

**ARIZONA SHEET METAL  
PENSION TRUST FUND**

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**July 1, 2011**

The Internal Revenue Service has assigned  
to this Plan the number 86-6069718.

## **ARIZONA SHEET METAL PENSION TRUST FUND**

### **A MESSAGE FROM THE BOARD OF TRUSTEES**

#### **To All Covered Employees:**

We are happy to provide you with a new booklet explaining the updated Pension Plan, which recently received a favorable tax-qualification determination letter from the Internal Revenue Service. All changes since the last booklet was printed have been incorporated. This booklet replaces and supersedes any prior booklets describing the Pension Plan. Some of the changes may affect your eligibility to receive benefits. We believe that you will want to read these rules and their explanation very carefully in order to understand your rights to a pension.

We have tried to explain all sections of the Plan as clearly as possible. Although every effort has been made to ensure that the terms of the Summary Plan Description and the Rules and Regulations are consistent, should a contradiction exist between these two documents, the terms of the Rules and Regulations will govern.

Please remember when reading the Plan that if the facts and circumstances of a particular situation occurred prior to July 1, 2011 the provisions of the Plan in effect at the relevant date must be applied. Those provisions may be different from the Plan presently in effect and contained in this booklet.

This is a complicated document and therefore it is likely that you will have questions after reading this booklet. You can call or write the Administrative Office for answers to any questions you may have about the Plan and how any rule affects you and your beneficiaries.

For your protection, only the full Board of Trustees is authorized to interpret the Plan. Information you receive from the Union or individual employers or their representatives should be regarded as unofficial. Any information or opinion concerning your rights under the Plan, to be official, must be communicated to you in writing, signed on behalf of the full Board of Trustees.

Please be sure to inform the Administrative Office of the Pension Trust of any change in your mailing address to ensure that you receive all communications.

We hope that you will find this booklet helpful and that you and your family will enjoy the protection of the Plan for many years to come.

Sincerely,

**BOARD OF TRUSTEES**

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## ARIZONA SHEET METAL PENSION TRUST FUND

### A BRIEF HISTORY OF THE PLAN and SOME KEY PENSION PLAN TERMS

The Arizona Sheet Metal Pension Trust Fund was formed in the 1960's by Sheet Metal Workers International Association Local Union No. 359 and a number of area sheet metal industry employers represented by the Air Conditioning Contractors of Arizona. Because construction industry employees, including sheet metal workers, rarely work for one employer for the extended time periods usually required for pensions, the collective bargaining parties designed the trust fund as a "multiemployer" fund so that work for a number of **different** employers could give rise to **one** pension benefit.

Under the multiemployer trust fund arrangement, industry employers make contributions to the fund, in amounts fixed by the collective bargaining agreement, on behalf of covered employees. The Trust Fund's Board of Trustees, which consists of industry labor and management leaders, receives these contributions, holds them in a trust for the benefit of the employees, then invests them for the future.

As noted above, pensions are a reward for extended service in the industry. To clarify the kinds of service and the extent of service necessary for an employee to earn a retirement income, the Board of Trustees has adopted rules and regulations governing the provision of pensions. These Rules and Regulations, as recently restated, are set forth in the Pension Plan Document, which is reproduced in the following pages.

The Pension Plan rules can **generally** be summarized as follows. An *Active Participant* (an industry employee working in *Covered Employment*) who has earned sufficient *Vesting Service* or *Pension Credit* without an intervening *Break in Covered Employment*, will be entitled to a pension, in an amount fixed by the number of *Pension Credits* earned, upon *Retirement* and application to the *Administrative Office* of the Trust after the attainment of any age requirements for a Pension.

The following explains the terms italicized in the previous paragraph, and some other basic terms used in this booklet.

**Active Participant:** An employee who meets the requirements for participation in the Plan and excludes a Pensioner, Beneficiary or Vested Participant who is not employed by an Employer. Please see the section on "Participation" on page 4 for further detail.

**Covered Employment:** Work by an Employee for which an Employer is required to contribute to this Pension Fund.

**Pension Credit:** Units that measure the amount of time an Employee has worked in Covered Employment, which can be used to determine when an Employee qualifies for a pension and are used to determine the amount of the pension. As explained later in this book, there are two types of Pension Credit: Past Service Credit for periods before June 16, 1965, and Future Service Credit for periods on and after June 16, 1965.

**Vesting Service:** Years of service earned after an Employee's Contribution date which are used to determine if an Employee is vested and qualifies for a Vested Service Pension.

**Break in Covered Employment:** Failure to earn a required minimum of Vesting Service Credit over specific periods of time can result in a Break in Covered Employment. Unless certain conditions are met, a Break in Covered Employment can cause the loss of an Employee's previously earned Pension Credit and Vesting Service. This is known as a Permanent Break in Covered Employment. However, there are provisions for curing Breaks in Covered Employment before they become Permanent Breaks.

Detailed explanations of what causes a Break in Covered Employment, what can make it Permanent, and how Breaks can be repaired are in the section on "Breaks in Covered Employment".

**Retirement:** Generally, the cessation of work in the industry. After Normal Retirement Age, as defined by the Plan, the Participant must only withdraw from work in excess of 40 hours per month in the same industry, trade or craft, and geographic area of the Plan, to be considered retired.

**Administrative Office:** This is the office to which you should send **all** communications about your pension, especially anything for the attention of the Board of Trustees. This includes questions about your rights, benefits and responsibilities, and any notice you may be required to give the Plan. The address and phone number are:

Arizona Sheet Metal Pension Trust Fund  
Southwest Service Administrators, Inc.  
2400 West Dunlap Avenue, Suite 250  
Phoenix, AZ 95021-2811  
(602) 249-3582  
toll free (800) 474-3485

**Plan Year:** The twelve consecutive month period from July 1 of one year to June 30 of the immediately-following year. Vesting Service, Pension Credit, and Breaks in Covered Employment are all measured by the Plan Year.

**Related Plans:** The Trustees have made reciprocal agreements with plans covering Employees in certain other areas. These are known as Related Plans. Under these agreements, it is possible for work covered by Related Plans to be considered together with work covered by this Plan in order to enable an Employee to qualify for pension benefits or for a higher benefit or to avoid a Break in Covered Employment. A list of Related Plans and specific conditions which apply are in the section on Related Plan Pensions.

**EXPLANATIONS OF OTHER TECHNICAL TERMS AND FURTHER DETAIL WILL BE FOUND IN THE FOLLOWING EXPLANATORY MATERIAL AND TEXT OF THE PENSION PLAN.**

**NOTE: The updated Pension Plan described in this booklet applies only to retirements which begin on or after July 1, 2011. If you have any questions regarding your status under the Plan, please check with the Administrative Office.**

## **PARTICIPATION**

You will become an Active Participant in this Plan on either the January 1 or July 1 immediately following a consecutive 12-month period during which you complete at least 351 Hours of Service in Covered Employment. Hours of Service with an Employer in non-Covered Employment also may count toward this requirement if that non-Covered Employment is continuous with your Covered Employment.

If you have a One Year Break in Covered Employment, you will no longer be a Participant unless you are “vested”, which is explained in more detail starting on page 8. An inactive individual will attain Active Participant status in the Plan once that individual again completes 351 Hours of Service in Covered Employment as noted in the previous paragraph.

## **PENSION CREDIT**

Pension Credit is generally required to qualify for any type of pension provided by the Plan, and is used in all events to figure the amount of your pension. Your Pension Credit is based on your years of service **in Covered Employment**. There are two types of Pension Credit - Past Service Credit earned for periods before June 16, 1965, and Future Service Credit for periods on or after June 16, 1965.

One Pension Credit represents roughly one Plan Year (July 1 through June 30) of service in Covered Employment. If you work less than the number of hours required for one full Pension Credit within a Plan Year, you can be credited with a fraction of a credit.

The number of hours you must work within a Plan Year to earn one Pension Credit or a fraction of one Credit is specified in schedules which are part of the Rules and Regulations of the Plan. The following summarizes the rules for determining Pension Credit:

### **Past Service Credit (for work before June 16, 1965)**

For work performed before June 16, 1965, you will receive one Pension Credit for each Plan Year in which you worked at least 1,400 hours in any classification included in the Collective Bargaining Agreements in the geographical jurisdiction of the Union.

For a Plan Year in which you have less than 1,400 hours but worked at least 117 hours, you would receive one-twelfth of a year of Past Service Credit for each full 117 hours of work.

Since it may be difficult for you to establish your past years of service because of employment patterns in those years, Past Service Credit may be granted for the period of your membership in the Union in the areas covered by the Plan.

### **Future Service Credit (for work on and after June 16, 1965)**

For work performed after June 16, 1965 and before July 1, 1992, you will receive Future Service Credit based on your hours of work in Covered Employment in accordance with the following schedule:

<b>Hours Worked in a Plan Year</b>	<b>Pension Credit</b>
Less than 350 hours	None
350 - 699	One-Quarter
700 - 1,049	Two-Quarters
1,050 - 1,399	Three-Quarters
1,400 and over	One Year

For work performed on and after July 1, 1992 and before July 1, 1996, you will receive Future Service Credit based on your hours of work in Covered Employment in accordance with the following schedule:

<b>Hours Worked in a Plan Year</b>	<b>Pension Credit</b>
Less than 350 hours	None
350 to 467	3/12
468 to 583	4/12
584 to 700	5/12
701 to 817	6/12
818 to 933	7/12
934 to 1,050	8/12
1,051 to 1,167	9/12
1,168 to 1,283	10/12
1,284 to 1,399	11/12
1,400 or more hours	One Year

For work performed on and after July 1, 1996, you will receive Future Service Credit based on your hours of work in Covered Employment in accordance with the following schedule:

<b>Hours Worked in a Plan Year</b>	<b>Pension Credit</b>
Less than 350 hours	None
350 to 467	3/12
468 to 583	4/12
584 to 700	5/12
701 to 817	6/12
818 to 933	7/12
934 to 1,050	8/12
1,051 to 1,167	9/12
1,168 to 1,283	10/12
1,284 to 1,399	11/12
1,400 to 1,749	One Year
1,750 or more hours	1 3/12

If you work in Covered Employment in a Journeymen classification under Collective Bargaining Agreements which allow for a lower contribution rate, your Future Service Credit for the hours worked on or after August 1, 1988 will be calculated on a proportional basis. Effective for hours worked on or after July 1, 2011, this also applies to all classifications (except apprentices) of Covered Employment under Collective Bargaining Agreements which allow for a lower contribution rate.

If you work less than 350 hours in Covered Employment in a Plan Year, but earn a Year of Vesting Service, you will receive partial Future Service Credit equal to the number of hours worked divided by 2,000.

## **VESTING SERVICE**

Vesting Service is another measure, for pension purposes, of your work in Covered Employment. However, Vesting Service differs from Pension Credit in several respects: (1) it is earned only for work after June 16, 1965; (2) it is calculated by a different formula; and (3) it only establishes your right to a Vested Service Pension (as explained on page 20). The amount of your pension is calculated on the basis of your Pension Credit.

You earn one year of Vesting Service for each Plan Year following June 16, 1965 in which you complete 1,000 or more Hours of Service in Covered Employment in that year. If you work less than 1,000 hours in a Plan Year, you will not earn any Vesting Service for that year. If you complete more than 1,000 hours in the Plan Year, you still receive one year of Vesting Service for the year.

In counting Hours of Service, you count not only hours for your work covered by the Collective Bargaining Agreement, but subject to certain limitations, all hours paid for, including vacation, holidays, and time spent while on disability and covered by certain kinds of disability benefits. Hours of Service will also include hours of employment in Continuous Non-Covered Employment after June 30, 1976.

## **VESTING OF CREDITS**

You can achieve Vested status in three ways:

1. By earning at least five (5) years of Vesting Service without a Permanent Break in Covered Employment with at least one Hour of Service as an Active Participant on or after January 1, 1999. Prior to January 1, 1999, an employee achieved vested status by earning at least ten (10) years of Vesting Service without a Permanent Break in Covered Employment.
2. By earning, without a Permanent Break, at least ten (10) years of Pension Credit, provided this includes at least one hour of work in Covered Employment after June 16, 1965. The ten (10) years of Pension Credit earns you a right to an Early Retirement Pension at any time after reaching age 55 or a Regular Pension at any time after age 62.
3. Being an Active Participant on the date you reach Normal Retirement Age (see page 21). All Future Service Credit not canceled by a Permanent Break in Covered Employment will be vested on the date an Active Participant attains Normal Retirement Age. Such a Participant will be eligible for a Special Normal Retirement Age Vested Pension as described on page 21.

A non-bargaining unit employee covered by this Plan will become vested if he has earned at least five (5) Years of Vesting Service, so long as he also has earned at least an Hour of Service on or after July 1, 1989.

Once you are fully vested, you cannot lose your accumulated Pension Credit or Vesting Service through a Break in Covered Employment. You will be entitled to receive a pension starting at

the permitted retirement age even if you leave Covered Employment or earn no additional Pension Credit or Vesting Service.

Before July 1, 1976, an Employee was fully vested after he had accumulated at least ten (10) years of Pension Credit not interrupted by a Permanent Break in Covered Employment.

## **BREAK IN COVERED EMPLOYMENT**

The Pension Plan was created to provide security for Employees who earn their living over a major portion of their working years through work in the industry. To make sure the Plan can fulfill its responsibilities to these Employees and their beneficiaries, numerous safeguards had to be established; among these are provisions which concern Breaks in Covered Employment.

If you don't earn a required amount of Pension Credit or Vesting Service over a specified period of time, you will have a Break in Covered Employment. If the Break is prolonged beyond specified limits, it can become a Permanent Break in Covered Employment, and - unless you already have met the requirements for vesting - can result in the loss of previously earned Pension Credit and Vesting Service. There is also, however, a Plan rule for repairing a Break in Covered Employment.

The loss of Pension Credit and Vesting Service due to a Permanent Break in Covered Employment can be a costly and painful loss to any Employee. It is important, therefore, for you to understand the Break in Covered Employment rules, particularly how a Break can become permanent and how to prevent this from happening. As explained further in this section, Breaks in Covered Employment are determined **in sequence** according to the particular rules in effect at the time the Break occurs.

### **Permanent Break in Covered Employment Before July 1, 1976**

Before July 1, 1976, you had a Permanent Break in Covered Employment, and your previously accumulated Pension Credit was canceled if you failed to earn at least one-quarter of Future Service Credit in a period of two (2) consecutive Plan Years. There were exceptions to this rule, called "grace periods."

### **Grace Periods Before July 1, 1976**

You may be eligible for a grace period if the failure to earn the required Pension Credit is for certain specified reasons. A grace period extends the time which the Employee has to earn the required one-quarter Pension Credit. A grace period does not count as service for additional Pension Credit. Grace Periods are recognized for:

1. Disability.
2. Service in the Armed Forces.

Grace periods of up to three consecutive calendar years may be granted for disability. If you served in the Armed Forces, a grace period will be allowed for the period of time in which you retain re-employment rights under Federal Law, provided you make yourself available for work in Covered Employment within 90 days after release from active duty. If you are absent from Covered Employment and are in a grace period, you will resume earning Pension Credit when you return to Covered Employment.

**Note:** There are time limits for applying to the Trustees for recognition of grace periods. Be sure to contact the Administrative Office if you think you might qualify for a grace period.

## **One Year Break in Covered Employment after July 1, 1976**

After July 1, 1976, you have a one-year Break in Covered Employment if you fail to complete 350 Hours of Service in a Plan Year. This Break can be temporary or permanent, depending on how many years of Pension Credit or Vesting Service you have accumulated. In counting Hours of Service, you count not only hours you have performed work covered by the Collective Bargaining Agreement, but all hours paid for, including vacations, holidays, periods of disability, and employment with an Employer in work not covered by the Plan if Vesting Service is granted for such employment. Beginning July 1, 1986, you may be credited with Hours of Service if you are on parental leave as defined in the Rules and Regulations. You do **not** earn Pension Credit, however, for any such Hours of Service.

A one-year Break in Covered Employment incurred after July 1, 1976, can be repaired if you have a Plan Year in which you are credited with 350 or more Hours of Service. A succession of one-year Breaks-in-Service — provided they don't add up to a Permanent Break — can be repaired in the same way: by **one** Plan Year of at least 350 Hours of Service.

If you work fewer than 350 hours in a Plan Year, make sure the Administrative Office is notified of periods when you are disabled or have other paid non-work periods which should be counted to avoid a Break.

## **Permanent Break in Covered Employment Between July 1, 1976 and July 1, 1986**

During this period, a Break becomes permanent if you have consecutive one-year breaks in Covered Employment **and** the number of consecutive one-year Breaks equals or exceeds the number of years of Pension Credit or Vesting Service you had previously accumulated.

***For example:*** If during the period from July 1, 1976 through July 1, 1980 you had worked for four (4) Plan Years and earned four years of Pension Credit or Vesting Service, you would not lose those years unless you then had four consecutive Plan Years (1980-1984) with less than 350 hours in each year.

But, taking the same example, suppose instead of having four one-year Breaks, you had only three and then had a year in which you worked more than 1,000 hours in Covered Employment. That good year would cancel the three previous Breaks. It would also give you an additional year of Vesting Service, making five. You then would not incur a Permanent Break in Covered Employment unless and until you had at least five consecutive one-year breaks after your last 1,000 hour year.

## **Permanent Break in Covered Employment After July 1, 1986**

Beginning July 1, 1986, you have a Permanent Break in Covered Employment if you have five or more consecutive one-year breaks in Covered Employment **and** the number of one-year breaks equals or exceeds the number of years of Vesting Service or Pension Credit you have earned.

Related Credit under Related Plans, as described on pages 22 and 23, can help prevent a Permanent Break. However, once contributions stop to this Plan or a Related Plan, the

determination as to whether you have a Permanent Break in Service under this Plan will be based solely on Pension Credit or Vesting Service earned under this Plan.

### **Cure Rule for a Permanent Break in Covered Employment**

Effective July 1, 1999, you may cure the effects of a Permanent Break by (1) having at least one Hour of Service on or after July 1, 1999, (2) completing at least 351 hours in Covered Employment in each of five consecutive Plan Years, (3) earning at least five Pension Credits during or after those five consecutive Plan Years, and (4) having an Annuity Starting Date that is on or after August 1, 1999. By fulfilling all four of these requirements, your Permanent Break will be waived and all your Pension Credit and Years of Vesting Service will be restored.

### **Summary of the Provisions on Break in Covered Employment after July 1, 1976:**

- You incur a one-year break if you do not have at least 350 Hours of Service within a Plan Year.
- A one-year break can be repaired provided you don't accumulate so many consecutive one-year breaks as to establish a Permanent Break.
- For the period July 1, 1976 to July 1, 1986, a Break becomes permanent when the number of consecutive one-year Breaks equals or exceeds the years of Vesting Service or Pension Credit previously accrued.
- After July 1, 1986, a Break becomes permanent when you have five or more consecutive one-year Breaks and the number of consecutive one-year Breaks equals or exceeds the years of Vesting Service or Pension Credit accrued.
- Anytime **before** the break becomes permanent, you can repair a series of one-year Breaks with one Plan Year in which you have more than 350 Hours of Service.
- Once you incur a Permanent Break in Covered Employment all of your previously accumulated Pension Credit and Vesting Service is canceled unless you meet the criteria for a cure of your break on after July 1, 1999.
- A Pensioner or Vested Participant cannot incur a Permanent Break in Covered Employment.

## SEPARATION FROM COVERED EMPLOYMENT

The calculation of pension benefits under this Plan is subject to the rule for Separation from Covered Employment. A Separation from Covered Employment can determine if a past Pension Credit multiplier amount (or “rate”) must be used to figure the amount of all or a portion of your pension.

You will have a Separation from Covered Employment if you have two consecutive one-year Breaks in Covered Employment. A one-year Break in Covered Employment is fully explained on page 11. You will be considered to be “separated” as of the beginning of that two-year period.

If you have a Separation from Covered Employment, your benefit amount is “frozen” at the benefit rate in effect at the beginning of your Separation (but in no event less than the rate in effect on May 1, 1979). If you later return to work in Covered Employment and earn additional Pension Credit, your pension benefit for those **additional** credits will be calculated based on the benefit rate in effect at the time of your actual retirement or a later Separation, if any.

Once you have accumulated 25 years of Pension Credit, the Separation from Covered Employment rules do not apply and all previous Separations will be cured.

You may eliminate the effects of a Separation if your Annuity Starting Date is on or after August 1, 1999, you have an Hour of Service on or after July 1, 1999, you worked 351 or more hours in Covered Employment in each of 5 consecutive Plan Years, and you earned at least five Pension Credits during or after those five years.

If your Separation is part of a Permanent Break and you have cured your Permanent Break, you can eliminate the effects of that Separation by earning additional Pension Credits. Each year of Pension Credit earned subsequent to the cure of the Permanent Break will eliminate the effect of the Separation with respect to one Pension Credit.

## **CREDIT FOR PERIODS OF MILITARY SERVICE**

Effective for reemployments occurring on or after December 12, 1994, Participants who satisfy conditions imposed by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) will be entitled to have their period of military service count for purposes of earning Future Service Credit, Years of Service for vesting, avoiding a Break in Service, and avoiding a Separation from Covered Employment. To receive credit, your absence from Covered Employment must be on account of Qualified Military Service and you must be in Covered Employment at the time you entered military service. You must also return to Covered Employment after your military service ends. However, if you die or become disabled during a period of Qualified Military Service on or after January 1, 2007, you will receive credit even if you do not return to Covered Employment.

Your entitlement to benefits for time spent in military service depends on your compliance with other legal requirements of USERRA, including the following:

- Advance notice was given to your employers, informing them that your absence from employment is because of military service.
- Your discharge from military service must not be on conditions other than honorable.
- The total length of your absence due to military service may not exceed five years.
- You report or submit an application for reemployment following military service within the time allowed by law.

Your time served will be credited on the basis of your average weekly hours earned during the twelve month period immediately preceding the period of Qualified Military Service (or, if shorter, the period of employment immediately preceding the period of Qualified Military Service). Until you or your employer notifies the Administrative Office that you have met the foregoing conditions, you will not receive any credit for your military service.

As the rules for crediting military service are complex, we recommend that you contact the Administrative Office before you leave and after you return from military service. If you think you may be eligible for Pension Credit for a period of military service, please provide the Administrative Office with accurate records of your service.

## TYPES OF PENSION

Several types of pensions are available to Employees under this Plan. Eligibility requirements, as to Pension Credit, age, and other factors, vary for the different types of pensions. However, in order to be eligible for any type of pension provided under this Plan, you must file an application with the Administrative Office. The Administrative Office can advise you about your eligibility and explain various factors which should be considered when you are ready to think about retirement.

This section describes the types of pensions and the service, age and other requirements for each. The amount of monthly pension payment with each type will vary according to a number of factors, including when your Pension Credit was earned, when you apply for a pension, the options you select, etc. Information which affects the amount of payment will be found in the section on "Provisions Affecting Beneficiaries" as well as in this section.

**Note:** The monthly pension payable to a married Employee, no matter which type of pension, will be reduced as explained under the Husband-and-Wife Pension, unless the Employee and spouse decide they want the pension paid as a single-life pension (as explained on page 24). If you are married at retirement, but do **not** want the Husband-and-Wife Pension provision to apply, you and your spouse must reject this form of payment in writing with the Administrative Office when you apply for a pension.

### **Regular Pension**

**Eligibility:** Upon application, you are eligible for a Regular Pension if you meet all the following requirements:

1. You are at least 62 years of age.
2. You have at least 10 years of Pension Credit without a Permanent Break in Covered Employment.
3. You worked at least one hour in Covered Employment after June 16, 1965.

If you have worked in Noncovered Employment after August 1, 1993 (see page 32), the effective date of your Regular Pension may be delayed unless you have returned to Covered Employment for at least as long as you worked in Noncovered Employment. However, the effective date will not be delayed beyond your Normal Retirement Age.

### **Pension Amount:**

For pensions effective on or after July 1, 1996, the monthly amount of a Regular Pension shall be equal to the sum of the following:

1. \$18.75 for each full year (\$4.6875 for each quarter) of Pension Credit earned before June 1, 1965, plus

2. \$50.00 for each full year (\$12.50 for each quarter) of Pension Credit earned between June 16, 1965 and July 1, 1979, plus
3. \$60.00 for each full year (\$15.00 for each quarter) of Pension Credit earned after July 1, 1979.

This amount is for a single-life pension, and will be reduced for a Husband-and-Wife pension, if applicable. Only Pension Credit earned after any Permanent Break in Covered Employment counts for this purpose.

### **Delayed Retirement**

If the effective date of your pension is on or after July 1, 1989 and is after your Normal Retirement Age (generally age 65, but see page 21), and you do not work at least 40 hours in prohibited employment (see page 30) each month between Normal Retirement Age and your Annuity Starting Date, your benefits may be calculated differently. In no event will the effective date of your pension be later than your "Required Beginning Date" (April 1 immediately following the calendar year in which you reach age 70½).

After your Normal Retirement Age but before your Required Beginning Date, you will receive the greater of:

1. the benefit calculated on the basis of your total years of Pension Credit earned at actual retirement and the pension multiplier rate in effect at that time; or
2. the benefit you would have received if you had retired at Normal Retirement Age, calculated using your Pension Credit as of that date and the multiplier rate then in effect, actuarially increased for each month after your Normal Retirement Age in which you work **less** than 40 hours in prohibited employment (see page 30). The actuarial increase will be 1% per month for the first 60 months after Normal Retirement Age, and 1.5% per month for each month thereafter.

**For example:** You have 25 years of Future Service Pension Credit earned when you reach Normal Retirement Age on July 1, 2009. Instead of retiring, you continue to work sporadically. During the next two years, you earn an additional two Pension Credits, but had 9 months in which you worked less than 40 hours. Your benefit (without taking into account payment options or a Separation) would be the greater of:

- 27 total years of Pension Credit on July 1, 2011:  
     (22 years x \$60.00) = \$ 1,320.00  
     (5 years x \$50.00) = \$ 250.00  
                                   **\$ 1,570.00**

**OR**

- Benefit payable at Normal Retirement Age (July 1, 2009):  
     (20 years x \$60.00) = \$ 1,200.00  
     (5 years x \$50.00) = \$ 250.00  
                                   **\$ 1,450.00**

Plus an actuarial increase for 9 months in which you work fewer than 40 hours

$9 \text{ months} \times 1\% = 9\%$

$\$1,450.00 \times 9\% = \$130.50$

$\$130.50 + \$1,450.00 = \mathbf{\$1,580.50}$

Since the benefit is greater under the second method (using 25 years of Pension Credit accumulated as of Normal Retirement Age), the benefit for delayed retirement in this case would be \$1,580.50.

### **Early Retirement Pension**

If you wish to retire before age 62, you may retire on an Early Retirement Pension as early as age 55 if you meet the service requirements. Monthly payments for early retirement will be lower depending on your age when you retire and the amount of Pension Credit you have at retirement

**Eligibility:** Upon application, you are eligible for an Early Retirement Pension if you meet the following requirements:

1. You are at least age 55.
2. You have at least ten (10) years of Pension Credit without a Permanent Break in Covered Employment.
3. You worked at least one hour in Covered Employment after June 16, 1965.

If you have worked in Noncovered Employment after August 1, 1993 (see page 32), the effective date of your Early Retirement Pension may be delayed unless you have returned to Covered Employment for at least as long as you worked in Noncovered Employment. However, the effective date will not be delayed beyond your Normal Retirement Age.

### ***Pension Amount***

With an Early Retirement Pension, you will receive less than 100% of the Regular Pension payment because you are retiring at an earlier age and, therefore, it is likely you will be paid a pension for a longer period of time. The amount of the reduction is equal to 1/4 of 1% for each month you are younger than age 62 when you retire.

To determine what the monthly payments will be with an Early Retirement Pension, the first step is to determine what the amount would be if you were age 62 and were retiring on a Regular Pension with the same amount of credit you now have.

The second step is to determine the percentage adjustment to your Regular Pension amount, based upon your age at retirement. The following table illustrates percentage adjustments at various ages:

Age on Effective Date of Pension	Percentage of Regular Pension
55	79
56	82
57	85
58	88
59	91
60	94
61	97

To determine what your monthly payment will be, multiply the amount you would receive as Regular Pension by the percentage for your age when you retire.

The last step is to round the last amount to the next higher multiple of \$0.50 if it is not already a multiple of \$0.50.

**For example:** You are an unmarried Employee who would be eligible for a Regular Pension of \$700.00 per month at age 62, but you decide to retire at age 59. Since you want an Early Retirement Pension with payments starting at age 59, your monthly payment will be 91% of that amount (see table). Multiplying \$700.00 by 91% equals \$637.00. This is your lifetime monthly pension payment.

This is for a single-life pension (see page 24). If you are married at retirement, your benefit will be reduced for the Husband-and-Wife Pension as explained starting on page 24, unless you or your spouse reject that form of payment in writing.

### **Disability Pension**

**Eligibility:** Upon application, you are eligible for a Disability Pension if you meet all of the following conditions:

1. You are totally disabled as defined by the Plan before you reach age 62.
2. You have at least 10 years of Pension Credit without a Permanent Break in Covered Employment.
3. You have worked at least one hour in Covered Employment after June 16, 1965.

4. You worked at least 350 hours in Covered Employment during the 24-month period immediately prior to the month in which you became totally disabled. The 350 hours requirement may be satisfied by hours of work in employment, even if such employment is not Covered Employment and even though no contributions are owed for such employment as long as the Trustees determine, in their discretion, that the employment is proper for organizational or other purposes serving the industry covered by this Plan. Any such determination by the Trustees must be memorialized in writing.

If, after August 1, 1993, you are disabled during the year you work in Noncovered Employment or the next two calendar years (see page 32), you are not eligible for a Disability Pension. If you returned to Covered Employment after such work and remained in Covered Employment for at least as long as you worked in Noncovered Employment, prior to being disabled, the foregoing sentence does not apply.

### ***Pension Amount***

The monthly pension amount is not reduced for disability prior to age 62. Your monthly pension is equal to the amount which you would have received at age 62 on a Regular Pension.

### ***Proof of Disability***

As used here, total disability means an injury or illness which prevents the Employee from engaging in any substantial gainful activity, that is, that keeps the Employee from earning a living. However, this does not mean an illness resulting from drunkenness, the illegal use of narcotics (other than as prescribed by a licensed physician), or the engagement in felony activity. The Board of Trustees has sole and absolute discretion in determining disability, however, to assist the Trustees, an Employee may submit to the Pension Trust Office the official determination by the Federal Social Security Administration that he is entitled to Social Security Disability Benefits. Otherwise, he must submit evidence based on a medical examination required by the Trustees.

The Trustees may require medical evidence from time to time to determine that the Employee is still totally disabled. Once an Employee reaches age 62 while on Disability Pension his pension payments will continue for life regardless of disability.

### ***Procedures and Effective Date for Disability Pension Payments***

Payment of a Disability Pension will start on the first day of the month after you apply for and are eligible for a Disability Pension, but not earlier than the first day of the sixth month following the date of disability. Payments will continue for as long as you remain totally disabled, except that when you reach age 62, the Disability Pension will be continued even if you recover from your disability.

Effective July 1, 1997, the waiting period for payment of a Disability Pension will be waived if you can prove that you are terminally ill and have a life expectancy of less than 6 months. You must file for an application for a Disability Pension and provide the Administrative Office with a certification from a licensed physician that you have less than 6 months to live. Your Disability Pension will begin the first of the month following receipt of your application and notification.

If you delay filing your application for a Disability Pension until after the first day of the sixth month of disability, your benefits may still become effective on that day **provided** you file your application along with a copy of your Social Security Disability Award **within sixty (60) days after** you receive the Award. (Technically, your Disability Pension is effective on the first day of the month after your application is filed; payments for months before your application is received by the Plan are called “auxiliary disability benefits” and are equal to the payment you would have received if your Disability Pension had been in effect.) If your application and/or copy of your Social Security Award is not filed timely or you don’t have a Social Security Disability Award, your Disability Pension will be effective with the first of the month following the date you have filed both your application and proof of disability.

In order to ensure that your disability benefits start as soon as possible, you should file your application for a Disability Pension with the Administrative Office as soon as possible after you are disabled and then send proof of your disability (medical evidence or a Social Security Disability Award) as soon as you receive it.

### ***Conversion of Early Retirement Pension to Disability Pension***

Pending the Board’s determination that you are eligible for a Disability Pension, if you are also entitled to an Early Retirement Pension, you may apply for and receive early retirement benefits. When the determination is made that Disability Pension benefits are payable, these will begin according to the Rules and Regulations, and your Early Retirement benefits will stop. This right to convert from an Early Retirement Pension to a Disability Pension is permitted only in those instances when an Employee is totally disabled and so indicates at the time of application for an Early Retirement Pension.

### ***Recovery of a Disability Pensioner***

If you lose your entitlement to Social Security Disability Benefits or if you recover from your disability, you must report this change to the Administrative Office within 21 days after the date of the notice of discontinuance of Social Security Disability Benefits or the date of the release by your physician. If you do not give this notice to the Administrative Office, it may cause a delay in your pension when you retire again later.

If you return to work in Covered Employment after you recover, you can, of course, earn additional Pension Credit and Vesting Service which will be added to the credits earned before you became disabled.

### **Occupational Disability Pension**

***Eligibility:*** Upon application, you are eligible for an Occupational Disability Pension if, you are totally disabled from the trade prior to age 62 and meet the following conditions:

1. You are at least 50 years old;
2. You have earned at least 28 years of Pension Credit; and

3. You worked at least 350 hours in Covered Employment during the 24-month period immediately prior to the month in which you became totally disabled.

If after August 1, 1993, you are disabled during the year you work in Noncovered Employment or the next two calendar years (see page 32), you are not eligible for an Occupational Disability Pension. If you returned to Covered Employment after such work and remained in Covered Employment for at least as long as you worked in Noncovered Employment, prior to being disabled, the foregoing sentence does not apply.

### ***Pension Amount***

The Occupational Disability Pension is equal to the monthly amount you would have received if you had retired on a Regular Pension at age 62.

### ***Proof of Disability***

Total disability, for purposes of qualifying for an Occupational Disability Pension, means having a disease or bodily injury which is expected to last for at least 12 months or to result in death and as a result of which the Employee is totally unable to work in the sheet metal trade. The Board of Trustees, in its sole discretion, may rely on medical evidence in determining whether an Employee is totally disabled.

### **Service Pension**

***Eligibility:*** For pensions effective July 1, 1990 and later, you are eligible, upon application, to retire on a Service Pension if you meet the following requirements:

1. You reach age 55, but are not yet 62;
2. You have earned at least 30 years of Pension Credit; and
3. You worked at least one hour in Covered Employment after June 16, 1965.

However, if you worked in Noncovered Employment after August 1, 1993 (see page 32), the effective date of your Service Pension may be delayed unless you have returned to Covered Employment for at least as long as you worked in Noncovered Employment. However, the effective date will not be delayed beyond your Normal Retirement Age.

You may satisfy the 30-year service requirement based on Plan Years during which at least 1000 hours of work was performed in employment, on and after July 1, 2004, even if such employment is not Covered Employment and even though no contributions are owed for such employment as long as the Trustees determine, in their discretion, that the employment is proper for organizational or other purposes serving the industry covered by this Plan.

### ***Pension Amount***

The monthly amount of the Service Pension is determined in the same manner as the Regular Pension.

## **Vested Service Pension**

**Eligibility:** Upon application, you are eligible for a Vested Service Pension if you meet the following requirements:

1. You are at least age 62.
2. Active Employees may become eligible for a Vested Service Pension by earning five (5) years of Vesting Service including credit for at least one hour of service as an Active Participant on or after January 1, 1999. Before 1999, an Active Employee could attain vested status by earning at least ten (10) years of Vesting Service credit without a Permanent Break in Covered Employment. Vesting Service credit is earned only for work after your Contribution Date. Employees who are not covered by a collective bargaining agreement may become eligible for a Vested Service Pension by earning at least five (5) years of Vesting Service credit, so long as this includes credit for at least one hour of service after January 1, 1989.

If you have worked in Noncovered Employment after August 1, 1993 (see page 32), the effective date of your Vested Service Pension may be delayed unless you have returned to Covered Employment for at least as long as you worked in Noncovered Employment. However, the effective date will not be delayed beyond your Normal Retirement Age.

### ***Pension Amount***

The amount of pension you actually receive will be calculated in the same way as the Regular Pension based on the number of years of Pension Credit you are credited with at that time. Vesting Service credits establish your vested right to a pension; your pension amount will be based on your accumulated years of Pension Credit.

## **Special Normal Retirement Age Vested Pension**

**Eligibility:** Upon application, you are eligible for a Special Normal Retirement Age Vested Pension if you meet the following requirements:

1. You are age 65, or if later, the Plan's "Normal Retirement Age" (see below.)
2. You are an Active Participant in the Plan on the date you attain Normal Retirement Age.

Your Normal Retirement Age is the later of (a) age 65 or (b) the earlier of your age on the 5th anniversary of the date you became a Participant in this Plan, counting years after July 1, 1988, or the tenth anniversary of the date you became a Participant, counting all years of Participation. Years before a Permanent Break in Covered Employment will not be counted in determining your anniversary of participation.

### ***Pension Amount***

Beginning July 1, 1996 the monthly amount of the Special Normal Retirement Age Vested Pension shall be equal to the sum of the following:

1. \$50.00 for each full year of Pension Credit earned between January 16, 1965 and July 1, 1979, plus
2. \$60.00 for each full year of Pension Credit earned after July 1, 1979.

No amount is paid for Past Service Credit.

## RELATED PLAN PENSIONS

As noted earlier, construction industry sheet metal workers rarely work for one employer for the extended time periods usually required to earn a pension. What if an employee has not worked in one “multiemployer” plan area for long enough to earn a pension?

To provide some “portability” of pension benefits between multiemployer plans in different areas, the Board of Trustees of the Arizona Sheet Metal Pension Trust Fund provides two kinds of limited service pensions to employees whose work career was partly for employers in this area and partly for employers in other areas. These limited service pensions are identified in the Rules and Regulations as Partial Pensions (see Article III-B on page 70). The conditions and limitations of each are set forth in the Rules and Regulations.

### Pro Rata Pensions

Note: Pro Rata Pensions (see Article III-A on page 68) were provided through this Plan with respect to certain Related Plans before 2009 but were replaced by Partial Pensions under the International Reciprocal Agreement for Sheet Metal Workers’ Pension Funds effective January 1, 2009. The Related Plans were:

- Sheet Metal Workers Northern California Pension Trust Fund
- Sheet Metal Workers Pension Plan of Southern California, Arizona and Nevada
- Utah Sheet Metal Pension Trust Fund
- Northwest Sheet Metal Workers Pension Plan
- Oregon Sheet Metal Workers Pension Fund

### Partial Pension

In the late 1980’s, this Fund adopted Exhibit A of the International Reciprocal Agreement for Sheet Metal Workers’ Pension Funds to allow Partial Pension benefits. Most Sheet Metal Pension Plans across the country are party to the International Reciprocal Agreement. You may check on the status of any given plan by contacting the Administrative Office.

By combining credits earned under more than one pension plan, you may be able to qualify for a pension which you would not be able to qualify for on the basis of your credits under any one plan. In the same way, you may be able to qualify for higher benefits. Work under Related Plans can also be counted to establish continuity of Covered Employment and thus avoid a Break in Service.

**Eligibility:** Under the terms of the Agreement, you are eligible for a Partial Pension if, upon application, you meet the following qualifications:

- (1) You would be eligible to receive any type of Pension (except the Partial Pension) if your combined Pension Credit were treated as Pension Credit under this Plan; and

- (2) You have at least one (1) year of Pension Credit under this Plan<sup>1</sup>; and
- (3) You are eligible for a Partial Pension from at least one other Related Plan.

An Employee must waive his right to receive any other pension under this Plan if he is to receive a Partial Pension.

### ***Pension Amount***

The amount of the Partial Pension shall be determined by the years of Pension Credit and the benefit level in effect under each plan.

For additional information regarding Pro Rata or Partial Pensions, contact the Administrative Office.

### **Reciprocity - Transfer of Contributions**

Effective January 1, 2005, an Employee who is temporarily working in the jurisdiction of this Fund may request that contributions to this Fund be transferred to the Employee's "Home Fund" under Exhibit "B" to the International Reciprocal Agreement for Sheet Metal Workers' Pension Funds if:

- The Employee has given the Administrative Office written instructions to have contributions transferred to the "Home Fund", and
- The Home Fund has adopted Exhibit B to the International Reciprocal Agreement for Sheet Metal Workers' Pension Funds.

An Employee will not receive any credit for contributions from this Fund for contributions that have been transferred to the Home Fund, and the Employee's right to pension benefits will be subject solely to the provisions of the Home Fund's rules and regulations.

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<sup>1</sup> If you earn **less** than one (1) year of Pension Credit working outside your Home Fund, then all contributions made on your behalf shall be transferred to your Home Fund. **However**, this transfer can only be made if you authorize it in writing and there are time limits for notifying the Fund. Please see Article III-B, Section 12 of the Rules for details or write to the Administrative Office for help.

## PROVISIONS AFFECTING BENEFICIARIES

The monthly pension amounts given in the preceding section are for a “single-life” pension. This means the benefit level is based on payment of benefits only for the lifetime of the Pensioner. However, the Plan provides a guarantee of a minimum of 36 monthly payments for all types of Pension except the Special Normal Retirement Age Vested Pension.

With a “single-life” pension, if you as a Pensioner (other than a Special Normal Retirement Age Vested Pensioner) should die before you have received 36 monthly pension payments, the payments would be continued to your beneficiary until a total of 36 payments have been made. Otherwise, all benefit payments cease after your death.

The Plan provides a Husband-and-Wife Pension which makes it possible for you to ensure that your spouse will continue to receive benefits for the rest of his or her lifetime in the event you die first. This and other provisions which may affect beneficiaries on the death of a Pensioner or of an Employee who was eligible for pension but not yet retired are explained in this section.

The Husband-and-Wife is the **automatic form** for married Participants. If you do not want this form of payment, you may elect, **with your spouse’s consent**, either the Optional 75% Husband-and-Wife Pension or a single-life pension only. In accordance with federal regulations, the Plan will not honor a rejection of the Husband-and-Wife Pension made more than 90 days before the benefits start. For unmarried Participants, a single-life pension is the automatic form.

### **30-Day Waiting Period for Payment**

By law, participants and their spouses, if any, have a 30-day notice and election period to decide the form in which they want monthly benefits to be payable. The automatic form for married retirees is a Qualified Joint and Survivor Annuity, and, for unmarried retirees, it is a single life annuity.

**Regardless of what form of benefit you choose, your Annuity Starting Date (the date as of which your benefits become effective) cannot occur – and neither may the actual distribution of your pension commence – before this notice period ends unless you elect to waive the minimum 30-day notice and election period and your spouse, if any, consents to that waiver.**

An election to waive the 30-day minimum waiting period will be granted as long as:

- (1) you are informed of the right to take at least 30 days to consider whether to waive the automatic form of payment and consent, if applicable to an alternate form of payment, and
- (2) distribution of benefits does not begin until you and your spouse, if any, have had at least a seven-day period in which to consider the form in which your benefits will be paid.

This change will allow you to have benefits begin as of the eighth day after you are provided with the written explanation of the forms of payment, although administrative delay in

processing the pension application may delay issuance of your first benefit payment. This change is effective for retirements on or after June 1, 2002.

### **Husband-and-Wife Pension**

The Husband-and-Wife Pension provides that after your death, your surviving spouse will receive monthly benefits for the rest of his or her lifetime at 50% of the amount you were receiving.

**For example:** You were receiving a monthly amount of \$800 on a Husband-and-Wife Pension. Following your death, your surviving spouse would receive a monthly benefit of \$400 for life.

Since the Husband-and-Wife Pension extends protection over two lifetimes, benefit levels are adjusted accordingly. During your lifetime, you will receive monthly benefits at a lower amount than you would have received with a single-life pension; after your death, monthly benefits to your surviving spouse will be 50% of your reduced benefit.

The amount your benefit is reduced for a Husband-and-Wife Pension depends on the age difference between you and your spouse. If your spouse is much younger than you, benefits will be reduced more than if you are the same age or if your spouse is older than you.

These are the formulas for determining the adjustment:

**Non-Disability Pensions.** If you are eligible for any type of pension other than a Disability Pension, your single-life pension will be reduced for the Husband-and-Wife Pension by multiplying it by 89% minus .4% for each year your spouse is younger than you or plus .4% for each year your spouse is older than you. The maximum percentage is 100%.

**For example:** You are eligible for a monthly Regular Pension of \$800.00, you are 62 years old and your spouse is 57 years old.

- To calculate the monthly amount you would receive under the Husband-and-Wife Pension, you first determine how many years younger or older your spouse is than you, and multiply that number of years by .4%. In this case, your spouse is 5 years younger than you, so you would multiply 5 years by .4% which equals 2%.
- Since your spouse is younger than you, you must subtract the 2% from 89%, which equals 87%. You then multiply your monthly Regular Pension of \$800.00 by 87%, which equals \$696.00. This is the monthly pension you would receive for the rest of your life under the Husband-and-Wife Pension. Following your death, your surviving spouse will receive 50% of that amount for life, or \$348.00.

**Disability Pensions.** If you are eligible for a Disability Pension, your single-life pension will be reduced for the Husband-and-Wife Pension by multiplying it by 79% minus .4% for each year your spouse is younger than you or plus .4% for each year your spouse is older than you.

If you are younger than age 55 when your Disability Pension is effective, an additional .5% for each year you are younger than age 55 is added to the percentage above.

The maximum percentage is 100%.

**For example:** You are eligible for a monthly Disability Pension of \$700.00, you are 54 years old and your spouse is 49 years old.

- To calculate the monthly amount you would receive under the Husband-and-Wife Pension, you first determine how many years younger or older your spouse is than you, and multiply that number of years by .4%. In this case, your spouse is 5 years younger than you, so you would multiply 5 years by .4% which equals 2%.
- Since your spouse is younger than you, you must subtract the 2% from 79%, which equals 77%. Since you are younger than age 55 on your effective date, an additional .5% will be added to the 77% because you are one year younger than age 55. The resulting percentage is 77.5%. Your Disability Pension of \$700.00 is multiplied by 77.5% which equals \$542.50. This is the monthly pension you would receive for the rest of your life under the Husband-and-Wife Pension. Following your death, your surviving spouse will receive 50% of that amount for life, or \$271.25.

### **Optional 75% Husband-and-Wife Pension**

If you are legally married when you retire, you may elect to receive your benefit in the form of a 75% Optional Husband-and-Wife Pension. Much like the Husband-and-Wife Pension, the 75% Optional Husband-and-Wife Pension gives you monthly payments for the rest of your life. After your death, your surviving spouse will receive monthly benefits for the rest of his or her lifetime equal to 75% of the monthly amount you were receiving.

Since the 75% Optional Husband-and-Wife Pension extends protection over two lifetimes, benefit levels are adjusted accordingly. During your lifetime, you will receive monthly benefits at a lower amount than you would have received with single-life protection; after your death, monthly benefits to your surviving spouse for life will be 75% of your reduced benefit.

The amount your benefit is reduced for the 75% Optional Husband-and-Wife Pension depends on the difference in age between you and your spouse. If your spouse is younger than you, benefits will be reduced more than if you are the same age or if your spouse is older than you. The reason for this is that, statistically speaking, a younger spouse is likely to receive benefits for a longer period of time.

These are the formulas for determining the adjustment:

**Non-Disability Pensions.** If you are eligible for any type of pension other than a Disability Pension, your “single-life” pension amount will be reduced for the 75% Optional Husband-and-Wife Pension by multiplying your single-life pension amount by 84%, minus .5% for each year your spouse is younger than you, or plus .5% for each year your spouse is older than you. The maximum percentage is 100%.

**For Example:** You are eligible for a monthly Regular Pension of \$1,000.00, you are 62 years old and your spouse is 57 years old.

1. To calculate the monthly amount you would receive under the 75% Optional Husband-and-Wife Pension, you first determine how many years younger or older your spouse is than you, and multiply that number of years by .5%. In this case, your spouse is 5 years younger than you, so you would multiply 5 years by .5% which equals 2.5%.
2. Since your spouse is younger than you, you must subtract the 2.5% from 84%, which equals 81.5%. You then multiply your monthly Regular Pension of \$1,000 by 81.5%, which equals \$815.00. This is the monthly pension you would receive for the rest of your life under the 75% Optional Husband-and-Wife Pension. Following your death, your surviving spouse will receive 75% of that amount for life, or \$611.25.

**Disability Pensions.** If you are eligible for a Disability Pension, your “single-life” pension amount will be reduced for the 75% Optional Husband-and-Wife Pension by multiplying your single-life pension amount by 71%, minus .5% for each year your spouse is younger than you, or plus .5% for each year your spouse is older than you. The maximum percentage is 100%.

An additional .5 percentage points is added to the 71% reduction factor if you are younger than age 55 on your Annuity Starting Date of your Disability Pension. For example, if you are age 52 the reduction factor would increase by 1.5% (3 x .5%) to 72.5%.

*If you have difficulty determining the amount of your Husband-and-Wife Pension or the 75% Optional Husband-and-Wife Pension, you can write the Administrative Office. They will be happy to help you with the calculation.*

### **How do I elect the Husband-and-Wife Pension?**

When you file a pension application, the Administrative Office will give you a statement of what the monthly benefit will be with a single-life pension and with the Husband-and-Wife Pension. If you are married, your pension will be paid on the basis of the Husband-and-Wife Pension unless you notify the Administrative Office that you do not want it that way.

If you are married and you want your pension on the basis of a single-life pension, you must notify the Administrative Office in writing **before** your pension payments start. This notice must be signed by you and your spouse in front of a notary public. If you do not notify the Administrative Office, your payments will be made under the Husband-and-Wife Pension if you are married.

Once monthly benefits have started to you under a Husband-and-Wife Pension, payments must continue in that form, even if your marriage is dissolved or if your spouse should die before you.

### **Rules for Payment of Husband-and-Wife Pension**

- If you are married, you will automatically receive a Husband-and-Wife Pension at retirement unless you and your spouse file a notarized statement with the Administrative Office indicating you both want the pension in another form.
- The Husband-and-Wife Pension protects only the spouse to whom you are legally married when pension payments began.

- With respect to Husband-and-Wife Pension coverage at death before retirement, you and your spouse must be legally married at the time of your death and for at least one year before your death.
- Once Husband-and-Wife Pension payments begin, they will continue at the same level even if your spouse dies before you or your marriage is legally dissolved.
- Payments to a surviving spouse continue for life; they do not stop even if he or she remarries.
- If your spouse dies before you, all pension payments stop with your death.

### **Explanation of Benefit Payment Options.**

As required by law, within a period of no more than 90 days and no less than 30 days before your Annuity Starting Date (defined in the Plan at Article I), you and your Spouse, if any, shall be provided a written explanation of:

1. The terms and conditions of the Husband-and-Wife Pension and the available optional forms of payment, including the 75% Optional Husband-and-Wife Pension,
2. Your right to make, and the effect of, an election to waive the Husband-and-Wife Pension form of benefit,
3. The rights of your Spouse, regarding his/her consent to such an election,
4. The right to make, and the effect of, a revocation of such an election,
5. The relative values of the various optional forms of benefit available under the Plan, and
6. The right to defer any distribution and the consequences of failing to defer distribution of benefits.

### **Special Provision for Disability Pensioner**

If you retired on a Disability Pension and die before age 55, benefits for your surviving spouse will begin only after the date you would have become age 55.

### **Lump Sum Payment of Monthly Pension**

If, at the time a monthly benefit becomes payable to you, your spouse or a beneficiary, the actuarial value of the monthly benefit is \$5,000.00 or less, the Board of Trustees will pay the lump sum amount of that actuarial value, instead of the monthly benefit which otherwise would be payable.

## **Domestic Relations Orders/Divorce Decrees**

The Retirement Equity Act of 1984 provides that the Plan must recognize any Qualified Domestic Relations Order and make payments as directed by the Order to any spouse, former spouse, child or other dependent (called an “alternate payee”) of a Plan participant specified by the Order. A Qualified Domestic Relations Order (QDRO) is a state domestic relations order such as a divorce decree which creates or recognizes an alternate payee’s right to receive all or a portion of the benefits payable to a participant under the Plan. Any lawful judgment, decree, order, or property settlement agreement which has been entered into may be a QDRO if it relates to the provision of child support, alimony payments, or marital property of a spouse, former spouse, child or other dependent of a Plan Participant and is made pursuant to State domestic relations law.

The Trustees cannot recognize or honor a domestic relations order, such as a divorce decree which attempts to divide a pension, unless the order or decree contains certain information and otherwise complies with federal law. If you are contemplating a divorce or are a party to any other domestic relations action which may involve the Trust Fund, you should contact the Administrative Office for additional information before any such domestic relations order or decree is signed by the judge.

The Trustees have adopted formal procedures for the treatment of domestic relations orders received by the Plan, and a copy of those procedures is available without charge from the Administrative Office.

## DEATH BENEFITS

The following describes payments which may be made by the Plan to spouses or beneficiaries on the death of an Employee.

### **Death Before Retirement (Husband-and-Wife Pension)**

If you are vested and die before you retire, your surviving spouse will be protected by the Husband-and-Wife Pension. The amount payable to your surviving spouse is equal to one-half of the monthly benefit that would have been payable to you under the Husband-and-Wife Pension, as if you had retired on the day before you died. If you are age 55, benefit payments will start on the first of the month following the month in which you died. If you are younger than age 55 on the date of death, benefits to your spouse will begin on the first of the month following the month in which you would have reached age 55 had you lived. For example, if you die at age 45, your spouse would not begin to receive the Husband-and-Wife Pension benefits until ten years after your death — when you would have reached age 55 had you lived.

### **Death Before Retirement (Lump-Sum Payment)**

If you die before you become vested and without qualifying for any pension from the Plan, your designated beneficiary may receive a lump-sum payment equal to the total amount of contributions made to the Pension Fund on your behalf, up to a maximum of \$40,000. Contributions taken into account in figuring the lump sum payment will only include those made since your last Permanent Break in Covered Employment, if any. For this lump-sum benefit to be payable, contributions must have been made on your behalf for at least 350 hours during the 24 months immediately before your death.

This Pre-Retirement Death Benefit is **not** payable if payments are to be made under the Husband-and-Wife Pension at the time of your death. If your surviving Spouse is eligible for the Husband-and-Wife Pension as explained on page 25, she may elect to receive the lump-sum instead of the Husband-and-Wife Pension. **However**, if the lump sum death benefit is less than the actuarial present value of her benefit under the Husband-and-Wife Pension, the actuarial present value will be paid in a lump sum. **If** you worked or will work in Noncovered Employment after August 1, 1993 (see page 32), the lump-sum payment Pre-Retirement Death Benefit is not payable if you die in the year of Noncovered Employment work or the next two consecutive years, unless you returned to Covered Employment after such work and remained in Covered Employment for at least long as you worked in Noncovered Employment.

When the Trustees receive notice of a Participant's death, they will send the surviving spouse an explanation of the amount of benefits payable under each type of death benefit. The spouse will then have 90 days to elect which type of death benefit he or she would prefer. An election cannot be changed once payments have started.

### **Death After Retirement**

If you have retired on any Pension **other than a Special Normal Retirement Age Vested Pension**, and you die before you have received 36 monthly payments (and you are **NOT**

receiving payments under the Husband-and-Wife Pension), your designated beneficiary will receive the remainder of the 36 monthly payments.

If you have received 36 payments or more at the time of your death, no payment is due your beneficiary under this guarantee provision.

## **SUSPENSION OF PENSION PAYMENTS FOR CERTAIN EMPLOYMENT AFTER RETIREMENT**

To receive monthly pension payments from this Plan, you must retire according to the rules of the Plan. If you take work which is prohibited by Plan regulations, you must notify the Plan **in writing** within 21 days after you start work. Your monthly pension will be suspended while you are in prohibited employment and possibly longer, as explained later in this section.

### **Prohibited Employment for Pensioners Before Age 62**

To be considered retired before age 62, you must withdraw completely and refrain from engaging in any work or activity for wages or profit in the sheet metal and related industries wherever such employment or activity may be performed. This includes working for someone else or in your own business, or using your industry skills in a supervisor job.

### **Prohibited Employment for Pensioners After Age 62 and before Age 70½**

Between age 62 and your “Required Beginning Date” (April 1 immediately following the calendar year in which you reach age 70½), you cannot work in Arizona for wages or for profit **over** 40 hours in a calendar month, in the same industry, in the same trade or craft. However, you may work anywhere outside of the State of Arizona in any capacity and still receive your pension.

The “same industry” means any industry that included employment covered by the Plan when you retired. The “same trade or craft” means an occupation in which you were employed at any time under the coverage of the Plan, any occupation utilizing the same skill(s), and any self-employment or supervisory employment related to the same skill(s) as were involved in that occupation(s).

This means that a retired Employee who is between Normal Retirement Age and his Required Beginning Date may work in the industry for up to 40 hours in a calendar month while receiving his pension.

### **Prohibited Employment for Pensioners After Age 70½**

Beginning with the April 1 immediately following the calendar year in which you reach age 70½, there are no restrictions on the type of work you may perform while receiving pension payments from this Plan.

### **Suspension of Pension Payments**

If you are retired and under age 70½, and take work which is prohibited by the Plan regulations, you must notify the Administrative Office, in writing, within 21 days after you start work. If you do not notify the Administrative Office, your benefit payments may be suspended for a longer period of time.

*If you are younger than age 62*, if you take work prohibited by the Plan, your benefit will be suspended for any calendar month in which you are so employed **plus** six calendar months after

you cease this employment. If you have **not** notified the Administrative Office of your prohibited employment, your payments will be suspended for an **additional** six calendar months. **Also**, if you work in Noncovered Employment, your payments will be suspended another six months for each calendar quarter in which you work in Noncovered Employment. In any event, the total suspension period will not extend beyond your Normal Retirement Age.

*If you are older than age 62 (and under age 70½)*, and take work prohibited by the Plan, your benefit will be suspended for any calendar month in which you are so employed. If you also have **not** notified the Administrative Office of your prohibited employment, it will be assumed until you prove otherwise that your employment is in excess of the 40 hours per month required for suspension. If you are employed at a construction site, it also will be assumed that you have worked for your employer at that site for as long as the employer has been engaged on that project.

You will receive notice from the Plan when your benefit has been suspended, including the reasons for the suspension. You have the right to appeal to the Trustees in writing, which must be filed with the Trustees within 60 days of the date on your notice of suspension. The appeal will be considered by the Trustees, and their decision will be furnished to you in writing, including the reasons for the decision and references governing Plan provisions.

Your pension will be recalculated according to the Plan's rules to determine if an increase is due for additional Covered Employment. If you have received pension payments which should have been suspended, the Trustees will offset the amount of the overpayment from future monthly pension payments, or recover the overpayment by other means available.

The Trustees have adopted a rule which requires a retired Employee who returns to work to file a Benefits Resumption Notice before pension checks can resume. To meet this notice requirement, you can simply advise the Trustees in writing as to when you stopped or will stop working in prohibited employment and the first month for which you would like your benefits to begin again. At that time, the Administrative Office will examine the circumstances of the employment and advise you how the recovery of any improperly made payments will be scheduled.

If you have any questions as to whether a job you plan to take will cause a suspension, please write the Administrative Office, name the employer for whom you intend to work, describe the job you propose to perform, and you will be advised if the job will cause a suspension of benefits.

The text of the Plan rules concerning suspension of benefits can be found beginning on page 53.

## SPECIAL RULES FOR NON-CONTRIBUTING EMPLOYERS

If you worked in the Sheet Metal Industry on or after August 1, 1993 in employment that is not covered by a collective bargaining agreement between the Union and the employer, the following special rules will apply to you:

1. **Regular Pension.** The effective date of your Regular Pension will be delayed six months for every calendar quarter in which you have at least one hour of Noncovered Sheet Metal Service. The effective date will not be delayed beyond your Normal Retirement Age.
2. **Early Retirement Pension.** The effective date of your Early Retirement Pension will be delayed six months for every calendar quarter in which you have at least one hour of Noncovered Sheet Metal Service. The effective date will not be delayed beyond your Normal Retirement Age.
3. **Service Pension.** The effective date of your Service Pension will be delayed six months for every calendar quarter in which you have at least one hour of Noncovered Sheet Metal Service. The effective date will not be delayed beyond your Normal Retirement Age.
4. **Vested Service Pension.** The effective date of your Vested Service Pension will be delayed six months for every calendar quarter in which you have at least one hour of Noncovered Sheet Metal Service. The effective date will not be delayed beyond your Normal Retirement Age.
5. **Disability and Occupational Pensions.** You shall not be eligible to receive a Disability or Occupational Disability Pension if you work in Noncovered Sheet Metal Service during any part of a calendar year and then you become disabled during that same calendar year or the immediately following two consecutive calendar years.
6. **Death Benefits.** The Pre-Retirement Death Benefit and the Pensioner's Lump Sum Death Benefit shall not be payable on your behalf if you work in Noncovered Sheet Metal Service during any part of a calendar year and then die during that calendar year or the immediately following two consecutive calendar years.
7. **Suspension of Pension Benefits.** If you are a Pensioner who is younger than Normal Retirement Age and are suspended on account of employment in Noncovered Sheet Metal Service, an additional six months of suspension shall be added to the period of suspension otherwise provided for in the Plan.
8. **Return to Covered Employment.** If you work in Noncovered Sheet Metal Service and then return to employment for an employer required to contribute to the Plan for at least as long a period as you had previously worked in Noncovered Sheet Metal Service, the penalties provided for work prior to that period shall be waived. The restrictions will also be lifted if you return to work and cure a Permanent Break as described on page 12.

Noncovered Sheet Metal Service means sheet metal work in the geographical jurisdiction of this Plan or a Related Plan for an employer which does not have, or self-employment which is not covered by a collective bargaining agreement with a Sheet Metal Workers' Union requiring contributions to this Plan or a Related Plan. This includes those areas which have signed the National Reciprocal Agreement. It includes all work or services of the kind performed by

participating Employees covered by the Plan. It includes such jobs as management, ownership, sales, estimating or consulting positions for Sheet Metal employers or in the Sheet Metal Industry, as well as work of the type done by bargaining unit members and related work.

These restrictions do not apply to employment that the Trustees determine, in their discretion, is proper for organizational or other purposes serving the industry covered by this Plan.

## **HOW TO OBTAIN BENEFITS AND SECURE REVIEW OF ADVERSE BENEFIT DETERMINATIONS**

### **Preface**

Final Regulations developed by the United States Department of Labor express minimum requirements for employee benefit plan procedures pertaining to claims for benefits by participants and beneficiaries.

This Section, “How to Obtain Benefits and Secure Review”, sets forth the Fund’s rules, developed to conform to the Regulations, that apply to pension benefit determinations and the review of adverse benefit determinations.

Hopefully, the process set forth in this Section will allow the prompt initial determination of your pension benefit claims and the full and fair review of adverse pension claim determinations for which you request review.

### **Authorized Representatives**

The Regulations contemplate that you may pursue pension benefit claims through authorized representatives. They also contemplate that a benefit plan may establish procedures for determining whether an individual has been authorized to act on your behalf.

This Fund will recognize the following individuals as representatives for claims and claim review requests:

1. If you are an adult participant or beneficiary, you may speak on your own behalf.
2. If you are a parent (natural or adoptive) you may speak on behalf of a child – beneficiary.

All other purported representatives must supply evidence that they are authorized to speak on your behalf. For the Fund to recognize such a representative, the representative must present to the Administrative Office a court order, a “Power of Attorney” or a similar document expressing the representative capacity.

### **Claim Determination Consistency**

It goes without saying that like claims should receive like treatment. The Administrative Office of the Fund will take steps to ensure and to verify that your benefit claim determinations are made in accordance with governing plan documents and that these plan provisions have been applied consistently with respect to you and other similarly-situated claimants.

## **Benefits Available**

The Pension Plan provides benefits to a number of different individuals who qualify for those benefits. The benefits are summarized on pages 14 to 21.

## **Filing of Pension Claims/Issues**

If you believe that you are eligible for benefits under the Pension Plan, you should contact the administrative office of the Fund (Administrative Office) and request the appropriate benefit application forms. The Administrative Office will mail the appropriate application forms to you. A claim is filed, or “received”, for purposes of these rules, when the signed benefit application form is received by the Administrative Office, although additional information, including election forms, tax forms, retirement declarations, etc. may be required before an initial determination can be made on the application. The Administrative Office will specify what additional information may be needed.

If you wish to pose any other issue to the Fund for determination, you should put the issue in writing and submit it to the Administrative Office. An issue other than a benefit application is filed, or “received”, for purposes of these rules, when the writing posing the issue is received by the Administrative Office.

## **Application for a Disability Pension**

If you are applying for a Disability Pension, you must provide proof of disability in addition to the foregoing. This would be the notice of entitlement to Social Security disability benefits which you may have received from the U.S. Social Security Administration. If you do not have this notice, you will have to present medical evidence required by the Trustees.

## **Application for a Partial Pension**

If your application is for a Partial Pension, you may also need to apply to the Related Plan (or Plans) for a pension under their regulations.

## **If you are age 65 and do not apply for a pension**

According to federal law, your benefits will be suspended if you continue to work in prohibited employment (see page 30) after age 65 (or your Normal Retirement Age, if later). This means that if you do not apply for benefits when you reach age 65, pension payments will be suspended for every month after then in which you work more than 40 hours. You will continue to accrue Pension Credit based on the hours you work in Covered Employment. When you retire, your pension will be calculated as a delayed retirement as described on pages 15 and 16.

## **Pension Effective Dates**

Usually, pensions are effective on the first day of the month after the completed pension application is received by the Administrative Office. Payments can be delayed, however, by processing time; for example the need to get proof of employment from the Social Security Administration for Past Service Credit. This can cause a delay as long as 60 to 90 days; once processing is completed and eligibility is verified, pension payments will be made retroactive to the month after the application was received.

If you are eligible for pension benefits from this Plan, payments must begin no later than April 1<sup>st</sup> of the calendar year which immediately follows the calendar year in which the individual reached age 70 1/2. Payments which are required under this rule, but are not made timely, are subject to a 50% federal excise tax.

Disability Pension payments can begin no earlier than the sixth month of disability. As with other types of pensions, an application for a Disability Pension must be filed with the Administrative Office. As explained earlier under “Disability Pension” starting on page 17, an individual may be entitled to an additional benefit if you file your application and Social Security Disability Award Notice with the Administrative Office within 60 days of the Notice date.

To ensure that a Disability pension will become payable as early as possible:

1. Send the application to the Administrative Office as soon as possible, and, if applicable, at the same time as the application for Social Security benefits; and
2. Send the Social Security notice of entitlement to the Administrative Office as soon as it is received.

## **Section 1. Benefit Claims and Disability Benefit Claims not based solely on Medical Evidence**

### **Initial Determination – Notice**

Pension claims/issues are required to be initially determined by the Fund and notice of any decision given to you, within a reasonable period of time, not later than 90 days after receipt of the claim. This period may be extended one time by the Fund for up to 90 days, provided that the Fund both: (1) determines that special circumstances require the extension; and (2) notifies you, prior to the expiration of the initial 90-day period, of the circumstances requiring the extension of time and the date by which the Fund expects to make the determination.

If the special circumstance requiring the extension of time under this provision is your failure to supply information needed to perfect the claim, and such information is not received by the Administrative Office within the 180 day time period specified by this provision, the claim will be denied, and a new application must be filed with the Administrative Office under the Filing paragraph of these rules.

### **Form of Notice of Initial Determination**

If an adverse determination is made by the Fund with respect to a benefit claim/issue, the Fund is required to provide to you written notification setting forth, in a manner suited to your understanding:

1. The specific reason(s) for the determination;
2. Reference to the specific plan provision(s) on which the determination is based;
3. A description of any additional material or information necessary to perfect the claim and any explanation of why the additional material or information is necessary; and

4. A description of the Fund's review procedures and the time limits applicable to such procedures, including a statement of your right to sue under Section 502(a) of ERISA after exhaustion of the review procedures.

### **Time Frame To Request Review**

You have 60 days following receipt of notification of an adverse determination to file a request for review. Any request for review received by the Fund after this time frame is untimely and subject to denial on review on that basis alone.

### **Request for Review**

You may request review of an adverse determination by filing a written review request with the Board of Trustees at the Administrative Office.

### **Full and Fair Review**

You will be given the opportunity to submit written comments, documents, records and other information relating to the claim. The Fund will provide you, free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim. The review of the claim will take into account all comments, documents, records and other information you submit relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

### **Determination on Review – Notice**

A determination on review is required to be made by the Board of Trustees no later than the date of the meeting of the Board of Trustees that immediately follows receipt of the request for review, unless the request for review was filed within 30 days preceding the date of such meeting. In such a case, a benefit determination on review may be made no later than the date of the second meeting following the receipt of the request for review. If special circumstances require a further extension of time for processing, a benefit determination on review shall be rendered not later than the third meeting of the Board of Trustees following the receipt of the request for review. If special circumstances require such an extension, the Fund will notify you in writing of the extension, describing the special circumstances and the date on which the benefit determination on review will be made. If an extension is due to your failure to submit information necessary to decide the claim, the period for making the determination on review will be tolled from the date on which the notification or extension is sent to you until the date on which you respond to the request for additional information. Notice of the benefit determination on review will be given not later than 5 days after such a determination is made.

### **Form of Notice of Determination on Review**

The Fund will provide you with written notification of the determination on review. If the determination is adverse, the Fund is required to provide written notice to you setting forth, in a manner calculated for your understanding:

1. The specific reason(s) for the determination;

2. Reference to the specific plan provision(s) on which the determination is based;
3. A statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information related to the claim; and
4. A statement of your right to sue under Section 502(a) of ERISA.

## **Section 2. Disability Benefit Claims Based Solely on Medical Evidence (No Social Security Award)**

### **Initial Determination – Notice**

Disability Benefit Claims based only on medical evidence are required to be initially determined by the Fund, and notice of the determination given to you within a reasonable period of time appropriate to the circumstances, but not later than 45 days after the receipt of the claim. This period may be extended two times by the Fund for up to 30 days, provided that the Fund decision-maker both: (1) determines that such an extension is necessary due to matters outside the control of the Fund; and (2) notifies you, prior to the expiration of the initial 45-day period, of the circumstances requiring the extension of time and the date by which the Fund expects to make the determination. Any notice of extension shall explain the standard on which the entitlement to benefits is based, the unresolved issues that prevent a decision on the claim, and any additional information needed to resolve those issues.

If the special circumstance requiring the extension of time under this provision is your failure to supply information needed to perfect the claim, the notice of extension is required to describe the missing information, and you will have at least 45 days from receipt of the notice to provide the information. The time periods for making determinations under this provision are tolled from the date you are notified of missing information until the date you respond to the notice.

### **Form of Notice of Initial Determination**

If an adverse determination is made by the Fund with respect to a disability benefit claim based on medical evidence, the Fund is required to provide written notification to you setting forth, in a manner suited to your understanding:

1. The specific reason(s) for the determination;
2. Reference to the specific plan provision(s) on which the determination is based;
3. A description of any additional material or information necessary to perfect the claim and any explanation of why the additional material or information is necessary; and
4. A description of the Fund's review procedures and the time limits applicable to such procedures, including a statement of your right to sue under Section 502(a) of ERISA after exhaustion of the review procedures.

5. (a) If the determination was based on an internal rule, guideline, protocol or similar criterion, notification that the rule, guideline, protocol or similar criterion will be provided to you free of charge upon request.
- (b) If the determination was based on a finding that the service was not medically necessary, was experimental, or was subject to some similar exclusion or limit, notification that an explanation of the scientific or clinical judgment for the determination, taking into account the terms of the plan and the claimant's medical circumstances, will be provided to you free of charge.

### **Time Frame To Request Review**

You have 180 days following receipt of notification of an adverse benefit determination on a disability benefits claim based on medical evidence to file a request for review. Any request for review received by the Fund after this time frame is untimely and subject to denial on review on that basis alone.

### **Request for Formal Review**

You may request review of an adverse determination on a disability benefit claim based on medical evidence by filing a written review request with the Board of Trustees at the Administrative Office.

### **Formal Review**

You will be given the opportunity to submit written comments, documents, records and other information relating to the claim. The Fund will provide you, free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim. The named fiduciary's review of the claim will take into account all comments, documents, records and other information you submit relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. Any expert whose advice was obtained in connection with the initial determination will be identified, whether or not such advice was used in making the determination.

The review process will not afford deference to the initial determination. The named fiduciary conducting the review will not be the same individual who made the initial determination nor the subordinate of such individual. The named fiduciary conducting the review will consult with a health care professional who has appropriate training and expertise with respect to any review involving a medical judgment, and such health care professional will not be an individual who was consulted with respect to the initial determination nor the subordinate of such individual.

### **Determination on Review – Notice**

A determination on formal review of a disability benefits claims based on medical evidence is required to be made by the Board of Trustees no later than the date of the meeting of the Board of Trustees that immediately follows receipt of the request for review, unless the request for review was filed within 30 days preceding the date of such meeting. In such a case, a benefit determination may be made no later than the date of the second meeting following the receipt of the request for review. If special circumstances require a further extension of time for

processing, a benefit determination shall be rendered not later than the third meeting of the Board of Trustees following the receipt of the request for formal review. If special circumstances require such an extension, the Fund will notify you in writing of the extension, describing the special circumstances and the date on which the benefit determination will be made. If an extension is due to your failure to submit information necessary to decide the claim, the period for making the determination on review will be tolled from the date on which the notice of extension is sent to you until the date on which you respond to the request for additional information. Notice of the benefit determination on formal review will be given not later than 5 days after such a determination is made.

### **Form of Notice of Determination on Review**

The Fund will provide you with written notification of the determination on review. If the determination is adverse, the Fund is required to provide written notice to you setting forth, in a manner calculated for your understanding:

1. The specific reason(s) for the determination;
2. Reference to the specific plan provision(s) on which the determination is based;
3. A statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information related to the claim;
4. (a) If the determination was based on an internal rule, guideline, protocol or similar criterion, notification that the rule, guideline, protocol or similar criterion will be provided to you free of charge upon request;  
  
(b) If the determination was based on a finding that the service was not medically necessary, was experimental, or was subject to some similar exclusion or limit, notification that an explanation of the scientific or clinical judgment for the determination, taking into account the terms of the plan and the claimant's medical circumstances, will be provided to you free of charge.
5. A statement of your right to sue under Section 502(a) of ERISA.

### **TRUSTEE AUTHORITY**

In carrying out their responsibilities under the Plan, the Trustees have discretionary authority to interpret the terms of the Plan and to interpret any facts relevant to the determination, and to determine eligibility and entitlement to Plan benefits in accordance with the terms of the Plan. Any interpretation or determination made under this discretionary authority will be given full force and effect, unless it can be shown that the interpretation or determination was arbitrary and capricious.

**If at any time while a claim or other issue is pending, you feel that the rules expressed in this booklet are not being honored, you should contact the Board of Trustees, which is authorized, but is not required, to suspend these rules and move the pending claim or issue directly to their attention for final determination. The Trustees may be contacted c/o the Administrative Office.**



## **SOME QUESTIONS, ANSWERS AND BASIC FACTS ABOUT THE PLAN**

### **Must I retire when I reach age 65 (or Normal Retirement Age, if later)?**

No. Retirement under this Plan is voluntary.

### **May my pension benefits be assigned?**

No. This is prohibited by the Plan. However, the Plan is required by law to pay benefits according to a Qualified Domestic Relations Order. In some limited circumstances, the Plan may offset benefits against amounts required to be paid to the Plan. Please see Article VII, Section 13 for details.

### **Are pensions provided by this Plan affected by my Social Security benefits?**

No. The benefits under this Plan are in addition to benefits paid under Social Security.

### **Who is the Plan Administrator?**

The Pension Plan is administered by a Board of Trustees made up of an equal number of representatives of the Union and of the Employers. The Trustees govern the Pension Trust Fund according to an Agreement and Declaration of Trust. This provides that all money paid into the Pension Trust Fund or earned by the Pension Trust Fund can be used only for the purpose of providing pensions, in accordance with the Rules and Regulations of the Trust Fund, for the Employees covered by the Pension Plan, and for the purpose of paying expenses incurred in the operation of the Plan.

The full text of the Rules and Regulations of the Pension Plan are part of this booklet (starting on page 53). The Trustees may, from time to time, amend or interpret these Rules and Regulations. The Trustees will make every effort to ensure that Participants are informed of any changes in the Plan.

An Employee's right to pension benefits and the right of a beneficiary to survivor's benefits are governed by the complete Rules and Regulations of the Pension Plan. The explanatory material in this book is designed to clarify the Plan and great care was taken to make it accurate. If there is a question or conflict about the Plan, however, it is the Rules and Regulations of the Plan, and **not** this explanatory material, which would govern the payment of benefits from the Fund.

If you have any questions about material in this booklet or any Plan provision, please direct your questions to the Administrative Office. The Board of Trustees is the only official source of information about the Plan and your status as a participant.

### **Who is covered by the Plan?**

The Plan covers only Employees of Contributing Employers.

### **Can an Employee or Beneficiary appeal if benefits are denied?**

Yes. Any Employee or Beneficiary who is denied a benefit or disagrees with the type or amount of benefits allowed has the right to appeal to the Board of Trustees. This must be done within 60

days of the date of the letter notifying the Employee or Beneficiary of the Board's decision. The rules and procedures for filing an appeal are in Article VII, Section 4 of the Pension Plan (page 89). Explanatory material begins on page 34.

### **Are Plan Documents Available to Employees?**

Yes. Copies of the Plan, summary descriptions and a summary of the annual report are available for inspection at the Pension Trust Office during regular business hours. On written request, copies will be supplied by mail. Copies of the Trust Agreement, Collective Bargaining Agreements and the full annual report also are available for inspection at the Pension Trust Office. These documents, too, can be supplied by mail on written request but a reasonable fee will be charged. It is advisable to find out what the charge will be before sending your request.

The preceding material was prepared to explain as clearly as possible your rights and benefits and other important features of your Pension Plan. For purposes of clarity, some of the precise detail of the regulations has been summarized. Every effort has been made to assure the accuracy of the summary. However, we must emphasize that nothing in this explanation is intended to change in any way the regulations of the Plan itself.

In the event of any uncertainty, your rights will be determined in accordance with the text of the Plan by the procedures prescribed in the Plan. The full text of the Plan is in the following section of this booklet.

Only the full Board of Trustees is authorized to interpret the Plan. Neither the Union nor any Employer nor any of their representatives are authorized to interpret the Plan or to act as an agent of the Board of Trustees.

If you have any questions about the Pension Plan, contact the Administrative Office. The staff has up-to-date information on the operation of the Plan and on your rights and responsibilities under it.

The staff is available to help you with any questions. Information from other sources is not official and may not be correct.

Official communications of the Pension Plan must be in writing, signed on behalf of the full Board of Trustees or by the authorized Fund Administrator.

Address your inquiries to: Arizona Sheet Metal Pension Trust Fund  
Southwest Service Administrators, Inc.  
2400 West Dunlap Avenue, Suite 250  
Phoenix, AZ 95021-2811



## **CHECKLIST: THINGS FOR YOU TO DO**

### **• Let us know where you are**

Keep the Administrative Office informed of any change in your mailing address to make sure you get all our communications. Our address and phone are:

Arizona Sheet Metal Pension Trust Fund  
Southwest Service Administrators, Inc.  
2400 West Dunlap Avenue, Suite 250  
Phoenix, AZ 95021-2811

(602) 249-3582 or toll free (800) 474-3485

### **• If you leave Covered Employment**

Check the section on “Break in Covered Employment.” Please remember that if you do not earn sufficient Pension Credits over a number of years, it may result in the loss of all your previously accrued credits and benefits. If you are uncertain about your status, request an accounting from the Administrative Office. They also can tell you if a Break in Covered Employment can be repaired and how to do it. Even if you are vested (when you CANNOT lose your rights to a Vested Service Pension), you should keep the Trustees informed of any change of address while you are out of the industry.

If you engage in Noncovered Sheet Metal Service you may delay the start of your pension payments (See Article X of the Pension Plan).

### **• If your marital status changes**

Inform the Administrative Office. See the sections on Husband-and-Wife Pension and other options affected by your marital status.

### **• If you are contemplating retirement**

Get the information you need and file your application in plenty of time. You will need copies of certain documents such as birth certificate, marriage certificate, etc. The Administrative Office can tell you what you need.

### **• Check your options**

There may be waiting periods and deadlines in connection with various type-of-pension options provided by the Plan. You should check your options from time to time especially whenever there is a change in your family status. If in doubt, communicate with the people at the Administrative Office.

### **• Keep your Records**

The accuracy and completeness of the records of your work in Covered Employment can be important in determining eligibility. You can protect yourself against possible future difficulty by checking the work records you receive. Try to keep pay vouchers, payroll check stubs and

other evidence of employment you may receive. This applies to work under this Plan and Related Plans.

- **Designate a Beneficiary**

For the protection of the person or persons you want the Plan's Death Benefits to go to, be sure that you have made your designated beneficiary known to the Trust Office. If your beneficiary should die before you, or for any other reason you want to change your choice, you should promptly inform the Trust Office.

If your marriage is dissolved by divorce, your designation of your spouse as your Beneficiary will be voided as of your divorce date. Your ex-spouse can only be your Beneficiary if you re-designate your ex-spouse as your Beneficiary following your divorce. A Qualified Domestic Relations Order (QDRO) entered by the divorce court and accepted by the Plan may take precedence over your Beneficiary designation.

- **Any questions? Ask the Trust Office**

You should contact the Trust Office about any questions you have on the Plan and your rights and benefits under it, or about any disagreement or doubts you may have concerning your records. You can also check on the Pension Credit in your account, Break in Covered Employment status, etc.

**INFORMATION REQUIRED BY THE EMPLOYEE RETIREMENT  
INCOME SECURITY ACT OF 1974**

**1. The name and type of administration of the Plan:**

Arizona Sheet Metal Pension Trust Fund  
Collectively Bargained, Defined Benefit Pension Plan  
Joint Trustee Labor-Management Trust

**2. Internal Revenue Service plan identification number and plan number:**

The Employer Identification Number (EIN) issued to the Board of Trustees is 86-6069718.  
The Plan number is 001.

**3. Name and address of the person designated as agent for the service of legal process:**

David L. Niederdeppe, Esquire  
Ryan Rapp & Underwood, PLC  
3200 N. Central Avenue, Suite 1600  
Phoenix, AZ 85012

Service of legal process may also be made upon the Board of Trustees at the  
Administrative Office shown below.

**4. Name and address of the administrator:**

The Trustees have engaged the independent contractor named below to perform the routine  
administration of the Trust:

Southwest Service Administrators, Inc.  
2400 West Dunlap Avenue, Suite 250  
Phoenix, AZ 85021-2811

**5. Names and addresses of Trustees:**

**Union Trustees**

Dion Abril  
Sheet Metal Local Union 359  
2604 E Adams Street  
Phoenix, AZ 85034

Don Latham  
Sheet Metal Local Union 359  
2604 East Adams Street  
Phoenix, AZ 85034

**Employer Trustees**

James Dinan  
Bel-Aire Mechanical, Inc.  
4201 North 27<sup>th</sup> Avenue  
Phoenix, AZ 85031

Nick Ganem  
Metro Mechanical, Inc.  
407 South 17<sup>th</sup> Avenue  
Phoenix, AZ 85007

Jeff Holly  
Sheet Metal Local Union 359  
2604 East Adams Street  
Phoenix, AZ 85034

Darrell Fox  
Dynamic Systems, Inc.  
331 S. Price Road  
Chandler AZ 85224

## **6. Collective Bargaining Agreement:**

Contributions to this Plan are made on behalf of each employee in accordance with Collective Bargaining Agreements between the Employers and Local Union.

The Administrative Office will provide you, upon written request, a copy of the Collective Bargaining Agreement. The Collective Bargaining Agreement is also available for examination at the office of the Plan Administrator.

A complete list of employers and unions sponsoring the Plan may be obtained upon written request to the Administrative Office and is available for examination at the Administrative Office. You may also request information as to whether a particular employer is contributing to the Plan on behalf of employees working under a Collective Bargaining Agreement, and if so, the employer's address.

7. The plan's requirements respecting eligibility for participation and benefits, are shown on pages 14 to 21, and in Article II, III, III-A, IV, V and VI of the Pension Plan.

## **8. Description of provisions for non-forfeitable pension benefits:**

A Participant achieves vested status in accordance with the provisions of Article VI, Section 4 of the Plan.

## **9. Normal Retirement Age:**

The Normal Retirement Age under the Plan is the later of (i) age 65, or (ii) the earlier of the Participant's tenth anniversary of participation in the Plan counting all participation, or the fifth anniversary counting participation after July 1, 1988.

10. The provisions of the Husband-and-Wife Pension which provide a lifetime benefit for a surviving spouse are set forth in Article IV of the Plan.

## **11. Description of circumstances which may result in disqualification, ineligibility, loss or denial of benefits:**

- a. Beginning July 1, 1986, a Participant will incur a "Permanent Break in Covered Employment" if the number of consecutive plan years in which he failed to complete 350 hours of service is at least five and equals or exceeds the number of full years of Vesting Service or Pension Credit which he had previously accumulated. Refer to Article VI, Section 5 of the Pension Plan.
- b. If a retired Employee receiving a Disability Pension loses entitlement to his Social Security Disability Benefit or recovers from his disability, he must inform the Board of Trustees in writing within 21 days of the date he receives notice from the Social Security Administration or date of recovery. If he fails to provide such notice, he may, upon

subsequent retirement, not be eligible for benefits for 6 months following the date of his retirement plus any additional months during which he received Disability Pension payments to which he was not entitled. Refer to Article III, Section 11 of the Pension Plan.

- c. If a retired Employee returns to employment, prohibited by the Plan, he must inform the Board of Trustees in writing within 21 days of his return. Upon his subsequent retirement, he may not be eligible for benefits for 6 months following the date of his retirement. If a retired Employee fails to provide such notice of prohibited employment, he may be disqualified for benefits for an additional period of 6 months over and above the 6 months of disqualification period described in the preceding paragraph. Refer to Article VII, Section 9 of the Pension Plan.
- d. A retired Employee is not eligible to receive a pension until the first day of the month following the date on which he files an application for a pension. The procedure for filing an application for benefits is outlined beginning on page 34 in the Benefit Description Section and in Article VII, Section 1 of the Pension Plan.
- e. If a Participant engages in work in Noncovered Sheet Metal Service, his benefits will be delayed for six months for every calendar quarter in which the Participant has at least one hour of Noncovered Sheet Metal Service. His benefit will not be delayed beyond Normal Retirement Age. A Participant will not be eligible to receive a Disability Pension if he works in Noncovered Sheet Metal Service any part of the calendar year in which he becomes disabled or the immediately following two consecutive years. These restrictions will be lifted if the Participant returns to Covered Employment for at least as long as the time spent in Noncovered Employment. Refer to Article X of the Pension Plan.
- f. In addition to the description set forth elsewhere in this Summary Plan Description, your benefits may be reduced if they exceed the maximum amount allowed by Section 415 of the Internal Revenue Code.

If the annual retirement benefit exceeds the maximum benefit permitted, the Retired Employee's benefit will be reduced to the limit then in effect. In following years, as cost of living increases raise the limits on benefits, payments may be increased.

If a Retired Employee's benefit must be reduced due to aggregation with a non-multiemployer plan, the reduction applies to the benefit from the non-multiemployer plan unless the benefit from that plan has been paid.

## **12. Recordkeeping period:**

The period used for computing Pension Credit and Vesting Service credit is July 1 through June 30 of any year.

**13. Source of financing of the plan and identity of any organization through which benefits are provided:**

All contributions to the Plan are made by Employers in accordance with Collective Bargaining Agreements. Benefits are provided directly from the Fund's assets which are accumulated under the provisions of the Trust Agreement.

**14. Date of end of the Plan Year:** The date of the end of the plan year is June 30.

**15. Remedies available under the plan for the redress of claims which are denied in whole or in part, including provisions required by Section 503 of the Employee Retirement Income Security Act.** The procedure for applying for pensions is described beginning on page 34.

If an Employee or beneficiary wishes to appeal a denial of a benefit in whole or in part, he should file a request for a review within 60 days (or 180 days for a disability claim) after receiving the denial; he will be informed of the time and place of the hearing of his appeal. For a complete description see Article VII, Section 4.

**16. PBGC Guarantee of Plan Benefits Upon Termination.**

The collective bargaining parties intend that this Plan continue indefinitely. However, the collective bargaining parties reserve the right, subject to the provisions of the Trust Agreement, to terminate the Plan. See Article IX, Section 3 of the Plan.

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

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

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$12,870.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of: (i) The date the plan terminates or

(ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

## **17. Statement of ERISA Rights:**

As a Participant in the Arizona Sheet Metal Pension Trust Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974. ERISA provides that all plan participants shall be entitled to:

### **Receive Information About Your Plan and Benefits.**

Examine, without charge, at the plan administrator's office and at other specified locations, such as 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.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive 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.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65, or, if later, an applicable anniversary date – see page 21) 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.

### **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. 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, listed in your telephone directory 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.

**IMPORTANT:** No Local Union, Local Union Officer, Business Agent, Local Union Employee, Employer or Employer Representative or Administrative Office personnel, consultant or attorney is authorized to speak for, or on behalf of, or to commit the Trustees of this Plan on any matter relating to the Plan without the express authority of the Board of Trustees.

Only the Board of Trustees of the Plan have the authority to determine eligibility for benefits and the right to participate in the Plan, including the manner in which hours are credited, eligibility for any benefit, discontinuance of benefits, status as a covered or non-covered employee, the level of benefits, and the interpretation and application of the Rules and Regulations of the Plan.

**18. Summary of Plan provisions governing the allocation and disposition of assets upon termination of the Plan.**

The Trustees intend that this Plan continue indefinitely. However, the Trustees reserve the right, subject to the provisions of the Trust Agreement and ERISA, to amend or terminate the Plan. The Plan provides that benefits accrued to the date of termination or partial termination will be vested to the extent then funded. The Plan also provides that the Trustees shall take steps as required by law to comply with ERISA sections 4041A and 4281. Thus, if assets are not sufficient to fully fund all benefits accrued to the date of termination, the Plan may not pay death benefits for deaths after the termination date or new disability pension awards. In addition, pensions might have to be reduced or suspended if the Plan terminates by a mass withdrawal of all employers and assets are not sufficient to fund all accrued benefits.

**FOURTH RESTATEMENT OF THE RULES AND REGULATIONS  
OF THE PENSION PLAN FOR THE  
ARIZONA SHEET METAL PENSION TRUST FUND**

This document sets forth the Fourth Restatement of the Rules and Regulations of the Arizona Sheet Metal Pension Plan, effective July 1, 2011, including Amendments 1 through 3. It reflects the Third Restatement as of January 1, 2002 plus Amendments 1 through 10.

**ARTICLE I. DEFINITIONS**

Unless the context or subject matter otherwise requires, the following definitions shall govern the Plan.

Section 1. The term “Active Participant” means an Employee who meets the requirements for participation in the Plan and excludes a Pensioner, Beneficiary or Vested Participant who is not employed by an Employer.

Section 2. The term “Association” means Air Conditioning Contractors of Arizona.

Section 3. The term “Beneficiary” means a person (other than a Pensioner) who is:

- (a) Legally entitled to receive benefits under this Plan because of his or her designation for such benefits by an Active Participant, a Vested Participant or a Pensioner.
- (b) Legally entitled to and receiving or is entitled to receive benefits by operation of law.

Section 4. The term “Collective Bargaining Agreement” includes and shall mean:

- (a) The Collective Bargaining Agreement dated June 16, 1964 by and between Air Conditioning Contractors of Arizona and Local Union No. 359.
- (b) Any other collective bargaining agreement executed by and between Local Union No. 359 and Air Conditioning Contractors of Arizona or individual employers or other employer associations which specifically provides for the making of contributions to this Pension Fund.
- (c) Any other collective bargaining agreements between any other labor organizations and any individual employer or employer association which provide for the making of contributions to this Pension Fund, subject to approval of the Board of Trustees.
- (d) Any extension or renewal of any of the collective bargaining agreements described in paragraphs (a), (b) or (c) of this Section 4 and which specifically provides for the making of contributions to this Pension Fund.

Section 5. A period of “Work” means a period in which an Employee performed services and for which he was paid or entitled to payment by the employer.

Section 6. The term “Covered Employment” means employment performed by an employee as defined by Section 7 of this Article I for an individual employer.

Section 7. The term “Employee” means:

- (a) Any employee of an Employer, which employee is covered by a Collective Bargaining Agreement requiring contributions to be paid to this Fund;
- (b) A regularly employed and salaried officer, representative or employee of the Union or of the Phoenix Sheet Metal Joint Apprenticeship and Training Committee, if previously an employee within the meaning of subparagraph (a) of this Section, and if contributions are made to the Fund on substantially the same basis upon which subparagraph (a) employees participate in the Fund; and
- (c) A corporate official or other regularly employed and salaried employee of an Employer, if previously an employee within the meaning of subparagraph (a) of this Section, and if contributions are made to the Fund on substantially the same basis upon which subparagraph (a) employees participate in the Fund.

Participation of employees described by subparagraphs (b) and (c) of this Section shall be limited to no more than five percent (5%) of the total number of employees participating in the Fund, and shall be subject to the execution of appropriate participation agreements.

In no event will any self-employed person or sole proprietor be considered an employee within the meaning of this Section 7.

Section 8. The term “Employer” means any employer whether individual, firm or corporation who is required by the Collective Bargaining Agreements or other agreements to make contributions to the Pension Fund. The term Employer may also include the Union and the Phoenix Sheet Metal Joint Apprenticeship Committee. An employer shall not be deemed an Employer simply because he is part of a controlled group of corporations or of a trade or business under common control, some other part of which is a contributing Employer.

Section 9. The term “ERISA” means the Employee Retirement Income Security Act of 1974.

Section 10. The term “Future Service Credit” means periods of employment on and after June 16, 1965 credited in accordance with Article VI of this Plan.

Section 11. Effective July 1, 1988, the term “Normal Retirement Age” shall mean the later of:

- (a) age 65 or
- (b) the earlier of:
  - (1) the 5th anniversary of the time a Participant commenced participation in the Plan, disregarding participation before July 1, 1988, or
  - (2) the 10th anniversary of the time a Participant commenced participation in the Plan.

Participation before a Permanent Break in Covered Employment shall be disregarded in applying this subsection.

Section 12. The term “Participant” means:

- (a) An Active Participant
- (b) A Pensioner
- (c) A Beneficiary
- (d) A Vested Participant

Section 13. The term “Past Service Credit” means periods of employment prior to June 16, 1965 to the extent credited in accordance with Article VI of this Plan.

Section 14. The term “Pension Credit” means the years of employment which are accumulated and maintained for Employees in accordance with Article VI of this Plan for benefit accrual purposes.

Section 15. The term “Pensioner” means a person to whom a pension is being paid under this Plan or to whom a pension would be paid but for the time required for administrative processing. A Pensioner who has returned to Covered Employment and is accruing benefits on the same basis as other Employees as of the effective date of a benefit increase shall not be considered a Pensioner for purposes of that benefit increase.

Section 16. The terms “Pension Plan” or “Plan” mean this Pension Plan and any modification, amendment, extension or renewal thereof.

Section 17. The term “Plan Year” means the period of 12 consecutive months commencing on July 1 of any year and ending on June 30 of the following year except that the first Plan Year shall be from June 16, 1965 to June 30, 1966. For purposes of ERISA and ERISA regulations, the Plan Year shall serve as the vesting computation period and benefit accrual computation period and after the initial period of employment or of re-employment following a break in Covered Employment, the computation period for eligibility to participate in the Plan.

Section 18. The term “Hour of Service” shall mean:

- (a) Each hour for which an Employee is paid or entitled to payment, directly or indirectly, by an Employer for the performance of duties. Such hours shall be credited to the computation period in which the duties are performed.
- (b) In accordance with DOL Regulations Section 2530.200b-2(b), each hour for which an Employee is paid or entitled to payment, directly or indirectly, by an Employer for a period of time during which no duties are performed, excluding any time compensated under a worker’s compensation or unemployment compensation or disability insurance law. Such hours shall be credited to the computation period in which the period during which no duties are performed occurs. No more than 351 Hours of Service shall be credited under this Subsection (b) in any continuous period. Two periods of paid non-work time shall be deemed to be continuous if they are compensated for the same reason and are not separated by at least 90 days.
- (c) Each hour for which back-pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer. Such hours shall be credited to the computation period to

which the award or agreement pertains. In no event will hours be credited under this subsection (c) if they are credited under subsection (a) or subsection (b).

Section 19. “Spouse”, when used in this Plan or in any Policy or Procedure developed for the Plan, shall refer only to a person of the opposite sex to whom the Participant is married, who is a husband or a wife.

Section 20. The term “Trust Agreement” means the Agreement and Declaration of Trust, dated May 12, 1965, establishing the Arizona Sheet Metal Pension Trust Fund and any modification, amendment, extension or renewal thereof.

Section 21. The terms “Trustee” or “Board” or “Board of Trustees” mean those Trustees appointed to administer the Pension Plan under the provisions of the Trust Agreement.

Section 22. The terms “Pension Fund” or “Trust Fund” or “Fund” mean the Trust Fund created and established pursuant to the Trust Agreement.

Section 23. The term “Union” means the Sheet Metal Workers International Association, Local Union No. 359 and any other labor organization permitted to become a party to the Trust Agreement and Pension Plan.

Section 24. The term “Vested Participant” means an employee who has qualified for a Vested Service Pension in accordance with the provisions of Article III, Section 15.

Section 25. The term “Noncovered Sheet Metal Service” means sheet metal work in the geographical jurisdiction of the Plan or a Related Plan on or after August 1, 1993 for an employer which does not have, or self-employment which is not covered by, a collective bargaining agreement with a Sheet Metal Workers’ Union requiring contributions to this Plan or a Related Plan.

Section 26. The term “Non-Bargained Employee” includes and shall mean an Employee, as defined in Article I, Section 7, whose participation is not covered by a Collective Bargaining Agreement.

Section 27. “Annuity Starting Date”.

(a) Subject to section (b), below, a Participant’s Annuity Starting Date is the first day of the first calendar month starting after the Participant has fulfilled all of the conditions for entitlement to benefits and after the later of the Participant’s submission of a completed application for benefits, or 30 days after the Plan advises the Participant of the available benefit payment options, unless

(1) the benefit is being paid as a 50% Husband-and-Wife Pension or one of the Joint and Survivor Options at or after the Participant’s Normal Retirement Age,

(2) the benefit is being paid out automatically as a lump sum under Article VII, Section 7, or

(3) the Participant and Spouse (if any) consent in writing to the commencement of payments before the end of that 30-day period. Consent of the Participant and Spouse

to the commencement of benefits before the end of the 30-day minimum notice period will be valid as long as the following conditions are satisfied:

- (A) the Participant is informed of the right to take up to 30 days to consider whether to waive the Husband-and-Wife Pension and consent to one of the alternate forms of benefit allowed by the Plan,
  - (B) the Participant is given at least seven days to change his/her mind and cancel an election to waive the Husband-and-Wife Pension,
  - (C) distribution of the benefits begins more than seven days after the written explanation was provided to the Participant and Spouse.
- (b) The Annuity Starting Date will not be later than the Participant's Required Beginning Date as defined in Article VII.
- (c) The Annuity Starting Date for a Beneficiary or alternate Payee will be determined under subsections (a) and (b), except that references to the 50% Husband-and-Wife Pension and the Joint and Survivor Options and spousal consent do not apply.

Section 28. Reserved.

Section 29. Reserved.

Section 30. Applicable Interest Rate.

- (a) For Annuity Starting Dates on or after January 1, 2008, the Applicable Interest Rate means the adjusted first, second, and third segment rates applied under rules similar to the rules of Code §430(h)(2)(C) for the month of November (as published in December) immediately preceding the calendar year (which serves as the stability period). For this purpose, the segment rates shall be subject to the conditions set forth in Code §417(e)(3)(D).
- (b) For Annuity Starting Dates on or after January 1, 2008 and before January 1, 2009, any benefit that is calculated using the Applicable Interest Rate and the Applicable Mortality Table shall be the greater of the amount calculated using (i) the Applicable Interest Rate as defined in Section 30(a) of this Article and the Applicable Mortality Table as defined in Section 31 of this Article, (ii) the Applicable Interest Rate and the Applicable Mortality Table as defined prior to January 1, 2008, or (iii) the 7% interest rate and mortality basis specified for lump sums in Article VII, Section 7, if those factors would provide a greater benefit.

Section 31. Applicable Mortality Table.

- (a) For Annuity Starting Dates on or after January 1, 2008, the Applicable Mortality Table means a mortality table, based on the mortality table specified for the calendar year under subparagraph (A) of Code §430(h)(3) (without regard to subparagraph (C) or (D) of such section). Until revised by guidance published by the Secretary of Treasury, the Applicable Mortality Table is set forth in Rev. Rul. 2007-67.

- (b) For Annuity Starting Dates on or after January 1, 2008 and before January 1, 2009, any benefit that is calculated using the Applicable Interest Rate and the Applicable Mortality Table shall be the greater of the amount calculated using (i) the Applicable Interest Rate as defined in Section 30 and the Applicable Mortality Table as defined in Section 31(a), (ii) the Applicable Interest Rate and the Applicable Mortality Table as defined prior to January 1, 2008, or (iii) the 7% interest rate and mortality basis specified for lump sums in Article VII, Section 7 if those factors would provide a greater benefit.
- (c) For determinations as of any Annuity Starting Date that is prior to January 1, 2008 and after December 31, 2002, any reference in the Plan to the Applicable Mortality Table or the mortality table prescribed in Revenue Ruling 95-6 shall be construed as a reference to the mortality table prescribed in Revenue Ruling 2001-62 for all purposes under the Plan.

Section 32. Qualified Military Service. Notwithstanding any provision to the contrary, vesting, benefits and service credit with respect to Qualified Military Service will be provided in accordance with the Uniformed Services Employment and Re-employment Rights Act of 1994, as amended, (USERRA) and Section 414(u) of the Internal Revenue Code for individuals who were absent from Covered Employment due to, and who returned to Covered Employment from, Qualified Military Service on or after December 12, 1994. Qualified Military Service will be counted for purposes of earning Future Service Credit, Years of Service for vesting, avoiding a Break in Service, and avoiding a Separation in Service provided the following conditions are satisfied;

- (a) An individual must have re-employment rights under USERRA in order for any period of Qualified Military Service to be recognized.
- (b) The individual must return to Covered Employment within the time period required by USERRA in order for any period of Qualified Military Service to be recognized.
- (c) No more than five years of Qualified Military Service may be recognized for any purpose except as required by law.
- (d) The Board of Trustees determines, in accordance with USERRA, that an individual is entitled to a period of Qualified Military Service.

## ARTICLE II. PARTICIPATION

Section 1. Purpose. This Article contains definitions to meet certain requirements of the Employee Retirement Income Security Act of 1974 (otherwise referred to as ERISA) such as distribution of booklets, notices and disclosure material as well as establishing the basis on which premium payments are made to the Pension Benefit Guaranty Corporation. It should be noted that once an Employee has become a Participant, the provisions of this Plan give him credit in accordance with the rules of the Plan for some or all of his service before he became a Participant.

Section 2. Participation. The initial eligibility computation period for purposes of this Article II only, is the 12 consecutive month period following an Employee's initial date of employment in Covered Employment. For purposes of this Article II only, an Employee who works in Covered Employment shall become an Active Participant in the Plan on the earliest January 1 or July 1 next following a 12 consecutive month period during which he completed at least 351 Hours of Service. The required hours may also be completed with any Hours of Service in other employment with an Employer if that other employment is continuous with the Employee's Covered Employment with that Employer. After the initial eligibility computation period, the Plan Year which includes the first anniversary of an Employee's employment commencement date, shall serve as the computation period for eligibility to participate in the Plan.

Section 3. Termination of Participation. For purposes of this Article II only, an Active Participant who incurs a One-Year Break in Covered Employment (defined in Article VI) shall cease to be an Active Participant as of the last day of the Plan Year which constituted the Break, unless such individual has become a Pensioner or a Vested Participant.

Section 4. Reinstatement of Participation. For purposes of this Article II only, an individual who has lost his status as an Active Participant in accordance with Section 3 of this Article and who incurs a consecutive number of One-Year Breaks in Service equal to or in excess of the greater of five or the aggregate number of years of Service credited to the Employee prior to the Breaks, shall again become an Active Participant by meeting the requirements of Section 2 of this Article on the basis of Service after the Plan Year during which his participation terminated.

### ARTICLE III. PENSION ELIGIBILITY AND AMOUNTS

Section 1. General. This Article sets forth the eligibility conditions and amounts for the pensions provided by this Plan. The accumulation and retention of Pension Credits for eligibility are subject to the provisions of Article VI. The benefit amounts are subject to reduction on account of the Husband-and-Wife Pension (Article IV). Entitlement of an eligible Participant to receive pension benefits is subject to his retirement and application for benefits as provided in Article VII.

Only Pension Credits or Vesting Service earned subsequent to a Permanent Break in Service, if any, will apply towards the eligibility for a pension hereunder. All pension benefits are subject to the Plan limitations for Noncovered Sheet Metal Service as discussed in Article X.

Section 2. Eligibility for Regular Pension. A Participant who has retired and filed an application for benefits in accordance with Article VII, Section 1 shall be entitled to a Regular Pension if he meets the following requirements:

- (a) He has attained age 62.
- (b) He has at least ten years of Pension Credits.
- (c) He presents evidence of hours worked in Covered Employment after June 16, 1965.

Section 3. Amount of Regular Pension. Subject to the provisions of Section 17 of this Article, the monthly amount of the Regular Pension effective on and after July 1, 1998 shall be determined as follows:

- (a) Each full year of Past Service Credit is equal to \$18.75 (\$4.6875 for each quarter).
- (b) Each full year of Future Service Credit earned prior to July 1, 1979 is equal to \$50.00 (\$12.50 for each quarter).
- (c) Each full year of Future Service Credit earned after July 1, 1979 is equal to \$60.00 (\$15.00 for each quarter).

Section 4. Eligibility for Early Retirement Pension. A Participant who has retired and filed an application for benefits in accordance with Article VII, Section 1 shall be entitled to an Early Retirement Pension if he meets the following requirements:

- (a) He has attained age 55.
- (b) He has at least ten years of Pension Credit.
- (c) He presents evidence of hours worked in Covered Employment after June 16, 1965.

Section 5. Amount of Early Retirement Pension. The monthly Early Retirement Pension shall be equal to the amount of the Regular Pension to which the individual would be entitled if he were 62 years of age on the Annuity Starting Date of his Early Retirement Pension, reduced by  $\frac{1}{4}$  of 1% for each month that the individual is younger than 62.

Section 6. Eligibility for Disability Pension. An Active Participant who has retired **and** filed an application for benefits in accordance with Article VII, Section 1 shall be entitled to a Disability Pension if he is totally disabled prior to attaining age 62 provided he:

- (a) Has at least ten years of Pension Credit.
- (b) Has presented evidence of hours worked in Covered Employment after June 16, 1965.
- (c) Has, as a result of work in Covered Employment, had contributions owed on his behalf of at least 350 hours in the 24-month period immediately preceding the month in which he became totally disabled. This subsection may be satisfied by 350 hours of work in employment other than Covered Employment and without a supporting contribution obligation, if the Trustees determine, in their discretion, that the employment is proper for organizational or other purposes serving the industry covered by this Plan. Any such determination by the Trustees must be memorialized in writing.

Section 7. Total Disability Defined.

- (a) For purposes of eligibility for a Disability Pension, a Participant shall be deemed totally disabled only if the Board of Trustees, in its sole and absolute discretion, finds that the Participant is totally unable, as a result of bodily injury or disease, to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of at least 12-months duration, and that such bodily injury or disease is not due to such participant's commission of or attempt to commit a felony, or engagement in any felonious activity or occupation, or the self-infliction of any injury, or as a result of drunkenness or the use of narcotics unless the same were administered pursuant to the order of a licensed physician.

In exercising such discretion, the Board may obtain and act upon such competent medical evidence as it may require to be shown to it and it may accept as proof of total disability medical evidence or a determination by the Federal Social Security Administration that the Participant is entitled to a Social Security Disability Benefit in connection with his Old Age and Survivor's Insurance coverage.

The Board of Trustees may, at any time or from time to time, require evidence of continued entitlement to such Social Security Disability Benefit and may at any time, notwithstanding the prior granting of a Disability require that the Pensioner satisfy the requirements of this Section as a prerequisite to the continuance of the Disability pension granted under this Plan.

Exception: If the total disability commenced prior to January 1, 1982, a Participant shall be deemed to be totally disabled through that date only if he is awarded a Social Security Disability Benefit under Title II of the Social Security Act. Total disability after January 1, 1982, may be established as provided in this Section 7.

- (b) For purposes of eligibility for an Occupational Disability Pension, a Participant shall be deemed totally disabled only if the Board of Trustees, in its sole and absolute discretion, finds that the Participant is totally unable, as a result of bodily injury or disease, to engage in any activity in the sheet metal trade by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of at least 12-months duration.

Section 8. Amount of the Monthly Disability Pension. The monthly Disability Pension shall be equal to the Regular Pension the individual would receive if he were age 62 at the time he became totally disabled.

Section 9. Disability Pension Payments.

- (a) Payments Generally. Once an application has been duly filed, payment of the Disability Pension shall commence on the Participant's Annuity Starting Date and shall continue thereafter for so long as such disability continues or the Pensioner remains entitled to a Social Security Disability Benefit, except that upon attainment of age 62, a Disability Pensioner shall have his pension continued regardless of whether or not he remains totally disabled.
- (b) Auxiliary Disability Benefit. If the Annuity Starting Date for a Participant's Disability Pension is later than the first of the month following the sixth month in which the disability occurs and he has met the filing requirements of this subsection (b) or he is applying based on medical evidence, he will be entitled to an Auxiliary Disability Benefit.

If the Participant's application for Disability Pension and a copy of the Social Security award are filed within 60 days of a determination by the Social Security Administration of his entitlement to a Social Security Disability award, such application shall be considered timely, and payment of the Auxiliary Disability Benefit shall commence on the effective date of his Social Security Disability award. If the Participant's application for Disability Pension is filed more than 60 days following the determination by the Social Security Administration of his entitlement to a Social Security Disability award, no Auxiliary Disability Benefit shall be payable. In no event shall the payment of the Auxiliary Disability Benefit commence earlier than the first of the sixth month following the date of total disability.

The Auxiliary Disability Benefit is an amount, payable as a lump sum, equal to the benefit which would have been payable under the Participant's Disability Pension (in the payment form chosen for that pension) between the commencement date of the Auxiliary Disability Benefit and the Annuity Starting Date of the Disability Pension.

Section 10. Receipt of Early Retirement Pension Pending Proof of Eligibility for Disability Pension. If an Active Participant makes application for pension benefits after January 1, 1982 and if the Active Participant was totally disabled on the date of his application for pension benefits, he may elect to receive if otherwise qualified, an Early Retirement Pension pending proof of his disability to the Board of Trustees under the definitions of Article III, Section 7.

Should such an applicant then qualify for a Disability Pension, the effective date of his Disability Pension shall be as determined pursuant to Section 9 of this Article.

Section 11. Recovery by a Disability Pensioner. If a Disability Pensioner recovers from his total disability or loses entitlement to a Social Security Disability Pension, such fact shall be reported by him in writing to the Board of Trustees within 21 days after the date he recovers or receives notice thereof from the Social Security Administration. If such written notice is not provided by the Pensioner, he shall not, upon his subsequent retirement, be eligible for benefits for a period of six months following the date of his retirement, plus the number of months for which he received a Disability Pension under this Plan after he recovered or received notice of termination of the Social Security Disability Pension. In no event will such six-month period extend beyond his Normal Retirement Age.

Section 12. Return to Covered Employment by a Disability Pensioner. A Disability Pensioner who is no longer totally disabled may re-enter Covered Employment and will thereupon resume the accrual of Pension Credit to his account.

Section 13. Basic Pension. A Participant who has retired and filed an application in accordance with Article VII, Section 1 shall be entitled to a Basic Pension if he is not eligible for a Regular, Early Retirement or Disability Pension under this Plan and:

- (a) He had attained age 65 prior to June 16, 1965.
- (b) At the time of such retirement he had at least 12 years of service of the type for which Past Service Credit is provided to Participants under Article VI.
- (c) He presents evidence of hours worked and retirement after June 16, 1965.

Section 14. Amount of Basic Pension. The amount of the Basic Pension shall be \$50 per calendar month.

Section 15. Eligibility for a Vested Service Pension. A Participant who has retired and filed an application in accordance with Article VII, Section 1 shall be entitled to a Vested Service Pension if he meets the following requirements:

- (a) He has attained age 62.
- (b) He has met the vesting requirements of Article VI, Section 4(a) of this Plan.

Section 16. Amount of Vested Service Pension. The monthly amount of Vested Service Pension shall be determined in the same manner as the Regular Pension.

Section 17. Separation from Covered Employment.

- (a) A Participant who incurs two consecutive One-Year Breaks in Covered Employment, as defined in Article VI, will be deemed to be Separated from Covered Employment at the beginning of such two-year period. However, a Participant shall not incur a Separation from Service for periods of absence while engaged in Qualified Military Service.
- (b) The pension amount to which a Participant is entitled will be determined under the terms of the Plan as in effect at the time of his Separation from Covered Employment, if any, but in no event less than that in effect as of May 1, 1979.
- (c) If a Participant returns to Covered Employment following a Separation from Covered Employment as described above and earns additional Pension Credit, his monthly benefit for such additional credits shall be calculated based on the benefit factor in effect under Article III, Section 3 on the date of his retirement or his subsequent Separation from Covered Employment, whichever is earlier.
- (d) Once a Participant has earned at least 25 years of Pension Credit, the foregoing Separation from Covered Employment rules shall no longer be applicable.
- (e) If an individual has incurred a Separation from Covered Employment in accordance with this Section 17, which Separation from Covered Employment is not part of a Permanent

Break in Covered Employment under Article VI, Section 5, the individual may eliminate the effects of the Separation upon satisfaction of all the requirements of this subsection:

- (1) the individual must have an Hour of Service on or after July 1, 1999;
- (2) the individual must have worked 351 or more hours in Covered Employment in each of five consecutive Plan Years;
- (3) the individual must have earned at least five Pension Credits during the period of five consecutive Plan Years specified in paragraph (2), or after such period, or in a combination thereof; and
- (4) the individual must establish an original Annuity Starting Date that is on or after August 1, 1999.

Additionally, an individual who has cured a Permanent Break in Employment under Article VI, Section 6, may eliminate the effects of a Separation from Covered Employment which occurred during the Permanent Break in Covered Employment by earning additional Pension Credits. Each full year of Pension Credit earned subsequent to the cure of the Permanent Break in Covered Employment will eliminate the effect of the Separation with respect to one Pension Credit.

Section 18. Eligibility for Special Normal Retirement Age Vested Pension. Beginning July 1, 1976, a Participant shall, upon retirement and upon filing an application for benefits in accordance with Article VII, Section 1, be eligible for a Special Normal Retirement Age Vested Pension if he meets the following requirements:

- (a) He has attained Normal Retirement Age, as defined in Article I of this Plan.
- (b) He was an Active Participant in the Plan, as defined in Article I of this Plan, on the date he attained Normal Retirement Age.

Section 19. Amount of Special Normal Retirement Age Vested Pension. The monthly amount of the Special Normal Retirement Age Vested Pension shall, subject to the provisions of Section 17 of this Article, be equal to the amount payable for each full year of Future Service Credit under Section 3 of this Article. No amounts are paid under the Special Normal Retirement Age Vested Pension for Past Service Credit.

Section 20. Eligibility for Service Pension. Effective July 1, 1990, a Participant who has retired and filed an application for benefits in accordance with Article VII, Section 1 shall be entitled to a Service Pension if he meets the following requirements:

- (a) attainment of age 55 but not yet age 62; and
- (b) earned at least thirty (30) years of Pension Credit, provided that years of Pension Credit necessary for this subsection may alternatively be satisfied by Plan Years during which at least 1000 hours of work was performed in employment, on and after July 1, 2004, other than Covered Employment and without a supporting contribution obligation, if the Trustees determine, in their discretion, that the

employment is proper for organizational or other purposes serving the industry covered by this Plan; and

- (c) presents evidence of hours worked in Covered Employment after June 16, 1965.

Section 21. Amount of Service Pension. The monthly amount of Service Pension shall be determined in the same manner as the Regular Pension.

Section 22. Eligibility for Occupational Disability Pension. A Participant who has filed an application for benefits in accordance with Article VIII, Section 1 shall be entitled to retire on an Occupational Disability Pension if he is totally disabled from the trade prior to attaining age 62 provided:

- (a) he has attained at least age 50;
- (b) he has earned at least 28 Pension Credits; and
- (c) he has, as a result of work in Covered Employment, had contributions made on his behalf for at least 350 hours in a 24-month period immediately preceding the month in which he became totally disabled.

Section 23. Amount of Occupational Disability Pension. The monthly Occupational Disability pension shall be equal to the Regular Pension the individual would receive if he were age 62 at the time he became totally disabled.

Section 24. Ad hoc Retiree Benefit.

- (a) Generally. From time to time, based on the growth and development of the Fund, the Trustees may, in their sole discretion, direct the Administrative Office to distribute supplemental pension benefits to qualifying Pensioners, Beneficiaries, and alternate payees under a QDRO. Any provision of this Plan which provides for any ad hoc benefit shall not create an entitlement to an accrued benefit beyond the one time payment.
- (b) November 1, 2007. At the Trustees' direction, Pensioners and Beneficiaries in pay status as of October 31, 2007 received a supplemental benefit in the same amount as each individual's October 2007 monthly pension benefit not to exceed \$600. The class of eligible recipients was defined as follows. All Pensioners and Beneficiaries with an Annuity Starting Date prior to October 31, 2007, were eligible. If a QDRO was in effect, this benefit was apportioned between the Pensioner and any alternate payees in accordance with the terms under which retirement benefits were assigned by the QDRO. Surviving spouses receiving benefits under the Plan's qualified pre-retirement survivor annuity, or under the Plan's qualified joint and survivor annuity, or under one of the Plan's optional joint and survivor annuity forms of payment, were eligible provided the Annuity Starting Date was prior to October 31, 2007.

## ARTICLE III-A. PRO RATA PENSIONS

Section 1. Purpose. Pro Rata Pensions were provided under this Plan through December 31, 2008 for Employees who would otherwise have been ineligible for a pension because their years of employment were divided between employment creditable under this Plan and employment creditable under certain other pension plans which were recognized as Related Plans under this Article's Section 2. On and after January 1, 2009, all such pensions are provided only under the provisions of Article III-B of the Plan.

Section 2. Related Plans. By resolution duly adopted, the Board of Trustees may recognize another pension plan as a Related Plan.

Section 3. Related Hours. The term "Related Hours" means hours of employment which are creditable under a Related Plan.

Section 4. Related Credit. The term "Related Credit" means years of service, or portions thereof, creditable to an Employee under a Related Plan.

Section 5. Combined Pension Credit. The term "Combined Pension Credit" means the total of an Employee's Related Credit plus the Pension Credit accumulated under the Arizona Sheet Metal Pension Trust Fund (hereinafter referred to as "Arizona Pension Credit").

Section 6. Contributory Credit. The term "Contributory Credit" means Related Credit or Arizona Pension Credit which results from Related Hours for which contributions were made or required to be made to a Related Plan or the Arizona Sheet Metal Pension Trust Fund.

Section 7. Non-duplication of Credits. An Employee shall not receive double credit for the same period of employment. No more than one year of Pension Credit or Related Credit shall be given for all employment in any given calendar year.

Section 8. Eligibility for a Pro Rata Pension. An Employee who has retired and filed an application for benefits in accordance with Article VII, Section 1 shall be eligible for a Pro Rata Pension under this Plan if he meets all of the following requirements:

- (a) An Employee who is retired in accordance with Section 8 of Article VII shall be eligible for a Pro Rata Pension if he meets the following requirements:
  - (1) He would be eligible for a Regular, Disability, Early Retirement or Vested Pension under this Plan were his Combined Pension Credits treated as Arizona Pension Credit.
  - (2) He has accumulated at least two quarters of Future Service Credits with this Plan.
- (b) Related Hours shall be considered in determining whether an Employee, Active Participant or Vested Participant has incurred a Break in Service as defined in Article VI, Section 5. However, once employer contributions are no longer made to this or a Related Plan with respect to work performed by the Employee, Active Participant or Vested Participant, the determination as to whether he has had a Permanent Break in Service under this Plan shall be based solely on the Pension Credit or Vesting Service earned under this Plan and not upon the Combined Service Credit accumulated by the Employee, Active Participant or Vested Participant. Related Hours shall also be considered in determining whether an

Employee, Active Participant or Vested Participant has incurred a Separation from Covered Employment for purposes of Article III, Section 17 and Article V, Section 1(a).

Section 9. Amount of the Pro Rata Pension. The amount of the Pro Rata Pension is determined by multiplying the monthly benefit factor payable with respect to the Regular Pension by the number of years (plus any twelfths thereof) of Arizona Pension Credit, up to a maximum of 25 such years for retirements prior to April 1, 1977 and up to 30 such years thereafter. The benefit amount so obtained is reduced in accordance with Section 5 of Article III if the Employee is qualified for a Pro Rata Early Retirement Pension.

Section 10. Payment.

- (a) Payment of a Pro Rata Pension shall be subject to all of the conditions applicable to the other types of pensions under this Plan.
- (b) In order to permit a Pensioner receiving a Pro Rata Pension to receive his aggregate benefits in one monthly pension check, the Board of Trustees may authorize the trustees of a Related Plan to pay a Pro Rata Pension as agent for the Board of Trustees of this Plan if the Pensioner's most recent Contributory Credit was earned in the jurisdiction of the Related Plan.

The Trustees of this Plan may also act as agent for the trustees of a Related Plan in paying pensions for which the Related Plan is obligated to Pensioners under this Plan, if the Pensioner's most recent Contributory Credit was earned in the jurisdiction of this Plan.

Section 11. General. The provisions of this Article III-A, which were effective pursuant to separate agreements as specified in Section 2 of this Article, were replaced by the provisions of Article III-B, the Partial Pension provisions under the International Reciprocal Agreement for Sheet Metal Workers' Pension Funds, effective January 1, 2009, for the pension plans that had been subject to those agreements.

## ARTICLE III-B. PARTIAL PENSION

Section 1. Purpose. Partial Pensions are provided under this Plan for Employees who would otherwise lack sufficient Pension Credit to be eligible for any pension because their years of employment were divided between pension plans or, if eligible, whose pensions would be less because of such division of employment.

Section 2. Home Fund. The Trustees recognize as the Home Fund that Fund which has executed the International Reciprocal Agreement for Sheet Metal Workers' Pension Funds and which was established in part by the local union in which an Employee holds or has applied for membership or by which an Employee was first represented.

The designation of a Home Fund may be changed:

- (a) By a member, if he transfers his membership to another local union which participates in a signatory Fund, giving a notice both to his former and new Home Funds.
- (b) By any other Employee if he has earned at least one Pension Credit in the jurisdiction of a local union which participates in a signatory fund by giving notice to his former and new Home Funds.

Section 3. Related Plans. The Trustees recognize one or more other plans of pension funds which have executed the International Reciprocal Agreement for Sheet Metal Workers' Pension Funds and which have adopted Exhibit A of such Reciprocal Agreement as a Related Plan.

Section 4. Related Pension Credits. Related Pension Credits earned under a Related Plan shall be determined in accordance with the rules and regulations of the Related Pension Plan. Such Related Pension Credit, including Pension Credit earned before the effective date of this Agreement, to the extent creditable under a Related Plan shall be recognized as Related Pension Credits. The Trustees of the Related Plan shall certify to this Plan the amount of such Related Pension Credits which have been earned and credited under the Related Plan.

Section 5. Combined Pension Credit. The total of any Employee's Pension Credit under this Plan and Related Pension Credit together comprises the Employee's Combined Pension Credit. Not more than one year of Combined Pension Credit shall be counted in any Plan Year.

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

Section 6. Eligibility for a Partial Pension. An Employee who has retired and filed an application for benefits in accordance with Article VII, Section 1 shall be eligible for a Partial Pension under this Plan if he meets all of the following requirements:

- (a) He would be eligible for any type of pension under this Plan (other than a Partial Pension) if his Combined Pension Credit were treated as Pension Credit under this Plan; and

- (b) In addition to any other requirements necessary to be eligible under (a), he has, under this Plan, at least one year of Pension Credit based on hours of employment for which contributions were payable to this Fund.
- (c) He is found to be eligible for a Partial Pension from this Plan and at least one Related Plan.

Section 7. Breaks in Service. In applying the rules of this Plan with respect to cancellation of Pension Credit, any period in which an Employee has earned Related Pension Credit shall not be counted in determining whether there has been a period of no Covered Employment sufficient to constitute a break in service.

Service 8. Non-Duplication. In order to receive a Partial Pension from this Plan, an Employee must waive his right to receive any other pension under this Plan.

Section 9. Partial Pension Amount. The amount of the Partial Pension payable by each signatory plan under which an Employee qualifies for a pension shall be based on the years of Pension Credit he earned under that Plan and the benefit levels in effect under each such plan.

Section 10. Payment of Partial Pensions. The payment of a Partial Pension shall be subject to all of the conditions contained in this Plan applicable to all other types of pensions, including, but not limited to, retirement as herein defined and timely application. Partial Pension payments subject to this Article shall be limited to monthly pension payments to a Pensioner or to monthly payments to the survivor of a Pensioner.

Section 11. Applies to Pension Benefits Only. This Article applies to pension benefits only. It shall not apply to death benefits, termination benefits or any variation thereof.

Section 12. Limited Transfer of Contributions. Except as provided in this Section, no contributions shall be transferred between funds that are signatory only to Exhibit A. However, if an Employee whose Home Fund is signatory to Part A only or both Part A and part B works in the jurisdiction of this Fund and earns less than one year of Pension Credit in this Fund, then all contributions made on his behalf to this Fund shall be transferred to his Home Fund within a reasonable period of time after he has returned to his Home Fund. Such transfer shall only be made if authorized by the Employee in writing on a form provided for that purpose.

## ARTICLE III-C. TRANSFER OF CONTRIBUTIONS

Section 1. Purpose. A pension is provided under this Plan for employees who would otherwise lack sufficient pension credit to be eligible for any pension because their years of employment were divided between Pension Plans or, if eligible, whose pension would be less because of such division of employment.

Section 2. Home Fund. The Trustees recognize as the Home Fund, that Fund which has executed the International Reciprocal Agreement for Sheet Metal Workers' Pension Funds and which has adopted Exhibit B to such Reciprocal Agreement and which was established in part by the local union in which an Employee holds or has applied for membership or by which an Employee was first represented.

The designation of a Home Pension Plan may be changed:

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

At the request of a member or employee designating a new Home Fund, a lump sum transfer from the former Home Fund to the new Home Fund may be made, provided the terms and conditions of such a transfer are agreed to by the Trustees of both such Funds. If such a transfer is not made, then the two Funds will provide for reciprocity under ARTICLE III-B, PARTIAL PENSIONS.

Section 3. Cooperating Pension Fund. By resolution duly adopted, the Trustees recognize all other Pension Funds which have executed the International Reciprocal Agreement for Sheet Metal Workers' Pension Funds and which have adopted Exhibit B or such Reciprocal Agreement as a Cooperating Pension Fund.

Section 4. Transfer of Contributions. Each Cooperating Fund shall collect and forward contributions to a traveling Employee's Home Fund, at least quarterly, in accordance with the following:

- (c) All contributions required to be paid into this Fund on behalf of any traveling Employee working within its territorial jurisdiction unless it is determined that the credit given by the Home Fund of said Employee does not reflect the difference, if any, by which the contribution rate of this Fund is greater than the contribution rate in the Home Fund. If such a determination is made this Fund shall forward to the Home Fund an amount based on the lesser of the contribution rate of this Fund or the Home Fund.
- (d) Contributions shall only be forwarded to the Employee's Home Fund if the transfer is authorized by the Employee in writing on a form provided for that purpose.
- (e) The Cooperating Fund shall at the same time forward to the Home Fund the traveling employee's employment records. In making such transfers of contributions, the

Cooperating Fund will act solely as the agent of the Home Fund and Employee will continue to remain subject to the rules of eligibility of such Home Fund.

For purposes of the section, in the event the local union in which an Employee holds or has applied for membership, or which first represented such Employee, participates solely in a Local Pension Plan and the Employee works in a jurisdiction of a local union that participates both in a Local Pension Plan and the Sheet Metal Workers' National Pension Plan, then the Local Pension Plan in whose jurisdiction he is working shall transfer to the member's Home Fund the lesser of the contribution rate in effect in the Home Fund or the Local Pension Fund in whose jurisdiction he is working. In the event that the Local Pension Fund in whose jurisdiction he is working has a higher contribution rate than his Home Fund, then the difference shall be transferred to the Sheet Metal Workers' National Pension Fund.

For purposes of this section, in the event the local union in which an employee holds or has applied for membership, or which first represented such employee, participates in both a Local Pension Plan and the Sheet Metal Workers' National Pension Plan, and the member works in another local union jurisdiction which participates both in a Local Pension Plan and the Sheet Metal Worker's National Pension Plan then the Local Pension Plan in whose jurisdiction he is working shall transfer to the Home Local Pension Plan the lesser of the contribution rate in effect in the Home Local Pension Plan or the Local Pension Plan in whose jurisdiction he is working. In the event the contribution rate in effect in the Home Local Pension Plan is less than the contribution rate of the Local Pension Fund in whose jurisdiction he is working, then the difference shall be transferred to the Sheet Metal Workers' National Pension Plan.

Section 5. Eligibility. In determining whether an employee is eligible to receive benefits under the Home Fund, credit shall be given for time worked under any Cooperating Fund from which contributions have been received to be credited on his behalf. For the purpose of any break in service rule, any time worked in a Cooperating Fund area shall be counted as if the employee worked in the Home Fund provided contributions for such time worked are transferred.

Section 6. Amount of Pension. In computing the amount of the benefits payable under the Home Fund, credit shall be given for contributions forwarded to said Fund by Cooperating Funds as well as those contributions received by the Home Fund directly.

Section 7. Payment of Pension. The payment of the pension shall be subject to the provisions of the Home Fund's Plan rules and regulations.

## ARTICLE IV. HUSBAND-AND-WIFE PENSION

Section 1. Effective Date. The provisions of this Article apply only to pensions where the entitlement to benefit payment commences on or after July 1, 1976.

### Section 2. Amount of Husband-and-Wife Pension.

- (a) The monthly amount to be paid to the eligible surviving Spouse is one-half of the monthly amount received by the Pensioner at the time of his death or, if applicable, one-half the amount that would have been paid to the Active Participant or Vested Participant under this Article, had his pension been in effect on the day before he died and as if the Husband-and-Wife Pension had been in effect on such date.
- (b) The monthly amount of the Husband-and-Wife Pension, once it has become payable, shall not be increased if the Spouse is subsequently divorced from the Pensioner or if the Spouse predeceased the Pensioner.

### Section 3. Upon Retirement.

- (a) A pension shall be paid in the form of a Husband-and-Wife Pension to a married Participant and his Spouse unless the Participant and his Spouse have filed with the Trustees in writing a timely rejection of that form of Pension, subject to all the conditions of this Article.
- (b) Subject to Section 7 of this Article, a married Participant and his Spouse may reject the Husband-and-Wife Pension (or revoke a previous rejection) at any time during the period not more than 90 days prior to the Participant's Annuity Starting Date or less than 30 days after they are provided a detailed explanation of the amount payable under the normal form of payment and a financial comparison of the other payment options. A participant shall, in any event, have the right to exercise this choice up to 90 days after he has been advised by the Trustees of the effect of such choice on his pension.
- (c) Notice to Participants

Within a period of no more than 90 days and no less than 30 days before the "Annuity Starting Date" (and consistent with Treasury regulations), the Trustees shall provide the Participant and his Spouse, if any, with a written explanation of:

- (1) the terms and conditions of the 50% Husband-and-Wife Pension (Joint and Survivor Annuity) and the Optional 75% Husband-and-Wife Pension (Qualified Optional Survivor Annuity);
- (2) the Participant's right to make and the effect of an election to waive the Husband-and-Wife Pension;
- (3) the right of the Participant's Spouse to consent to any election to waive the Husband-and-Wife Pension;
- (4) the right of the Participant to revoke such election during the election period that ends on the Annuity Starting Date, and the effect of such revocation;

- (5) the relative values of the various optional forms of benefit under the Plan; and
- (6) the right to defer any distribution and the consequences of failing to defer distribution of benefits including a description of how much larger benefits will be if the commencement of distributions is deferred.

Section 4. Before Retirement. If a Vested Participant dies before his Annuity Starting Date, his surviving Spouse shall be entitled to a Husband-and-Wife Pension.

- (a) Subject to paragraph (b) below, the surviving legal Spouse of a Participant who dies before the Participant's Annuity Starting Date may apply for and receive the pre-retirement surviving spouse benefit to which he or she is entitled at any time after the death of the Participant. Payments shall begin as of the earliest date the Participant would have been eligible to receive benefits.
- (b) Payment of the pre-retirement surviving spouse benefit must begin no later than December 1 of the calendar year in which the Participant would have reached 70½ or, if later, December 1 of the calendar year following the year of the Participant's death. If the Trustees confirm the identity and whereabouts of a surviving legal Spouse who has not applied for benefits by that time, payments to that surviving legal Spouse in the form of a single life annuity (subject to the provisions of Article VII, Section 7 on small benefit cashouts) shall begin as of that date.
- (c) If a surviving legal Spouse dies before the Annuity Starting Date of the pre-retirement surviving spouse benefit, that benefit shall be forfeited and there shall be no payments to any other party.
- (d) The monthly amount payable to the surviving legal Spouse shall be determined as follows:
  - (1) On or after age 55. If the Participant's death occurs after his attainment of age 55, the surviving Spouse shall be entitled to a Husband-and-Wife Pension commencing with the month following the month in which the Participant died. The amount of such Husband-and-Wife Pension shall be calculated as if the Participant had retired on a Husband-and-Wife Pension on the day before his death.
  - (2) Prior to age 55. If the Participant's death occurs prior to his attainment of age 55, the surviving Spouse shall be entitled to a Husband-and-Wife Pension commencing with the month following the month in which the Participant would have attained age 55 had he lived. The amount of such Husband-and-Wife Pension shall be calculated as if the Participant had left Covered Employment on the earlier of the date he last worked in Covered Employment or the date of death, retired on a Husband-and-Wife Pension upon reaching age 55 and died on the last day of the month in which age 55 was reached.

Section 5. Retirement Before Age 55. If the Annuity Starting Date of a married Active Participant's Disability Pension occurs before he attains age 55, payment shall be made in the form of a Husband-and-Wife Pension, unless the individual and his Spouse have rejected such form of payment, in writing, in a rejection filed with the Trustees before the first pension payment has been made to him.

The Husband-and-Wife Pension shall provide payment to the surviving Spouse, if any, starting on the first of the month following the death of the Participant.

Section 6. Adjustment of Pension Amount. When a Husband-and-Wife Pension becomes effective, the amount of the Active Participant's or Vested Participant's monthly pension shall be reduced in accordance with the following:

- (a) Non-disability Pensions. If payment of a pension, other than a Disability Pension, is to be made in the form of a Husband-and-Wife Pension, the pension amount shall be adjusted by multiplying it by the following percentage: 89.0 percent minus .4 percentage points for each year the Spouse's age is less than the Participant's age or plus .4 percentage points for each year the Spouse's age is greater than the Participant's age. However, in no event shall the resulting percentage be greater than 100.0 percent.
- (b) Disability Pensions. If payment of a Disability Pension is to be made in the form of a Husband-and-Wife Pension, the pension amount shall be adjusted by multiplying it by the following percentage: 79.0 percent minus .4 percentage points for each year the Spouse's age is less than the Participant's age or plus .4 percentage points for each year the Spouse's age is greater than the Participant's age.

If the Participant is younger than age 55 on the Annuity Starting Date of his Disability Pension, an additional .5 percentage points for each year the Participant is younger than age 55 shall be added to the percentage determined above. In no event shall the resulting percentage be greater than 100.0 percent.

Section 7. Additional Conditions. A Husband-and-Wife Pension shall not be effective under any of the following circumstances:

- (a) The Participant and Spouse were not lawfully married to each other on the Annuity Starting Date of the Participant's pension.
- (b) The Participant and Spouse were lawfully married to each other for less than a year before he died, if he died before his Annuity Starting Date.
- (c) The Spouse died before the Participant's Annuity Starting Date or before his death, if he died before a pension was payable to him.
- (d) The marriage of the Participant and the Spouse was legally dissolved before the Participant's Annuity Starting Date or before his death, if he died before a pension was payable to him.
- (e) The Trustees shall be entitled to rely on the written representation last filed by the Participant before his pension payments commenced as to whether he is married. This reliance shall include the right to deny benefits to a person claiming to be the Spouse of the Participant in contradiction to the aforementioned representation of the Participant. If such representation later proves to be false, the Trustees may adjust for any excess benefits paid as the result of the misrepresentation. Any payment made in good faith pursuant to the statement contained in an election application for pension shall discharge all the obligations of the Board of Trustees to the extent of such payments. A person claiming to be the Spouse of a Pensioner or Participant which relationship is not reflected in the

records of the Fund or which is denied by the Pensioner or the Participant, is entitled to a hearing on the issue as provided in Section 4 of Article VII.

The Trustees shall recoup, offset or recover from any sum due to the Pensioner or Participant the amount of any payments made in reliance on false statements, including any legal expenses incurred for such recovery.

- (f) Any written election or revocation (including any change of a previous choice) made under this Article, shall bear the notarized signatures of both the married Active Participant or Vested Participant and his Spouse.
- (g) Except as provided in Section 3(b) of this Article, election or revocation may not be made or altered after payment of the pension has commenced. An election cannot be made or changed after the pension has commenced even if at the time of the commencement of the pension the Pensioner was not married and he subsequently marries, or if married, the marriage is later dissolved.
- (h) Any written election, rejection or revocation (including any change of a previous choice) made under Article IV, shall not take effect unless (A) the Spouse of the Participant consents in writing to such election, (B) such election designates a beneficiary (or a form of benefits) which may not be changed without spousal consent (or the consent of the Spouse expressly permits designations by the Participant without any requirement of further consent by the Spouse), and (C) the Spouse's consent acknowledges the effect of such election and is witnessed by a plan representative or a notary public. Notwithstanding the preceding sentence, no spousal consent shall be required if it is established to the satisfaction of the Trustees that spousal consent may not be obtained because there is no Spouse, because the Spouse cannot be located, or because of such other circumstances as the Internal Revenue Service may by regulations prescribe.

Section 8. Optional 75% Husband-and-Wife Pension. A married Participant who has duly rejected the Husband-and-Wife Pension, but who is entitled to a Pension, may elect to receive the Optional 75% Husband-and-Wife Pension.

- (a) When an Optional 75% Husband-and-Wife Pension becomes effective, the amount of the Participant's Pension otherwise payable will be reduced in accordance with the following:
  - (i) Non-Disability Pensions. The Pension amount otherwise payable shall be adjusted by multiplying it by the following percentage: 84.0 percent minus .5 percentage points for each year the spouse's age is less than the Participant's age or plus .5 percentage points for each year the spouse's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent.
  - (ii) Disability Pensions. The Pension amount otherwise payable shall be adjusted by multiplying it by the following percentage: 71.0 percent minus .5 percentage points for each year the spouse's age is less than the Participant's age or plus .5 percentage points for each year the spouse's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100.0 percent.

If the Participant is younger than age 55 on the Annuity Starting Date of his Disability Pension, an additional .5 percentage points for each year the Participant is younger than age 55 shall be added to the percentage determined above. In no event shall the resulting percentage be greater than 100.0 percent.

## ARTICLE V. DEATH BENEFIT

### Section 1. Eligibility for and Amount of Death Benefit

- (a) (1) Death Before Retirement. In the event a Participant dies at a time when he has, as a result of work in Covered Employment, had contributions made on his behalf of at least 350 hours in the 24-month period immediately preceding the month in which the Participant dies, the total amount of contributions credited to his account, up to a maximum of \$40,000 will be paid in a lump-sum to his designated Beneficiary or the person or persons selected in accordance with Section 3 of this Article. In determining the amount of the lump-sum payment under this subsection (a)(1), only Future Service Credit accumulated subsequent to the Participant's last Permanent Break in Covered Employment as defined in Article VI, Section 5, if any, will be counted.

Benefits provided by this subsection (a)(1) shall not be payable if payments were due under the Husband-and-Wife Pension unless the surviving Spouse elects, within 90 days after being given written notice from the Plan, to receive these benefits instead of the Husband-and-Wife Pension. If the surviving Spouse elects to receive this lump-sum death benefit instead of the Husband-and-Wife Pension and if the actuarial present value of the Husband-and-Wife Pension is greater than the amount of the lump-sum death benefit, then the actuarial present value of the Husband-and-Wife Pension shall be paid to the surviving Spouse in one lump-sum payment. The actuarial present value of the Husband-and-Wife Pension shall be determined on the basis of the 1971 Group Annuity Mortality Table for females. For this purpose, actuarial present value shall be determined on the basis of the Applicable Interest Rate as defined in Article I, Section 30, and the Applicable Mortality Table as defined in Article I, Section 31.

- (2) Death benefits provided by this subsection (a) are subject to the Plan limitations for Noncovered Sheet Metal Service as discussed in Article X.
- (b) Death After Retirement. If a Pensioner other than a Special Normal Retirement Age Vested Pensioner dies before receiving a total of 36 monthly pension payments from the Trust and the Husband-and-Wife Pension provisions in Article IV are not applicable, his monthly pension payments shall be continued until a total of 36 such payments have been made to such Pensioner and his designated Beneficiary or to the person or persons selected in accordance with Section 3 of this Article and shall thereupon cease.

Section 2. Designation of Beneficiary. A Participant may designate a Beneficiary to receive any benefits provided under this Article by filing such designation at the Trust Fund Office on a form prescribed by the Board of Trustees.

A Participant shall have the right to change his designation of Beneficiary without the consent of the Beneficiary, but no such change shall be effective or binding on the Board of Trustees unless it is received by the Board prior to the time any payment is made to the Beneficiary whose designation is on file in the Trust Fund Office.

Effective July 1, 2007, unless otherwise required by a “qualified domestic relations order”, as that term is defined by ERISA, a Participant’s designation of spouse as Beneficiary hereunder shall be revoked by the annulment or dissolution of the Participant’s marriage to that spouse. A Participant may re-designate such former spouse as beneficiary subsequent to the annulment or dissolution.

Section 3. Failure to Designate Beneficiary or Death of Beneficiary. If no Beneficiary is designated by a Participant who is not subject to the Husband- and-Wife Pension or if a designated Beneficiary predeceases the Participant or survives him but dies prior to receipt of any benefits under this Article, the benefits provided under this Article shall be paid in the following order of priority: surviving Spouse, surviving children, or if none, to the estate of the deceased. Any such payment shall, to the extent thereof, be a complete discharge of all liability under the Plan with respect thereto.

Section 4. Survivor Benefits Following Death During Qualified Military Service. If a Participant dies on or after January 1, 2007 while performing Qualified Military Service (as defined in Code §414(u)(5)), the deceased Participant’s beneficiaries shall be entitled to any additional benefits (other than benefit accruals relating to the period of military service) that would have been provided under the Plan if such Participant had resumed Covered Employment and then terminated Covered Employment on account of death. In addition, the period of such Participant’s Qualified Military Service shall be treated as vesting service under the Plan.

## ARTICLE VI. PENSION CREDIT AND YEARS OF VESTING SERVICE

### Section 1. Years of Pension Credit for Periods Prior to June 16, 1965 (Past Service Credit).

- (a) A Participant shall be entitled to Past Service Credit for each Plan Year or portion thereof he was regularly employed prior to June 16, 1965 in one or more classifications included in the Collective Bargaining Agreements in the geographical territory to which the Collective Bargaining Agreements are applicable or was recently employed by the union in a position included under the plan pursuant to a resolution adopted by the Board of Trustees. A Participant shall be entitled to a full year of such credit for each Plan Year in which he was so employed for 1,400 hours or more. If a Participant was so employed for less than 1,400 hours but for at least 117 hours in any Plan Year, he shall receive one-twelfth of a year's credit for each 117 hours of such employment.
- (b) It is recognized that, for the periods prior to June 16, 1965, it may be difficult to establish with certainty the Past Service of a Participant in the type of employment referred to in (a) above. In making the necessary determinations as to the Past Service Credit, the Board of Trustees may, at its absolute discretion, consider and rely upon such relevant and material evidence, including without limitation, any or all of the following:
- (1) A statement from the Administrator of the Arizona Sheet Metal Trade Trust Fund certifying to the receipt of employer reports with respect to hours worked by the Participant for an Employer and stating the number of hours reported for the period covered by this statement.
  - (2) A statement from an Employer certifying that the Participant performed work for such Employer entitling him to Past Service Credit during such period if such Employer was known or reputed to be operating in the sheet metal industry in the geographical territory to which the Collective Bargaining Agreement is applicable during such period.
  - (3) A statement from the Secretary or other authorized officer of the Local Union certifying that the Participant was a member in good standing in such Union during such period or was an elected officer or a regularly employed and salaried officer or business representative of the Union in a position included under the Plan pursuant to action taken by the Board.
  - (4) A W-2 form or check stub furnished for work performed during the period for any Employer known or reputed to have been operating in the sheet metal industry in the geographical territory to which the Collective Bargaining Agreement is applicable during such period.
  - (5) A statement from the Social Security Administration to the effect that according to its records, the Participant was employed during the period by a named Employer, which Employer was known or reputed to be operating in the sheet metal industry in the geographical territory to which the Collective Bargaining Agreement is applicable during such period.
  - (6) To be entitled to Past Service Credit described in subsection (a) of this Section 1, a Participant must present evidence of hours worked in Covered Employment during the first two plan years (June 16, 1965 through June 30, 1967).

Section 2. Credit for Periods After June 16, 1965 (Future Service Credit).

- (a) An Active Participant shall receive Future Service Credit for work in Covered Employment on and after June 16, 1965 through June 30, 1992 according to the following schedule:

<u>Hours Worked in Plan Year</u>	<u>Future Service Credit</u>
Less than 350 hours	None
350 to 699 hours	One Quarter
700 to 1,049 hours	Two Quarters
1,050 to 1,399 hours	Three Quarters
1,400 or more hours	One Year

- (b) An Active Participant shall receive Future Service Credit for work in Covered Employment on and after July 1, 1992 through June 30, 1996 according to the following schedule:

<u>Hours Worked in Plan Year</u>	<u>Future Service Credit</u>
Less than 350 hours	None
350 to 467 hours	3/12
468 to 583 hours	4/12
584 to 700 hours	5/12
701 to 817 hours	6/12
818 to 933 hours	7/12
934 to 1,050 hours	8/12
1,051 to 1,167 hours	9/12
1,168 to 1,283 hours	10/12
1,284 to 1,399 hours	11/12
1,400 or more hours	12/12

- (c) An Active Participant shall receive Future Service Credit for work in Covered Employment on and after July 1, 1996 according to the following schedule:

<u>Hours Worked in Plan Year</u>	<u>Future Service Credit</u>
Less than 350 hours	None
350 to 467 hours	3/12
468 to 583 hours	4/12
584 to 700 hours	5/12
701 to 817 hours	6/12
818 to 933 hours	7/12
934 to 1,050 hours	8/12
1,051 to 1,167 hours	9/12
1,168 to 1,283 hours	10/12

1,284 to 1,399 hours	11/12
1,400 to 1,749	12/12
1,750 or more hours	1 and 3/12

- (d) Effective with the hours worked on after August 1, 1988, those Participants in a Journeymen classification, and effective with the hours worked on and after July 1, 2011, those Participants working in Covered Employment in any classification other than an Apprentice classification, under Collective Bargaining Agreements which provide for a lower contribution rate than the highest rate specified in any Collective Bargaining Agreement will receive Future Service Credit on the following basis:

Each hour worked in Covered Employment will be credited in the same proportion as the lower contribution rate on a cent-per-hour basis bears to the highest contribution rate converted to a cent-per-hour basis.

- (e) If an Active Participant earns a Year of Vesting Service in a Plan Year after July 1, 1976 but for less than 350 hours of Work in Covered Employment, he shall be credited with a prorated portion of a full Pension Credit in the ratio which his hours of Work bear to 2,000.
- (f) Effective for Participants resuming work in Covered Employment on or after December 12, 1994 following a period of Qualified Military Service, Future Service Credit shall be granted for the period of Qualified Military Service on the basis of the individual's average weekly hours earned under this Plan during the twelve month period immediately preceding the period of Qualified Military Service (or, if shorter, the period of employment immediately preceding the period of Qualified Military Service). Future Service Credit will be pro-rated based on 40 hours if the period of Qualified Military Service is less than a full week. The contributions required to pay for Future Service Credit granted for periods of Qualified Military Service will be allocated from general assets of the Fund, and no individual Employer will be liable to make contributions for such Credit.
- (g) Credit for Periods of Qualified Military Service in the Event of Death or Disability.
- (1) If a Participant dies on or after January 1, 2007 while performing Qualified Military Service (as defined in Code §414(u)(5)), the Participant shall be credited with service for the period of Qualified Military Service for purposes of both vesting and benefit accrual under the Plan as if the Participant had resumed Covered Employment with an Employer on the day preceding death and then terminated Covered Employment on the date of death in accordance with Code §414(u)(9).
- (2) If a Participant becomes totally disabled (as defined in Article III, Section 7) on or after January 1, 2007 while performing Qualified Military Service (as defined in Code §414(u)(5)), the Participant shall be credited with service for the period of Qualified Military Service for purposes of both vesting and benefit accrual under the Plan as if the Participant had resumed Covered Employment with an Employer on the day preceding the day on which the Participant incurred the disability and then terminated Covered Employment on the day the disability was incurred in accordance with Code §414(u)(9).

Section 3. Year of Vesting Service.

- (a) General Rule. An Active Participant shall be credited with Vesting Service for each Plan Year following June 16, 1965, (including periods before he became a Participant) in which he works in Covered Employment for 1,000 hours or more.

For those individuals resuming employment in Covered Employment on or after December 12, 1994, following a period of Qualified Military Service, Vesting Service Credit shall be granted for the period of Qualified Military Service on the basis of the individual's average weekly hours earned under this Plan during the twelve month period immediately preceding the period of Qualified Military Service (or, if shorter, the period of employment immediately preceding the period of Qualified Military Service). Vesting Service Credit will be prorated based on 40 hours if the period of Qualified Military Service is less than a full week.

- (b) Noncovered Employment. If a Participant works for a Contributing Employer in a job not covered by this Plan and such employment is Continuous Employment with his employment with that Employer in Covered Employment, his hours of Service in such noncovered job after June 30, 1976 shall be counted toward a year of Vesting Service.

For purposes of this Section, two periods of employment are continuous if there is no quit, discharge, or other termination of employment between the periods.

- (c) Exceptions. No Participant shall be entitled to credit toward a year of Vesting Service for the following periods:
- (1) Years preceding a break in Covered Employment in accordance with the rules of the Pension Plan as in effect prior to July 1, 1976.
  - (2) Years preceding a Permanent Break in Covered Employment as defined in Section 5 of this Article.

Section 4.

- (a) Pre-Normal Retirement Age Vesting.
- (1) Effective January 1, 1999, an Active Participant, who has at least five (5) years of Vesting Service without an intervening Permanent Break in Covered Employment and has at least one hour of covered employment on or after January 1, 1999, will be vested. A Participant who was not an Active Participant on December 31, 1998 and who has at least five (5) years of Vesting Service must reestablish his Active Participant status after January 1, 1999, in accordance with Article II, Section 2 and 4 of the Plan, in order to be considered vested.
  - (2) Between July 1, 1976 and January 1, 1999, the Pension Credits and the years of Vesting Service accumulated pursuant to this Article are to be vested after a Participant has at least ten years of Pension Credit or credit for at least ten years of Vesting Service without an intervening Permanent Break in Covered Employment.

- (3) Prior to July 1, 1976, the years of Pension Credits were vested after an Employee had accumulated at least ten years of Pension Credit without an intervening break in Covered Employment.
- (4) For employees with an hour of covered employment on or after July 1, 1989, the Pension Credits accumulated pursuant to this Article are to be vested if a Participant has at least five years of Vesting Service without an intervening Permanent Break in Covered Employment earned in employment as a "Non-Bargained Employee". A year of Vesting Service will only be counted for this purpose if at least 1,000 hours or a majority of the hours worked were earned in such employment.

Such credits, once vested, will be held indefinitely for a Participant and he will have a right, upon making application, in accordance with these rules, to a Pension commencing at the permitted retirement age, even though he leaves Covered Employment or earns no additional credits. Notwithstanding anything to the contrary in this Article, where a Participant or former Employee has suffered a permanent break in Covered Employment pursuant to the rules in effect prior to July 1, 1976, credit for vesting purposes under this Section shall be granted only for those years of Pension Credit and Vesting Service earned after such a break.

- (b) Special Normal Retirement Age Vesting. Beginning July 1, 1976, Future Service Pension credit accumulated pursuant to this Article and not cancelled by a Permanent Break in Covered Employment is deemed to be vested and nonforfeitable if a Participant has attained Normal Retirement Age as defined in Article I of this Plan and was an Active Participant as defined in Article I of this Plan on the date he attained Normal Retirement Age.

Section 5. Breaks in Covered Employment and Cancellation of Pension Credit and Vesting Service. The break in Covered Employment rules do not apply to a Pensioner or to a Vested Participant.

- (a) One Year Break in Covered Employment After July 1, 1976.
  - (1) An Active Participant has a one-year break in Covered Employment in any Plan Year after June 30, 1976 in which he fails to complete 350 Hours of Service.
  - (2) Time of employment with an Employer in noncovered employment after June 30, 1976, if creditable under Section 3(b) of this Article, shall be counted as if it were Covered Employment in determining whether a break in Covered Employment has been incurred.
  - (3) For Plan Years beginning on or after July 1, 1986, Hours of Service for purposes of this Section 5(a) only, shall include hours during which the Participant is absent from Covered Employment on account of parental leave up to a maximum of 351 hours in the Plan Year of such absence. If the Participant already has 351 or more Hours of Service in such Plan Year, the credit will be given for the immediately following Plan Year. For purposes of this paragraph (3), a Participant shall be deemed to be on parental leave if the Participant is absent from Covered Employment by reason of pregnancy of the Participant, by reason of the birth of a child of the Participant, by reason of the placement of a child in connection with the adoption of the child of the Participant or for purposes of caring for the child of the

Participant during the period immediately following the birth or placement for adoption, including time involved for a trial period prior to adoption. Written notice satisfactory to the Trustees must be filed within a period of two years following the calendar year of a Participant's absence due to parental leave in order to receive credit for such leave, unless the Board of Trustees finds that there were extenuating circumstances which prevented a timely filing.

- (4) If an individual earns 351 Hours of Service in a Plan Year subsequent to incurring one or more One-Year Breaks in Covered Employment but before he or she incurs a Permanent Break in Covered Employment, the effects of all previous one-year breaks, under this Article, but not under Article III, Section 17(e), will be eliminated. In addition, it has the effect of:
  - (i) Restoring the individual's status as a Participant under Article II.
  - (ii) Restoring the individual's previously earned years of Pension Credit and years of Vesting Service.

However, nothing in this paragraph (4) shall alter the effect of a Permanent Break in Covered Employment as specified in subsections (b) and (c) below, or the effect of a Separation from Covered Employment as specified in Section 17 of Article III.

(b) Permanent Break in Covered Employment After July 1, 1976.

- (1) Between July 1, 1976 and July 1, 1986. A Participant has a Permanent Break in Covered Employment between July 1, 1976 and July 1, 1986 if the consecutive number of one-year breaks in Covered Employment without an intervening year of Vesting Service equals or exceeds the greater of the number of years of Vesting Service or Pension Credit which he had previously accumulated. Fractional years of Pension Credit will be rounded up to the next full year in determining whether they equal or exceed the number of one-year breaks in Covered Employment.
- (2) On and After July 1, 1986. Beginning July 1, 1986, a Participant has a Permanent Break in Covered Employment if he has at least five consecutive one-year breaks in Covered Employment and the number of such consecutive one-year breaks without an intervening year of Vesting Service equals or exceeds the greater of the number of years of Vesting Service or Pension Credit which he had previously accumulated. Fractional years of Pension Credit will be rounded up to the next full year in determining whether they equal or exceed the number of one-year breaks in Covered Employment.
- (3) Effect of Permanent Break in Covered Employment. A Participant incurring a permanent break in Covered Employment shall have his previously accumulated Pension Credit and Vesting Service cancelled and his status as a Participant is cancelled.

(c) Permanent Break in Covered Employment Before July 1, 1976. Between June 16, 1965 and July 1, 1976, an Employee shall have incurred a permanent break in Service and his previously accumulated Pension Credit and accrued benefits cancelled if he failed to earn at least  $\frac{1}{4}$  of Future Service Credit in two consecutive Plan Years.

A Participant may be allowed grace periods under the following circumstances if he failed to earn at least  $\frac{1}{4}$  of Future Service Credit in any period of two consecutive Plan Years prior to July 1, 1976.

(1) Exception on Account of Disability

- (i) A Participant shall be allowed a grace period of up to three consecutive Plan Years if his failure to earn Future Service Credit was due to a physical or mental disability of such a nature as to prevent his employment in Work covered by the Collective Bargaining Agreement.
- (ii) Disability for the purposes of this Section is to be determined to the satisfaction of the Board of Trustees. In order to secure the benefits of this grace period, a Participant must give written notice to the Board and must present such written evidence and/or submit to such examination or examinations as the Board may, in its sole discretion, determine. After July 1, 1967, a Participant shall not be granted any such grace period for periods which commenced more than one year prior to his filing the written notice required by this Section, unless the Board finds that there were extenuating circumstances which prevented a timely filing.

(2) Exception on Account of Service in the Armed Forces.

- (i) A Participant who worked no hours in Covered Employment during the first Plan Year or whose failure to earn Future Service Credit is due to service in the Armed Forces of the United States shall be allowed a grace period for the period that he retains re-employment rights under Federal law, provided he makes himself available for Covered Employment within 90 days after release from active duty or within 90 days from recovery from a disability continuing after his release from active duty.
- (ii) In order to secure a grace period for service in the Armed Forces of the United States, the Participant must give written notice to the Board of his availability for Covered Employment and must furnish, in writing, such information and proof concerning such service as the Board may, in its sole discretion, determine. After July 1, 1967, the Participant must file the written notice and proof required by this Section within 90 days after release from active duty or 90 days after recovery from a disability continuing after his release from active duty, unless the Board finds that there were extenuating circumstances which prevented a timely filing.

The grace periods referred to in these subsections are not Pension Credit for the Participant. Grace periods are periods which are to be disregarded in determining whether there has been a period of two consecutive Plan Years during which the Participant has failed to earn any Pension Credit whatsoever.

Section 6. Permanent Break Cure Rule.

- (a) Notwithstanding Section 5 of this Article, if an individual who has incurred a Permanent Break in Covered Employment returns to Covered Employment and satisfies the requirements of (b) below, then such individual's prior Permanent Break (or Breaks) in Covered Employment shall be waived, and all Pension Credits and years of Vesting Service cancelled as a consequence of such Permanent Break (or Breaks) in Covered Employment shall be restored. The cure of a Permanent Break in Covered Employment under this Section 6 shall not, by itself, eliminate the effect of a Separation from Covered Employment under Article III, Section 17, which Separation occurred during the Permanent Break in Covered Employment.
- (b) In order to qualify, in accordance with (a) above, for a Permanent Break (or Breaks) in Covered Employment to be waived, an individual must meet each of the following requirements, taking into account only Covered Employment subsequent to the most recent Permanent Break in Covered Employment:
  - (1) the individual must have an Hour of Service on or after July 1, 1999; and
  - (2) the individual must have worked 351 or more hours in Covered Employment in each of five consecutive Plan Years; and
  - (3) the individual must have earned at least five Pension Credits during the period of five consecutive Plan Years specified in paragraph (2), or after such period, or in a combination thereof; and
  - (4) the individual must establish an Annuity Starting Date that is on or after August 1, 1999.
- (c) If an individual has satisfied the requirements of subsection (b) above, then the Trustees shall waive the restrictions, if any, that would otherwise apply under Article X of this Plan. This waiver shall be granted provided such restrictions would have been imposed as a consequence of Noncovered Sheet Metal Service that was, in its entirety, prior to July 1 of the Plan Year that constitutes the first of the five consecutive Plan Years specified in paragraph (b)(2) above.

## ARTICLE VII. APPLICATION, BENEFIT PAYMENTS AND RETIREMENT

Section 1. Advance Written Application Required. An application for a pension shall be made in writing on a form and in a manner prescribed by the Board. The application must be filed with the Board in advance of the pension effective date. Except as provided in Article VII, Section 5(a), a pension shall first be payable on the Annuity Starting Date as that term is defined in Article I, Section 27. In no event shall an applicant be entitled to pension benefits unless an applicant has completed and properly filed an application for benefits and in no event shall pension benefits be retroactive to a date prior to the earlier of: (1) the Participant's Annuity Starting Date, (2) the Participant's Required Beginning Date, or (3) the date as provided in Article III, Section 9(b) with respect to an Auxiliary Disability Benefit.

Section 2. Information and Proof. Every Participant shall furnish, at the request of the Trustees, any information or proof reasonably required to determine his benefit rights. If a person willfully makes a false statement material to an application or furnishes fraudulent information or proof or fails to provide the notifications required, benefits under this Plan may be denied, suspended or discontinued. The Trustees shall have the right to recover (by recoupment, offset or other lawful means) any benefit payments made in reliance on any false or fraudulent statement, information or proof submitted by a Participant or Pensioner prior to the receipt of the required notifications.

Section 3. Action of Trustees. The Trustees shall, when exercising discretionary powers, exercise such powers in a uniform and nondiscriminatory manner and be the sole judges of the standard of proof required in any case and the application and interpretation of this Plan and decisions of the Trustees shall be final and binding on all parties.

Section 4. Right to Review. Each Participant or Beneficiary whose claim for benefits under the Plan has been denied shall be provided adequate notice in writing setting forth the specific reasons for such denial, written in a manner calculated to be understood by the Participant/Beneficiary. A Participant/Beneficiary aggrieved by such decision may request review. The Trustees shall establish and make available to Participants and Beneficiaries rules and procedures for the review of denied claims. Such rules and procedures shall comply with ERISA and regulations promulgated thereunder.

Claims may not be split and filed under several requests. If the Participant or Beneficiary has an issue, the full basis for such issue, together with all the relief requested, shall be set forth in the request. A Participant or Beneficiary may not file separate requests for benefits each month the benefits are alleged to be in arrears. This section applies to and includes any and every claim to benefits from the Plan regardless of the basis asserted for the claim and regardless of when the act or omission upon which the claim is based occurred.

A failure to file timely a request for review shall not preclude the Participant or Beneficiary from establishing entitlement at a later date based on additional information and evidence which was not available at the time the decision was made; provided, however, a subsequent request is not a means to reconsider and re-argue matters already reviewed, and such subsequent request may be dismissed without action if the Trustees conclude that it sets forth no newly discovered information or evidence.

A decision on a request for review shall be final and binding upon all parties concerned, except that a Participant or Beneficiary may pursue such remedies provided, if any, under the Internal Revenue Code and ERISA.

Section 5. Benefit Payments Generally.

- (a) Commencement of Benefits. A Participant who is eligible to receive benefits under this Plan and makes application in accordance with the rules of this Pension Plan shall be entitled upon retirement to receive the monthly benefits provided for the remainder of his life, subject to the provisions of this Plan. Benefit payments shall be payable commencing with the first day of the month following the month in which the Participant has fulfilled all the conditions of entitlement to benefits, including the filing of an application. Such first day is the meaning of the term, the "Annuity Starting Date" of the Participant's pension.

In no event, unless the Participant elects otherwise, shall the payment of benefits begin later than the 60th day after the later of the close of the Calendar Year in which:

- (1) The Participant attains Normal Retirement Age.
- (2) The Participant terminates his Covered Employment and retires, as that term is defined in Section 8 of this Article.

An election to defer the commencement of benefit which is filed on or after July 1, 1989, may not postpone the commencement of benefits to a date later than the Participant's Required Beginning Date.

- (b) Required Beginning Date. A Participant's Required Beginning Date is April 1 of the calendar year following the year the Participant reaches 70½, provided that, for a Participant who reaches 70½ before 1988 other than a 5% owner, the Required Beginning Date is April 1 of the calendar year in which the Participant ceases work in Covered Employment if that is later.
- (c) Delayed Retirement. Effective as of July 1, 1989, if the Annuity Starting Date is after the Participant's Normal Retirement Age, the monthly benefit shall, subject to the provisions of Article III, Section 17, be the greater of:
- (1) the total years of Pension Credit accrued at his Annuity Starting Date multiplied by the applicable amount in Section 3 of Article III; or
  - (2) the accrued benefit at Normal Retirement Age actuarially increased for each complete calendar month between Normal Retirement Age and the Annuity Starting Date for which benefits were not suspended;

converted as of the Annuity Starting Date to the benefit payment form elected in the pension application or to the automatic form of Husband-and-Wife Pension if no other form is elected.

The actuarial increase described in paragraph (2) shall be 1% per month for the first 60 months after Normal Retirement Age and 1.5% per month for each month thereafter.

- (d) Payment of Benefits Accrued After Retirement.
- (1) Any additional benefits earned by a Pensioner in Covered Employment after Retirement will be determined and shall be payable

- (i) in the case of a Pensioner whose benefits have been suspended, when pension payments are resumed pursuant to Section 10(a) of this Article, or
  - (ii) in the case of a Pensioner whose benefits have not been suspended, as of the first of the month following the end of each Plan Year in which the additional Pension Credit was earned, provided payment of benefits at that time is not suspended pursuant to Section 9 of this Article.
- (2) In the case of a Participant who retired at or after Normal Retirement Age who is reemployed and earns additional benefits, the original Annuity Starting Date and the benefit payment elections made at that time will apply when benefit payments begin again at a later date.
- (3) In the case of a Participant who retired at any age and had benefit payments suspended on account of work in covered or covered-type employment, the original Annuity Starting Date and the benefit payment elections made at that time will apply to benefits accrued prior to the original Annuity Starting Date when benefit payments begin again at a later date.
- (4) In the case of a Participant who retired before Normal Retirement Age who is reemployed and earns additional benefits, a new Annuity Starting Date will be established for payment of those new benefit accruals (but only for additional benefits due solely to the Participant's renewed employment after early retirement) when the Participant again retires. The benefits earned during that period of reemployment will be paid as a Husband-and-Wife Pension, if applicable as of the new Annuity Starting Date, or, if that is properly rejected, any other payment form available to the Participant under the Plan.
- (e) If the present value of a Participant's vested accrued benefit derived from Employer contributions, as determined under Section 7 of this Article, exceeds \$5,000, and the accrued benefit is immediately distributable, the Participant and the Participant's Spouse (or where either the Participant or Spouse has died, the survivor) must consent to any distribution of such accrued benefit.

An accrued benefit is immediately distributable if any part of the accrued benefit could be distributed to the Participant (or surviving Spouse) before the Participant attains (or would have attained if not deceased) Normal Retirement Age.

- (f) Termination of Benefits. Pension payments shall end with the payment for the month in which the death of the Pensioner occurs except as provided in accordance with a Husband-and-Wife Pension or, if applicable, upon the completion of the guarantee payments provided in Article V.

Section 6. Duplication of Pensions. A Pensioner shall not be entitled to the payment under this Plan of more than one type of pension at any one time.

Section 7. Lump Sum Payment in Lieu of Monthly Pension. If, at the time a monthly pension or benefit distribution becomes payable, the actuarial present value of the pensioner benefit is \$5,000 or less (or more as permitted by law), then the Trustees shall pay such pension or benefit in a single sum equal to that value. For this purpose, and for purposes of Article VII, Section 5(e) of this Plan, actuarial present values shall be determined on the basis of the 1971 Group Annuity

Mortality Table for males for employees and the 1971 Group Annuity Mortality Table for females for Beneficiaries and spouses. The interest assumption shall be 7%. However, in no event shall the actuarial present value be less than that determined using the Applicable Mortality Table and the Applicable Interest Rate.

Exception: Notwithstanding the above provision for lump-sum payment, if a Pensioner has started to receive payments in the form of the Husband-and-Wife Pension, the surviving Spouse shall receive monthly benefits after the Pensioner's death unless the surviving Spouse consents in writing, in a form prescribed by the Trustees, to a lump-sum payment.

When a lump sum has been paid by the Fund, all Pension Credit and Years of Vesting Service earned by the Participant with respect to which the lump sum distribution was made shall be completely disregarded and the Fund shall have no liability for the payment of any additional benefit to the Participant or his Beneficiary.

#### Section 8. Retirement.

- (a) Before Normal Retirement Age. To be considered retired and entitled to a pension under this Plan before he has attained Normal Retirement Age, a person must withdraw completely and refrain from employment or from acting as a contractor, businessman or otherwise in the sheet metal and related industries wherever such employment or activity may be performed. Notwithstanding the preceding sentence, a Pensioner who is age 62 or older and who works no more than 40 hours per calendar month in Covered Employment will still be considered retired and entitled to a pension.
- (b) After Normal Retirement Age. To be considered retired and entitled to a pension under this Plan after he has attained Normal Retirement Age, a Participant must withdraw and refrain from employment for wages or profit in excess of 40 hours in a calendar month, including hours paid but not worked, in the same industry, in the same trade or craft and in the same geographic area covered by the Plan. For the purposes of this subsection:
  - (1) The term "industry" means the business activities of the types engaged in by any of the Employers maintaining the Plan at the time of the commencement of pension benefits to the retired Participant. If he becomes employed with an Employer engaged in such types of business activities, regardless of whether the Employer contributes to the Plan or if he becomes engaged in such activities on a self-employed basis, he shall be considered employed in the same industry.
  - (2) The "same trade or craft" means an occupation in which the Participant was employed at any time under the coverage of the Plan, any occupation utilizing the same skill(s) and any self-employment or supervisory employment related to the same skill(s) as were involved in such occupation(s).
  - (3) The "same geographic area" means the State of Arizona.
- (c) No suspension After the Required Beginning Date. No benefits shall be suspended under this Article for months starting on and after an Employee's Required Beginning Date, as defined in Section 5(b) of this Article.

Section 9. Suspension of Benefits.

- (a) Except as provided herein, if a Pensioner who is younger than Normal Retirement Age subsequently becomes employed in work of the type described in Section 8(a) of this Article, his pension payments shall be suspended for any calendar month in which he is so employed and for six additional calendar months after ceasing such employment but not beyond Normal Retirement Age. After that period, his pension shall become payable subject to Section 8(a). Notwithstanding the foregoing, a Pensioner who is age 62 or older may continue to work in Covered Employment for up to 40 hours per calendar month without suffering a suspension of benefits.
- (b) If a Participant who has attained Normal Retirement Age subsequently becomes employed in work of the type and for the duration set forth in Section 8(b) of this Article, his pension payments shall be suspended for any calendar month in which he is so employed. After that period, his pension shall again become payable.
- (c) If a Participant becomes employed in work of the type described in either Section 8(a) or Section 8(b) of this Article, he must notify the Trustees, in writing, within 21 days following the commencement of such employment. If he fails to give such written notice within such 21-day period and:
  - (1) He is younger than Normal Retirement Age, his pension shall be suspended for an additional period of six months over and above the suspension period specified in the preceding subsection (a) but not beyond the Normal Retirement Age.
  - (2) He has attained Normal Retirement Age and the Trustees become aware that he may be employed in Work of the type described in Section 8(b) of this Article, it will be presumed, unless and until the Participant provides evidence to the contrary, that:
    - (i) He was employed in excess of 40 hours for that month.
    - (ii) If such employment is at a construction site, he was employed for as long as the Employer for whom he is employed has been engaged at that site.
- (d) A Participant shall provide the Trustees with such information as they may request in order to establish the nature and extent of any employment by the Participant. In addition, at least once a year, a Pensioner shall be required to certify on a form acceptable to the Trustees that he is retired within the meaning of the Plan. Any pension payments otherwise due shall be withheld pending adequate response by the Participant to the informational and/or certification requests.
- (e) A Participant whose pension has been suspended shall advise the Trustees in writing when disqualifying employment has ended. Benefit payments shall be held back until such notice is filed with the Trustees.
- (f) A Participant may, in writing, request of the Trustees a determination whether contemplated employment will be disqualifying and the Trustees shall provide the Participant with their determination.

- (g) The Trustees shall inform a Participant of any suspension of benefits by notice given by personal delivery or first class mail during the first calendar month in which his benefits are withheld. Such notice shall include a description of the specific reasons for the suspension, a description and a copy of the relevant plan provision, reference of the applicable regulations of the U.S. Department of Labor, a statement of the procedure for securing a review of the suspension and a description of the procedures with any necessary forms that must be filed before benefits can be resumed.
- (h) A Participant shall be entitled to a review of a determination suspending his benefits by written request filed with the Trustees within 60 days of the notice of suspension of benefits. The same right of review shall apply, under the same terms, to a determination by or on behalf of the Trustees that contemplated employment will be disqualifying.
- (i) Suspension of pension payments in accordance with this Section is subject to the Plan limitations for Noncovered Sheet Metal Service as discussed in Article X.

Section 10. Pension Payment Following Suspension.

- (a) Pension payments to a Pensioner who has ended his disqualifying employment shall be resumed beginning no later than the third month after the last calendar month for which his benefits were suspended, provided the Participant has complied with the notification requirements of this Plan.
- (b) A Pensioner who returns to Covered Employment shall, upon his subsequent retirement, be entitled to receive an increased pension based upon his age and Pension Credit earned after his return to Covered Employment calculated at the amount payable by the Plan in accordance with Article III, Section 3, at the time of his subsequent retirement, and effective July 1, 1995, subject to the provisions of Article III, Section 17.

For an Early Retirement Pensioner, the adjusted monthly pension payable upon his subsequent retirement shall be reduced by the product of 1.0% and the total of the Early Retirement Pension payments received during his previous period(s) of retirement and prior to the Normal Retirement Age except that in no event shall the monthly amount be less than the amount paid to him at the time he returned to Covered Employment and subject to the further limitation noted in the following subsection (c).

- (c) Suspension before Normal Retirement Age in accordance with Section 9(a) of this Article because of employment of a type or of a duration for which benefits could not be suspended after Normal Retirement Age shall not have the effect of reducing the value of the Participant's pension for payment at his Normal Retirement Age and to the extent necessary to avoid such reduction, the monthly amount of the pension shall be adjusted so as not to deprive the Pensioner of the value of his benefits which became payable following the Normal Retirement Age.
- (d) If a Participant received pension payment(s) to which he was not entitled in accordance with Section 9 of this Article, the Trustees may recover the amount of such payments by deducting the amount of the overpayments from the Participant's future monthly payments until such overpayment is fully recovered. If a Participant has attained Normal Retirement Age, the amount of such offset shall be limited to 100% of the amount due to the Participant for the first payment upon resumption of benefits and 25% of the monthly pension benefit amount thereafter until all overpayments are fully recovered.

This provision shall not limit the right of the Trustees to recover an overpayment by means other than deduction from pension payments.

- (e) A Disability Pensioner who recovers from his total disability and returns to Covered Employment shall be entitled, upon his subsequent retirement, to a pension in an amount calculated at the amount payable under the applicable provision of Article III at the time of his subsequent retirement, including any additional Pension Credit earned during his period of subsequent employment.

Section 11. Nonforfeitability and Vested Status. A Pension benefit to which a Participant is entitled under this Plan upon his attainment of Normal Retirement Age is nonforfeitable, subject however, to retroactive amendment within the limitations of Section 411(a)(3)(C) of the Internal Revenue Code and Section 302(c)(8) of ERISA. The benefits to which a surviving Spouse is entitled shall likewise be nonforfeitable. Participants and Beneficiaries shall be entitled to any of the other benefits of this Plan subject to all of the applicable terms and conditions.

An Active Participant attains status as a Vested Participant when he has fulfilled the age and service requirements for receipt after retirement of a nonforfeitable pension. The term “vested status” does not have the same meaning as “nonforfeitable” as that term is defined in ERISA.

Section 12. Incompetence or Incapacity of a Pensioner or Beneficiary. In the event it is determined to the satisfaction of the Trustees that a Pensioner or Beneficiary is unable to care for his affairs because of mental or physical incapacity, any payment due may be suspended until a guardian or conservator is appointed for the person and estate of such Pensioner or Beneficiary and thereafter all payments, including those suspended, shall be made to the duly appointed guardian or conservator.

Section 13. Non-assignment of Benefits. No Employee or Participant entitled to any benefit under this Pension Plan shall have the right to assign, alienate, transfer, incur, pledge, mortgage, hypothecate, anticipate or impair in any manner his legal or beneficial interest or any interest in assets of the Pension Trust or benefits of this Pension Plan. Neither the Pension Trust nor any of the assets thereof shall be liable for the debts of any Participant entitled to any benefits under this Plan nor be subject to attachment or execution or process in any court or action or proceeding. However, notwithstanding the foregoing, any Pensioner may make an arrangement whereby he directs the Pension Trust to pay a portion or all of each plan benefit payment to the Arizona Sheet Metal Trade Trust Fund in an amount equal to the self-pay premiums required of Pensioners by that Fund, provided that such arrangement is revocable at any time by the Pensioner and that said Arizona Sheet Metal Trade Trust Fund files a written acknowledgement with the Pension Trust stating that it has no enforceable right in or to any plan benefit payment or portion thereof (except to the extent of payments actually received pursuant to the terms of the arrangement).

Notwithstanding the foregoing:

- (a) Benefits shall be paid in accordance with the applicable requirements of any “qualified domestic relations order” as defined by Section 206(d)(3) of ERISA; and
- (b) Benefits otherwise payable to a Participant or Beneficiary may be offset against amounts that the Participant is ordered or required to pay to the Plan under the circumstances set forth in Section 206(d)(4) and (5) of ERISA.

Section 14. No Right of Assets. No person other than the Trustees of the Trust shall have any right, title or interest in any of the income, property or funds received or held by or for the account of the Plan, and no person shall have any right to benefits provided by the Plan except as expressly provided herein. Amounts paid erroneously to any person, including any Participant or Beneficiary of the Trust, whether through the misconduct of the recipient or the mistake or oversight of the Trustees or their representatives, shall be held in trust by the recipient, and the Trust and its Trustees shall have an equitable lien thereon in addition to any other remedy provided by the Plan, by law, or otherwise.

Section 15. Limitations on Benefits Under Section 415.

In addition to any other limitations set forth in the Plan and notwithstanding any other provisions of the Plan, effective for Limitation Years beginning on and after January 1, 2008, benefits under the Plan shall be limited in accordance with Section 415 of the Code and the Treasury Regulations thereunder, in accordance with this Section. This Section 15 is intended to incorporate the requirements of Section 415 of the Code by reference except as otherwise specified herein.

(a) Definitions. For purposes of this Section 15, the following terms shall have the following meanings.

- (1) Limitation Year. “Limitation Year” means the calendar year.
- (2) Plan Benefit. “Plan Benefit” means, as of any date, the amount of a Participant’s benefit as determined under the applicable provisions of the Plan before the application of the limits in Section 15.
- (3) Severance From Employment. “Severance From Employment” has occurred when a Participant is no longer an employee of any Employer maintaining the Plan.

(b) Limit on Accrued Benefits.

For Limitation Years beginning on or after January 1, 2008, in no event shall a Participant’s benefit accrued under the Plan for a Limitation Year exceed the annual dollar limit determined in accordance with section 415 of the Code and the Treasury Regulations thereunder (the “annual dollar limit”) for that Limitation year. If a Participant’s Plan Benefit for a Limitation Year beginning on or after January 1, 2008 would exceed the annual dollar limit for that Limitation Year, the accrued benefit, but not the Plan Benefit, shall be frozen or reduced so that the accrued benefit does not exceed the annual dollar limit for that Limitation Year.

(c) Limits on Benefits Distributed or Paid.

For Limitation Years beginning on or after January 1, 2008, in no event shall the annual amount of benefit distributed or otherwise payable to or with respect to a Participant under the Plan in a Limitation Year exceed the annual dollar limit for that Limitation Year. If the benefit distributable or otherwise payable in a Limitation Year would exceed the annual dollar limit for that Limitation Year, the benefit shall be reduced so that the

benefit distributed or otherwise payable does not exceed the annual dollar limit for that Limitation Year.

(d) Protection of Prior Benefits.

- (1) To the extent permitted by law, the application of the provisions of this Section 15 shall not cause the benefit that is accrued, distributed or otherwise payable for any Participant, including the Participant's annual benefit accrued under the Plan as separately determined for each Individual Employer, to be less than the Participant's accrued benefit as of December 31, 2007 under the provisions of the Plan that were both adopted and in effect before April 5, 2007 and that satisfied the limitations under section 415 of the Code and the Treasury Regulations thereunder as in effect as of December 31, 2007.
- (2) For any year before 1983, the limitations prescribed by Section 415 of the Code as in effect before enactment of the Tax Equity and Fiscal Responsibility Act of 1982 shall apply, and no benefit earned under this Plan shall be reduced on account of the provisions of this Section if it would have satisfied those limitations under the prior law.
- (3) For any year before 1992, the limitations prescribed by Section 415 of the Code as in effect before enactment of the Tax Reform Act of 1986 shall apply, and no benefit earned under this Plan as of the close of the last Limitation Year beginning before January 1, 1987 shall be reduced on account of the provisions of this Section if it would have satisfied those limitations under the prior law.

(e) Section 415 Cost of Living Adjustments.

To the extent permitted by law, benefits accrued, distributed or otherwise payable with respect to any Participant while in Covered Employment, and after such Participant's Severance From Employment or the Participant's Annuity Starting Date, if earlier, that are limited by this Section 15 shall be increased annually pursuant to cost of living increases in the annual dollar limit under section 415(d)(1)(A) of the Code and the Treasury Regulations thereunder; provided, however, that in no event shall any increase under this Section 15(e) cause the amount of a Participant's accrued, distributed or otherwise payable benefit to exceed the amount of the Participant's Plan Benefit.

(f) Order in Which Limits Are Applied.

- (1) Joint and survivor annuities. To the extent permitted by law, a Participant's qualified joint and survivor annuity form of payment and the survivor annuity portion of such form of payment are computed by applying a reduction factor or factors to a Participant's Plan Benefit before the limits under this Section 15 are applied; provided however that the survivor annuity may not exceed the benefit that would have been payable to the Participant after application of the limits in this Section 15.

(g) Aggregation of Plans.

- (1) For purposes of applying the limits of this Section 15, if a Participant also participates in another tax-qualified defined benefit plan of the Employer that is not a

multiemployer plan, only the benefits under this Plan that are provided by the Employer are aggregated with the benefits under the other plan.

- (2) In the event that the aggregate benefit accrued in any Plan Year by a Participant exceeds the limits under section 415 of the Code and the Treasury Regulations thereunder as a result of the mandatory aggregation of the benefits under this Plan with the benefits under another plan maintained by the Employer, the benefits of such other plan shall be reduced to the extent necessary to comply with section 415 of the Code and the Treasury Regulations thereunder; provided however that benefits under this plan will be reduced to the extent necessary if benefits under the other plan cannot be reduced.

(h) General.

- (1) To the extent that a Participant's benefit is subject to provisions of section 415 of the Code and the Treasury Regulations thereunder that have not been set forth in the Plan, such provisions are hereby incorporated by reference into this plan and for all purposes shall be deemed a part of the Plan.
- (2) This Section 15 is intended to satisfy the requirements imposed by section 415 of the Code and the Treasury Regulations thereunder and shall be construed in a manner that will effectuate this intent. This Section 15 shall not be construed in a manner that would impose limitations that are more stringent than those required by section 415 of the Code and the Treasury Regulations thereunder.
- (3) If and to the extent that the rules set forth in this Section 15 are no longer required for qualification of the Plan under section 401(a) and related provisions of the Code and the Treasury Regulations thereunder, they shall cease to apply without the necessity of an amendment to the Plan.

(i) Interpretation or Definition of Other Terms

The terms used in this Section 15 that are not otherwise expressly defined for this Section, shall be defined as provided in the Plan, or if not defined in the Plan, shall be defined interpreted and applied for purposes of this Section 15 as prescribed in section 415 of the Code and the Treasury Regulations thereunder.

Section 16. Rounding for Benefit Amount. If the amount of any monthly benefit under the Plan is not a multiple of \$.50, the amount shall be rounded up to the next highest multiple of \$.50.

## ARTICLE VIII. MISCELLANEOUS

Section 1. Non-reversion. It is expressly understood that in no event shall any of the corpus or assets of the Pension Trust revert to the Employers or Association or the Union nor cause or result in the diversion of any portion of the Fund to any purpose other than the exclusive benefit of Employees and Participants under the Plan and the payment of the administrative expenses of the Fund and the Plan nor be subject to any claims of any kind or nature by Employers or the Union, except for the return of erroneous contributions to the extent and in the manner permitted by applicable law.

Section 2. Gender. Wherever any words are used in this Pension Plan in the masculine gender, they should be construed as though they were also used in the feminine gender in all situations where they would so apply. Wherever any words are used in this Pension Plan in the singular form, they should be construed as though they were also in the plural form in all situations where they would so apply and vice versa.

Section 3. Limitation of Liability. This Pension Plan has been adopted on the basis of an actuarial calculation which has established, to the extent possible, that the contributions will, if continued, be sufficient to maintain the Plan on a permanent basis, fulfilling the funding requirements of ERISA. Except for liabilities which may result from provisions of ERISA, nothing in this Plan shall be construed to impose any obligation to contribute beyond the obligation of the Employer to make contributions as stipulated in its Collective Bargaining Agreement with the Union.

There shall be no liability upon the Trustees individually or collectively or upon the Union to provide the benefits established by this Pension Plan, if the Pension Trust does not have assets to make such payments.

Section 4. New Employers. If an Employer is sold, merged or otherwise undergoes a change of company identity, the successor company shall participate as to its employees theretofore covered in the Pension Plan just as if it were the original company, provided it remains an Employer as defined in Section 8 of Article I.

Section 5. Direct Rollovers. 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) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. An "eligible retirement plan" also shall include an annuity contract described in IRC §403(b) and an eligible plan under IRC §457(b), which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. Effective for distributions made after December 31, 2007, an eligible retirement plan shall also include a Roth IRA described in Code §408A, subject to the restrictions that currently apply to rollovers from a traditional IRA into a Roth IRA.

- (c) Distributee. A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse. Effective for distributions after December 31, 2008, a distributee also includes the participant's nonspouse designated beneficiary. In the case of a nonspouse beneficiary, the direct rollover may be made only to an individual retirement account or annuity described in Code § 408(a) or § 408(b) ("IRA") or a Roth individual retirement account or annuity ("Roth IRA") that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA or Roth IRA.
- (d) Direct rollover: A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

Section 6. Laws Applicable. This Plan is intended to comply with the Employee Retirement Income Security Act of 1974 and with the requirements for tax qualification under the Code and all regulations thereunder, and is to be interpreted and applied consistent with that intent.

## ARTICLE IX. AMENDMENT AND TERMINATION

Section 1. Amendment. This Plan may be amended at any time by the Trustees, consistent with the provisions of the Trust Agreement. However, no amendment may decrease the accrued benefit of any Participant except:

- (a) As necessary to establish or maintain the qualification of the Plan or the Trust under the Internal Revenue Code and to maintain compliance of the Plan with the requirements of ERISA.
- (b) If the amendment meets the requirements of Section 302(c)(8) of ERISA and Section 412(c)(8) of the Internal Revenue Code and the Secretary of Labor has been notified of such amendment and has either approved of it or, within 90 days after the date on which such notice was filed, he failed to disapprove.

Section 2. Termination of Participation by an Employer. If an Employer terminates its participation in the Trust with respect to a bargaining unit, the Trustees are empowered to reduce or cancel that part of any pension for which a Participant was made eligible because of employment in such bargaining unit prior to June 16, 1965 with respect to that unit.

Section 3. Termination of the Plan.

The Trustees shall have the right to discontinue or terminate this Plan in whole or in part. In the event of a termination or partial termination of this Plan the rights of all affected Participants to benefits then accrued, to the extent then funded, shall thereupon become one hundred percent (100%) vested and nonforfeitable. Upon a termination of the Plan, the Trustees shall take such steps as they deem necessary or desirable to comply with Sections 4041A and 4281 of ERISA.

## **ARTICLE X. PLAN LIMITATIONS RESULTING FROM NONCOVERED SHEET METAL SERVICE**

Section 1. Purpose. Notwithstanding any provisions of this Plan to the contrary, if an Employee or Participant or Retired Employee at any time performs Noncovered Sheet Metal Service as defined in Article I, Section 25, on or after August 1, 1993, he shall thereafter be subject to the restrictions set forth in Section 2 of this Article X. These restrictions will not result from employment that the Trustees determine, in their discretion, is proper for organizational or other purposes serving the industry covered by this Plan.

### Section 2. Restrictions on Benefits for Performing Noncovered Sheet Metal Service.

- (a) Regular Pension. The Annuity Starting Date of a Participant's Regular Pension shall be delayed six months for every calendar quarter in which the Participant has at least one hour of Noncovered Sheet Metal Service, but not beyond Normal Retirement Age. This restriction will not apply to Pension Credit earned before August 1, 1993.
- (b) Effect Upon Early Retirement. A Participant who is retiring on an Early Retirement Pension shall have receipt of such pension delayed six months for every calendar quarter in which the Participant has at least one hour of Noncovered Sheet Metal Service, but not beyond Normal Retirement Age. This restriction will not apply to Pension Credit earned before August 1, 1993.
- (c) Effect Upon Service Pensions. A Participant who is retiring on a Service Pension shall have receipt of such pension delayed for 6 months for every calendar quarter in which the Participant worked in Noncovered Sheet Metal Service, but not beyond Normal Retirement Age. This restriction will not apply to Pension Credit earned before August 1, 1993.
- (d) Effect Upon Vested Service Pension. A Participant who is retiring on a Vested Service Pension shall have receipt of such pension delayed six months for every calendar quarter in which the Participant has at least one hour of Noncovered Sheet Metal Service, but not beyond Normal Retirement Age. This restriction will not apply to Pension Credit earned before August 1, 1993.
- (e) Effect Upon Disability and Occupational Pensions. A Participant shall not be eligible to receive a Disability Pension as provided for in Article III, Section 7 or Section 22 if he works in Noncovered Sheet Metal Service during any part of a calendar year and then becomes disabled during that same calendar year or the immediately following two consecutive calendar years.
- (f) Death Benefits. Death Benefits, as described in Article V, Section 1(a) shall not be payable on behalf of a Participant who works in Noncovered Sheet Metal Service during any part of a calendar year and then dies during that same calendar year or the immediately following two consecutive calendar years.
- (g) Effect on Suspension of Benefits Provisions. A Participant whose Pension is suspended in accordance with Article VII, Section 9(a), shall also have payments suspended and permanently withheld for an additional six months for each calendar quarter in which he performed Noncovered Sheet Metal Service, but not beyond Normal Retirement Age.

Section 3. Cancellation of Restrictions on Benefits. If an Employee or Participant or Retired Employee has engaged in Noncovered Sheet Metal Service which has resulted in the imposition of the restrictions in Section 2, those restrictions will be lifted if that individual subsequently returns to Covered Employment and remains in Covered Employment for a period of time equal to or greater than the period of time spent in Noncovered Sheet Metal Service. Such restrictions shall also be lifted if the individual returns to Covered Employment and, by meeting the requirements of Article VI, Section 6 of the Plan, eliminates the effects of a Permanent Break in Covered Employment.

## ARTICLE XI. MINIMUM DISTRIBUTION REQUIREMENTS.

### Section 1. General Rules.

- (a) **Effective Date.** The provisions of this Article will apply for purposes of determining required minimum distributions for calendar years beginning after December 31, 2005. For purposes of determining minimum required distributions for calendar years 2003, 2004, and 2005, a good faith interpretation of the requirements of Section 401(a)(9) of the Code shall apply.
- (b) **Precedence.**
  - (1) The requirements of this Article will take precedence over any inconsistent provisions of the Plan.
  - (2) This Article does not authorize any distribution options not otherwise provided under the Plan.
- (c) **Requirements of Treasury Regulations Incorporated.** All distributions required under this Article will be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Internal Revenue Code.
- (d) **TEFRA Section 242(b)(2) Elections.** Notwithstanding the other provisions of this Article, other than Section 3, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

### Section 2. Time and Manner of Distribution.

- (a) **Required Beginning Date.** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (b) **Death of Participant Before Distributions Begin.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (1) If the Participant's surviving spouse is the Participant's sole designated beneficiary, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.
  - (2) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
  - (3) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed

by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

- (4) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 2(b), other than Section 2(b)(1), will apply as if the surviving spouse were the Participant.

For purposes of this Section 2 and Section 5, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 2(b)(4) applies, the date distributions are required to begin to the surviving spouse under Section 2(b)(1)). If annuity payments irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 2(b)(1)), the date distributions are considered to begin is the date distributions actually commence.

- (c) Form of Distribution. Unless the Participant's interest is distributed in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Sections 3, 4 and 5 of this Article.

### Section 3. Determination of Amount to be Distributed Each Year.

- (a) General Annuity Requirements. If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
  - (1) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;
  - (2) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 4 or 5;
  - (3) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
  - (4) payments will either be nonincreasing or increase only as follows:
    - (A) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
    - (B) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 4 dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of section 414(p);
    - (C) to provide cash refunds of employee contributions upon the Participant's death; or

- (D) to pay increased benefits that result from a Plan amendment.
- (b) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Participant's required beginning date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 2(b)(1) or (2)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's required beginning date.
- (c) Additional Accruals after First Distribution Calendar Year. Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

Section 4. Requirements for Annuity Distributions that Commence During Participant's Lifetime.

- (a) Joint Life Annuities Where the Beneficiary is not the Participant's Spouse. If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary, annuity payments to be made on or after the Participant's required beginning date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of section 1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.
- (b) Period Certain Annuities. Unless the Participant's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section 4(b), or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's

attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

Section 5. Requirements for Minimum Distributions Where Participant Dies Before Date Distributions Begin.

- (a) Participant Survived by Designated Beneficiary. If the Participant dies before the date distribution of his or her interest begins and there is a designated beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in Section 2(b)(1) or (2), over the life of the designated beneficiary or over a period certain not exceeding:
  - (1) unless the Annuity Starting Date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or
  - (2) if the Annuity Starting Date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.
- (b) No Designated Beneficiary. If the Participant dies before the date distributions begin 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.
- (c) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section 5 will apply as if the surviving spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 2(b)(1).

Section 6. Definitions.

- (a) Designated beneficiary. The individual who is designated as the beneficiary under Article V, Section 2 of the Plan and is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401(a)(9)-4 of the Treasury regulations.
- (b) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 2(b).
- (c) Life expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

(d) Required Beginning Date. The date specified in Article VII, Section 5(b) of the Plan.