408) 225-3030

Mr. Scott Estep
U. A. Local No. 393
6150 Cottle Road
San Jose, CA 95123
(408) 225-3030

Mr. Frank Austin
U. A. Local No. 393
6150 Cottle Road
San Jose, CA 95123
(408) 225-3030

Mr. Wayne Machado
U. A. Local No. 393
6150 Cottle Road
San Jose, CA 95123
(408) 225-3030

Mr. Wade La Pearle, Alternate
U. A. Local No. 393
6150 Cottle Road
San Jose, CA 95123
(408) 225-3030

EMPLOYER TRUSTEES

Mr. Larry Gates
1731 Technology Drive, Suite 570
San Jose, California 95110
Telephone: (408) 588-3770

Mr. Doug Jones
1731 Technology Drive, Suite 570
San Jose, California 95110
Telephone: (408) 588-3770

Mr. Scott Strawbridge
1731 Technology Drive, Suite 570
San Jose, California 95110
Telephone: (408) 588-3770

Mr. Michael J. Vlaming
1731 Technology Drive, Suite 570
San Jose, California 95110
Telephone: (408) 588-3770

Mr. Bill Whitney, Alternate
1731 Technology Drive, Suite 570
San Jose, California 95110
Telephone: (408) 588-3770

ADMINISTRATION OFFICE

Benesys Administrators
1731 Technology Drive, Suite 570
San Jose, California 95110
Telephone: (408) 588-3770

www.ualocal393benefits.org

**PENSION CONSULTANT AND
PLAN ACTUARY**

Mr. Sidney T. Kaufmann
Ms. Marci Vukson
Kaufmann & Goble Assoc., Inc.
160 West Santa Clara Street,
Suite 1550
San Jose, CA 95113
(408) 298-1170 (phone)
(800) 293-1170 (self-directed
accounts)

LEGAL COUNSEL

Mr. George Kraw
Ms. Katherine McDonough
Kraw and Kraw
605 Ellis Street, Suite 200
Mountain View, CA 94043
(650) 314-7800

MEMBER ADVOCATE

1731 Technology Drive, Suite 570
San Jose, CA 95110
(408) 464-3738

INVESTMENT CONSULTANT

Mr. Don Grijalva
Wells Fargo Advisors
550 South Winchester Blvd., Suite 601
San Jose, CA 95128
(408) 947-3120

PLAN AUDITOR

Mr. Alex Miller
Ms. Melissa Evjenth
Hemming Morse, LLP
101 Montgomery Street, Suite 1400
San Francisco, CA 94104
(415) 836-4000

STATEMENT OF ERISA RIGHTS

As a Participant in the U. A. Local No. 393 Defined Contribution Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan Participants shall be entitled to:

Receive Information About Your Plan and Benefits

- (a) Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- (b) Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- (c) Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each Participant with a copy of this summary annual report.
- (d) Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.
- (e) Pursuant to the Pension Protection Act of 2006, obtain upon written request, copies of certain other documents that have been in the Plan administrator's possession for more than 30 days. Please contact the Plan administrator for more information. The administrator may make a reasonable charge for copies.
- (f) Obtain, upon written request, copies of any amortization extension request filed with the Secretary of Treasury and any determination

thereof. The administrator may make a reasonable charge for copies.

Prudent Actions by Plan Fiduciaries

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

Enforce Your Rights

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court; however, your right to sue may be limited by the court if you have failed to exhaust your plan appeal rights. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, which is the San Francisco Regional Office, 71 Stevenson Street, Suite 915, P.O. Box 190250, San Francisco, CA 94105 (415) 975-4600, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.