



**IBEW LOCAL NO. 445**

**PENSION FUND**

**SUMMARY PLAN**

**DESCRIPTION**

**AND**

**PENSION PLAN**

Effective September 1, 2016

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS  
LOCAL NO. 445 PENSION FUND**

**SUMMARY PLAN DESCRIPTION**

**AND**

**PENSION PLAN**

(As of September 1, 2016)

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**In case of conflict, the Plan, not this Summary, will govern.**

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**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS  
LOCAL NO. 445 PENSION FUND**

**SUMMARY PLAN DESCRIPTION**

**(As of September 1, 2016)**

**IMPORTANT NOTICE**

The question and answer outline of the Pension Plan and the formal Plan document which follow describe the Plan as it was on September 1, 2016. Your rights, if any, are determined by the Plan in effect at the time you separate from employment. Therefore, if you were not an Active Participant on September 1, 2016, or have not become one since then, your rights, if any, will be determined by the Plan in effect at the time you separated from employment. If you have any questions about your status as a Participant, contact the Pension Department at the Fund Office. However, any response cannot modify or contradict the written terms of the Plan.

**A WORD OF CAUTION**

NO ONE HAS THE AUTHORITY TO SPEAK FOR THE BOARD OF TRUSTEES IN EXPLAINING THE ELIGIBILITY RULES OR BENEFITS OF THE FUND EXCEPT THE FULL BOARD OF TRUSTEES.

**In case of conflict, the Plan, not this Summary, will govern.**

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS  
LOCAL NO. 445 PENSION FUND**

**BOARD OF TRUSTEES**

**Employer Trustees:**

Stan Schultz, Secretary  
Current Electric, Inc.  
322 McIntyre Lane  
Springfield, MI 49037

John A. Banks  
Motorshop Electric  
40 Bartlett Street  
Battle Creek, MI 49014-4107

James Lawrence  
Union Electric, Inc.  
PO Box 1453  
Battle Creek, Michigan 49016

**Union Trustees:**

Steve Claywell, Chairman  
Local 445 IBEW  
1375 West Michigan  
Battle Creek, Michigan 49017

Jeff Eyre  
Local 445 IBEW  
1375 West Michigan  
Battle Creek, Michigan 49017

Doug Herring  
Local 445 IBEW  
1375 West Michigan  
Battle Creek, Michigan 49017

The Board of Trustees is the legal Plan Administrator

**FUND OFFICE/ADMINISTRATIVE MANAGER**

TIC International Corporation  
6525 Centurion Drive  
Lansing, Michigan 48917-9275  
Telephone: (517) 321-7502  
Fax: (517) 321-7508

If you have any questions about your pension program,  
you should contact the Fund Office or the Board of Trustees.

**AGENT DESIGNATED FOR SERVICE OF LEGAL PROCESS**

Joseph Pawlick  
Sachs Waldman, Professional Corporation  
1423 E. Twelve Mile Rd.  
Madison Heights, MI 48071

Legal Process may also be served upon any Trustee or the Plan Administrator.

**In case of conflict, the Plan, not this Summary, will govern.**



## INTRODUCTION

To All Participants:

This is the Summary Plan Description of the Pension Plan of the International Brotherhood of Electrical Workers Local No. 445 Pension Plan. As you read it, keep in mind that it is an effort to summarize simply the principal provisions of the formal Plan.

It is not intended to cover every detail of the Plan or every situation that might occur. We have tried to make the Summary accurate and complete, but it is not a substitute for the Pension Plan itself. If there is any conflict or difference between this Summary and the formal Plan, the Plan, and not this Summary, will control.

So that you may have the governing formal document available, we have also had printed the formal Pension Plan. It follows immediately after the Summary Description.

You should read this material carefully and keep it for reference. It will help you understand how the Plan works, what rights and benefits it provides for you and your Beneficiaries and how to obtain those benefits.

Each year, you will receive a Summary of Material Modifications, which includes a statement of significant changes in the Plan made after September 1, 2016 if any material changes are made to the Plan. Like this summary, it is intended as a general statement of the changes and is not a substitute for the Plan itself.

If you have any doubt or question about any provisions of the Plan or the Summary, or your rights under the Plan, do not hesitate to contact the Pension Department at the Fund Office, preferably in writing, to have your doubt or question answered. However, any response cannot modify or contradict the written terms of the Plan.

### **Board of Trustees**

Stan Schultz  
John A. Banks  
James Lawrence

Steve Claywell  
Jeff Eyre  
Doug Herring

September 2016

**In case of conflict, the Plan, not this Summary, will govern.**

## **GENERAL INFORMATION**

The International Brotherhood of Electrical Workers Local No. 445 Pension Fund was created through collective bargaining to provide a source of regular income after you retire. It also provides income to your family if death or disability takes away your ability to provide for their livelihood.

The Fund is sponsored and administered by a board of six Trustees. Three of the Trustees are appointed by IBEW Local 445 and serve as "Union Trustees" and three are appointed by the contributing employers and serve as "Employer Trustees". The Board of Trustees is the legal Plan Administrator and it has hired the firm of TIC International Corporation to manage the Plan on a day-to-day basis.

The Fund has been assigned an employer identification number by the Internal Revenue Service. It is 38-6142222. The Plan Number is 001. The Pension Plan established by the Trustees is considered by the federal government to be a defined benefit pension plan subject to the Employee Retirement Income Security Act of 1974, as amended, usually referred to as ERISA.

The Plan is funded through the Trust Fund, which receives contributions made by employers at a rate specified in collective bargaining agreements between the employers and Local 445. Employees may not make contributions to the Fund. Any Participant may receive, upon written request to the Fund Office, information about whether a particular employer is contributing to the Fund and, if so, the employer's address.

Any amendment to the Plan that modifies, reduces or terminates the provision of any benefit payable under the Plan may be made at any time, as permitted by law, by majority action of the Trustees and may be made retroactively in order to qualify and maintain the qualified status of the Plan and Trust under applicable provisions of the United States Internal Revenue Code and ERISA.

## **ERISA RIGHTS**

As a participant in International Brotherhood of Electrical Workers Local No. 445 Pension Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

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

- 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

**In case of conflict, the Plan, not this Summary, will govern.**

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) 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 that 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, 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.

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## **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. The website addresses for the Employee Benefits Security Administration are <http://www.dol.gov/ebsa> and <http://www.askebsa.dol.gov>.

## **NOTICE OF YOUR RESPONSIBILITY TO KEEP RECORDS**

The Fund has set up an Employer audit and collection program to make sure that your Employers pay the pension contributions owed to the Fund for your Hours of Work. But, it is your responsibility to keep records of your employment, including the names of your Employers, your pay stubs, and other information that proves you worked and for how many hours, so that if one of your Employers fails to pay the required contributions or keep records of your work, the Fund will have the information necessary to grant you the Years of Service and benefits to which you are entitled. Each year you will receive a Benefit Estimate Statement, which provides you with information concerning your pension benefits based on information available to the Pension Fund. If you believe that information is incorrect or incomplete, you must notify the Fund in writing immediately. Any action in law or equity brought against the Fund, the Board of Trustees, any of the Trustees individually, or any agent of any of the foregoing is barred unless the complaint is filed within three years from the date the incorrect information was first reported in the Statement; however, you must first go through the Fund's claim and appeal process before you can bring a suit in Court.

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**SUMMARY DESCRIPTION  
of the  
PENSION PLAN OF THE INTERNATIONAL BROTHERHOOD  
OF ELECTRICAL WORKERS LOCAL NO. 445 PENSION FUND**

**I. PARTICIPATION, CREDITING, VESTING AND SEPARATION**

**Who may become a Participant?**

If you are a journeyman or an apprentice who has reached at least the second year of apprenticeship, you are represented by International Brotherhood of Electrical Workers Local Union No. 445, and the collective bargaining agreement covering you requires that your employer contribute to this Pension Fund, you may become a Participant.

**How do I become a Participant?**

You become a Participant on the first day of the first calendar month after when you have performed 870 Hours of Work for one or more employers in any period of 12 consecutive months under a collective bargaining agreement that requires your employer to contribute to this Pension Fund.

**What is a Plan Year?**

A Plan Year is a consecutive twelve-month period beginning on May 1 and ending on April 30. All of the records of the Fund are kept on a Plan Year basis.

**What is an Hour of Work?**

An Hour of Work is an hour an employee works for a contributing employer. For every 870 Hours of Work you perform, you will be credited with 1,000 Hours of Service. In order to avoid confusion, only Hours of Work will be used in this Summary, but you should be aware that the two terms are separately defined in the Pension Plan and do not mean the same thing.

**What is an Hour of Service?**

An Hour of Service is an hour with which an employee is credited under the Pension Plan as a result of work. It is a legal term used to comply with certain federal regulations. 870 Hours of Work are equal to 1,000 Hours of Service.

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## **What is a Year of Service?**

Eligibility for retirement benefits is determined by Years of Service earned. You will earn one Year of Service for each Plan Year beginning on or after May 1, 1976 in which you are credited with at least 870 Hours of Work for one or more employers under a collective bargaining agreement that requires contributions to this Pension Fund.

You may have earned one Year of Service for each Plan Year beginning before April 30, 1976 if contributions based on at least 870 Hours of Work were received by the Fund on your behalf.

You may be entitled to be credited with additional Years of Service equal to the number of consecutive years prior to your Effective Date of Participation that you were employed by an employer within the jurisdiction of the Local 445. (For purposes of making this determination for this period, continuous membership in Local 445 shall be acceptable evidence.)

In addition, you may accrue a Year of Service for purposes of vesting and eligibility, but not for benefit accrual, for each Plan Year in which you perform 870 Hours of Work not covered by a collective bargaining agreement for one or more employers who contribute to this Fund.

No more than one Year of Service may be accrued in a single Plan Year.

The Fund has set up an employer audit and collection program to make sure that your employers pay the pension contributions owed to the Fund for your Hours of Work. But, **it is your responsibility to keep permanent records of your employment**, including the names of your employers, your pay stubs, and other information that proves you worked and for how many hours, so that if one of your employers fails to pay the required contributions or to keep records of your work, the Fund will have the information necessary to grant you the Years of Service and benefits to which you are entitled. Each year you will receive a Benefit Estimate Statement, which provides you with information concerning your pension benefits based on information available to the Pension Fund. If you believe that information is incorrect or incomplete, you must notify the Fund in writing immediately. Any action in law or equity brought against the Fund, the Board of Trustees, any of the Trustees individually, or any agent of any of the foregoing is barred unless the complaint is filed within three years from the date the incorrect information was first reported in the Statement; however, you must first go through the Fund's claim and appeal process before you can bring a suit in Court.

## **May Years of Service once earned be lost?**

Yes. Each Plan Year after May 1, 1976 in which you are credited with fewer than 435 Hours of Work in covered employment is a Break in Service Year. If you accrue five (5) consecutive Break in Service Years before you are Vested, you will suffer a Permanent Break in Service, your Years of Service and Vesting Years will be cancelled and you will no longer be a Participant.

**In case of conflict, the Plan, not this Summary, will govern.**

You will not accrue a Break in Service Year if the reason you do not work in the bargaining unit is that you are serving in the military or other uniformed service of the United States.

Absences related to pregnancy, childbirth or adoption of a child will not ordinarily result in accrual of a Break in Service Year, but it is necessary that you notify the Fund Office promptly of any such absence.

Under no circumstances, however, may your Years of Service be lost or cancelled once you are vested unless you are eligible for, and you request and receive, a lump sum payment of your Vested benefits.

### **Will I be credited for the time I spend in military or other uniformed service?**

You will be given credit for benefits, eligibility and Vesting for the period you actually served in the armed forces of the United States or certain other uniformed services, if you:

- 1) are an Active Participant at the time you entered the service;
- 2) serve no more than five (5) consecutive years (unless your service is extended at the government's request);
- 3) are discharged under honorable conditions; and
- 3) return to work for a contributing employer within twelve (12) months of your discharge, or within twenty-four (24) months of your discharge if you are recovering from an injury or disability you received or that was aggravated because of your service in the Armed Forces or other uniformed service.

If you are a Reservist or National Guardsman and are called to active service and you return to work promptly when your active service ends, you will also be given such credit.

The credit you are given will be calculated on the average number of Hours of Service with which you were credited in each month during the three (3) Plan Years or the twelve (12) consecutive months immediately before you entered the military or uniformed service, whichever is higher **or** if you first participated in the Plan less than three (3) Plan Years before you entered military or uniformed service, then the credit you are given will be calculated on the average number of Hours of Service with which you were credited during the period from the month after you became an employee to the month before you entered military or uniformed service or the twelve (12) consecutive months immediately before you entered the military or uniformed service, whichever is higher.

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You will have to give the Fund Office a copy of your discharge papers and supply other information which may be needed to verify that you qualify for service credit.

**What is a Vesting Year?**

Your eligibility for retirement and death benefits is determined by your Vesting Years. You earn a Vesting Year for each Year of Service you earn. No more than one Vesting Year can be earned in any one Plan Year. Vesting Service is accrued under the following schedule:

The Vesting Schedule for Hours of Work performed on or after **May 1, 1994** and before **August 1, 2008** is as follows:

<u>Vesting Years</u>	<u>Percentage of Accrued Benefit in Which Vested</u>
One Year	10%
Two Years	20%
Three Years	30%
Four Years	40%
Five Years or More	100%

The Vesting Schedule applicable for Hours of Work performed on and after **August 1, 2008**, is as follows:

<u>Vesting Years</u>	<u>Percentage of Accrued Benefit in Which Vested</u>
Fewer than Five Years	0%
Five Years or More	100%

In addition, you will accrue one Vesting Year for each Plan Year in which you work at least 870 hours for one or more contributing employers outside the bargaining unit represented by Local 445.

**What does it mean to be Vested?**

If you are Vested, you have earned the right to certain (not all) benefits, which, generally, can never be taken away from you even if you stop working for contributing employers and leave the trade, the bargaining unit, or the area. If the Fund enters into “critical status,” as defined by the Pension Protection Act, or “critical and declining status” under the Multiemployer Pension Reform Act, the Board of Trustees may make additional modifications and reductions to past and future accruals that would not otherwise be allowed. The Fund will notify you if it enters into either status and will notify you in advance of any reduction or elimination of any vested benefits.

**In case of conflict, the Plan, not this Summary, will govern.**



If you are Vested and become an Inactive Participant, the Fund will, upon receipt of an application from you, determine for you the exact amount of the benefits in which you are Vested.

For more information on Vesting, see Part VIII – More on Vesting, below.

### **When would I become an Inactive Participant?**

If, after becoming an Active Participant, you do not accrue a Year of Service in either the current Plan Year or the previous Plan Year, you are considered to have separated from employment at the trade and to be an Inactive Participant at the end of the current Plan Year.

### **What does it mean to be an Inactive Participant?**

Inactive Participant status means that the only benefits you are eligible to receive are those benefits in which you are Vested, if any, determined and calculated in accordance with the terms of the Pension Plan in effect at the time you become Inactive.

### **Does separation from employment at the trade do anything to my Vested rights?**

No, if you are Vested when you separate, you generally remain Vested.

### **What happens if I separate because of a Break in Service and then return to work in the bargaining unit for a contributing employer?**

If you have not terminated by suffering a Permanent Break in Service or by taking a lump sum payment, you will become an Active Participant retroactive to the date on which you resumed employment, as soon as you have performed 870 Hours of Work within twelve (12) consecutive months.

If you have suffered a Permanent Break in Service, you must qualify as a new Participant by performing 870 Hours of Work within twelve (12) consecutive months.

If you have terminated participation by receiving a lump sum payment, you will become an Active Participant when you have performed 870 Hours of Work within a consecutive twelve (12) month period and you then may, if you wish, reinstate Years of Service previously cancelled and the benefits associated with them by repaying the amount you received, plus interest at 5% compounded annually from the date such payment was made until the date of repayment, at any time before you accumulate five (5) consecutive Break in Service Years.

### **What benefits does the Plan provide?**

**In case of conflict, the Plan, not this Summary, will govern.**

The Plan provides five kinds of benefits: Normal Retirement Benefits, Early Retirement Benefits, Vested Retirement Benefits, Disability Benefits and Death Benefits. If a Participant dies and is survived by a spouse, there may be a benefit payable to the surviving spouse. The eligibility requirements are not the same for all of these benefits.

**Once I am Vested, am I Vested in all of these benefits?**

No. You are Vested, subject to all other eligibility requirements, in the Normal, Early or Vested Retirement Benefit and the Death Benefit. You will not be Vested in any form of Disability Benefit. Disability Benefits never vest – they are not accrued benefits and can be terminated by action of the Board at any time.

**Is there a limit to the amount of benefits I can receive?**

Yes. Section 415 of the Internal Revenue Code imposes a limit on the benefits the Fund can pay. Your maximum benefit limit is determined on an individual basis and takes into account your age, the age at which you began receiving benefits, and the form in which you receive them. Your maximum benefit limit changes over time, but the Fund Office calculates it annually based on available information. So far, no one has exceeded the maximum limit on benefits payable from this Fund. You should know, however, that if at the time you retire, your benefit under the Plan is higher than your maximum under Section 415, the Plan must reduce your benefit to the legal limit.

**What exactly does “Retire” mean?**

The Plan, in accordance with the Internal Revenue Code and federal regulations, defines “Retire” as follows:

“The term ‘Retire’ shall mean the complete and permanent cessation of employment within the Jurisdiction of the Union, whether or not performed for an Employer, and employment of any kind for an Employer, whether or not it is within the work jurisdiction of the Union. If a Participant retires, he will continue to be considered retired even if he subsequently returns to work, whether or not such work results in the suspension of his benefits pursuant to Article X, Section 8. The intention to retire may be determined by, among other factors, the length of time before a Participant returns to work.”

*So, prior to attaining age 62, to Retire and be eligible for a pension benefit from the Fund, you must stop all work for any Employer that contributes to the Fund, even if you are performing non-covered work, and stop all work at any craft or in an industry included within the jurisdiction of the International Brotherhood of Electrical Workers, regardless of who your employer is or whether you are self-employed.*

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*Prior to attaining age 62*, the Internal Revenue Service requires that you must Retire with the intention of remaining unemployed or returning to work only in a position in another trade, craft and/or industry for someone other than you previous Employer. If you return to work shortly after you Retire, it will be evidence that you did not intend to and did not actually Retire. It is important to note that this requirement is separate and distinct from the Plan's Return to Work and Suspension of Benefits rules.

*At or after attaining age 62*, you may commence receiving a pension benefit without retiring.

## **II. NORMAL RETIREMENT BENEFITS**

### **When am I eligible for a Normal Retirement Benefit?**

You are eligible for a Normal Retirement Benefit when you retire while you are an Active Participant and are at least 65 years old. (You are eligible for an unreduced Early Retirement Benefit prior to age 65, in the same dollar amount as your Normal Retirement Benefit, if you are at least 62 years old and have earned at least ten Years of Service, **or** if the sum of your age and your Years of Service is at least 85. See Part III - Early Retirement Benefits, below.)

### **When will my Normal Retirement Benefits begin?**

Normal Retirement Benefits begin as of the first day of the month next following the date as of which you both meet all of the eligibility requirements and submit an application on a form prepared by the Fund with all required documentation. However, if the application and personal data required are received prior to the fifteenth (15th) day of the month and you otherwise meet the eligibility requirements, your Normal Retirement Benefit shall commence as of the first day of that month.

Payment of any benefit to which you are entitled will begin no later than April 1 of the calendar year following the calendar year in which you reach age 70 ½, even if you are still working or do not apply for benefits.

### **How much will my Normal Retirement Benefit be?**

There are six forms of benefits available: the Single Life Benefit, the 50% Joint and Survivor Benefit, the 75% Joint and Survivor Benefit, the 100% Qualified Joint and Survivor Benefit, the Life-Ten Years Certain Benefit and the Life-Fifteen Years Certain Benefit. The monthly amount of your benefit depends on the form under which it is calculated. Once the Fund has made a benefit payment, no change in the form of benefit you have selected is allowed.

The normal form of benefit for an unmarried Participant is the Single Life Benefit, but the Life-Ten Years Certain Benefit and Life-Fifteen Years Certain Benefit are options. A Qualified Domestic Relations Order could permit or require some part of your benefits to be paid in the 50% or 75% Joint and

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Survivor form or the 100% Qualified Joint and Survivor form if the court has designated your former spouse(s) as a “surviving spouse,” but that is the only circumstance in which you could receive benefits in the 50% or 75% Joint and Survivor form or the 100% Qualified Joint and Survivor form if you are unmarried on the effective date of your retirement.

The normal form of benefit for a married Participant is the 100% Qualified Joint and Survivor Benefit. You may opt to select a form other than the 100% Qualified Joint and Survivor Benefit, but only with the consent of your spouse, as explained on page S-22.

If, because of an error or delay by the Board of Trustees or one of the Fund’s service providers, the commencement of your benefit is delayed, interest at the statutory rate will be added to the make-up benefit payment.

### **What happens if I choose not to begin receiving benefits at Normal Retirement Age?**

If you choose not to begin receiving benefits when you reach Normal Retirement Age (age 65), the amount of your monthly benefit will be the greater of:

- (a) an amount equal to the Normal Retirement Benefit to which you would have been entitled had you applied for and commenced receiving Normal Retirement Benefits when you were first eligible, but increased by an actuarial factor which takes into account the delay in commencing benefits or
- (b) an amount equal to the Normal Retirement Benefit but including any additional Employer contributions made to the Fund as a result of Hours of Work you performed.

Payment of any benefits to which you are entitled will begin no later than April 1 of the year following the year in which you reach age 70 ½, even if you are still working and/or do not apply for benefits.

### **May I select a form of benefit other than the normal form?**

Yes, with certain restrictions.

If you are married and your spouse consents, you may choose to receive your benefit in the Single Life Benefit form, the 50% Joint and Survivor Benefit form, the 75% Joint and Survivor Benefit form, the Life-Ten Years Certain Benefit form or the Life-Fifteen Years Certain Benefit form.

If you are not married, you may choose to receive your benefit in the Life-Ten Years Certain Benefit form or the Life-Fifteen Years Certain Benefit form instead of the Single Life Benefit form.

**In case of conflict, the Plan, not this Summary, will govern.**

### **If my choice requires consent of my spouse, what must we do?**

The Fund Office will provide you with a written explanation of your 100% Qualified Joint and Survivor benefit form, how that form can be waived if your spouse consents, and the relative values of the optional forms of benefits, between 30 and 180 days before the start of your benefit payments. If you and your spouse choose a benefit in any of the other Joint and Survivor, Single Life, Life-Ten Years Certain, or Life-Fifteen Years Certain Benefit forms, you and your spouse must sign forms which are available at the Fund Office and the signatures must be witnessed by an authorized agent of the Plan or a notary public.

If you want your benefits to begin sooner than 30 days after you and your spouse have received a written explanation of the optional forms of benefits, you may, if your spouse consents in writing on a form which is available at the Fund Office, waive the 30 day requirement and receive your benefit no less than 7 days after receiving the written explanation.

### **What is the Single Life Benefit?**

The Single Life Benefit is the Plan's basic formula amount and it provides the highest monthly pension amount. The benefit is payable each month for the rest of your life, but does not have the possibility of continuing monthly payments to someone else after your death, which all of the other benefit forms have. If you are married at the time your benefits are to commence, the Single Life form is not available to you unless your spouse waives the right to be protected under the 100% Qualified Joint and Survivor form.

Once benefits commence under the Single Life Benefit form, you may not change that form and no event such as marriage, re-marriage or death will affect the terms of payment.

### **How is the Single Life Benefit calculated?**

If you are an Active Participant on or after June 1, 2006, your monthly Normal Retirement Benefit under this benefit form will equal the sum of the following:

1. 5.00¢ per Hour of Work you performed on and after June 1, 2015;
2. 4.75¢ per Hour of Work performed on and after June 2, 2014 but before June 1, 2015;
3. 4¢ per Hour of Work you performed on and after June 1, 2013 but before June 2, 2014;
4. 3.4¢ per Hour of Work performed on or after June 1, 2012 but before June 1, 2013;

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5. 3¢ per Hour of Work you performed on and after June 1, 2011 but before June 1, 2012;
6. 2¢ per Hour of Work you performed on and after June 1, 2009 but before June 1, 2011;
7. 3.2¢ per Hour of Work you performed on and after June 1, 2006 but before June 1, 2009;
8. 2.25% of Credited Employer Contributions made or required to be made on your behalf on or after October 1, 1991 through May 31, 2006; and
9. Your Frozen Accrued Benefit based on work you performed before October 1, 1991.

**EXAMPLE:** Assume that you are age 65 on January 1, 2017, that you performed 300 Hours of Work from June 1, 2015 through December 31, 2016; 1,000 Hours of Work from June 2, 2014 through June 1, 2015; 2,000 Hours of Work from June 1, 2013 through June 2, 2014, 200 Hours of Work from June 1, 2012 through June 1, 2013; 1,000 Hours of Work from June 1, 2011 through June 1, 2012; 500 Hours of Work from June 1, 2009 through June 1, 2011; 1,500 Hours of Work from June 1, 2006 through June 1, 2009; that the total Credited Employer Contributions made or required to be made to the Fund as a result of work you performed from October 1, 1991 through May 31, 2006 is \$25,000, and your Frozen Accrued Benefit is \$225.

Your monthly Single Life Benefit amount would be calculated as follows:

300 Hours of Work multiplied by 5¢	=	\$15.00
1,000 Hours of Work multiplied by 4.75¢	=	\$47.50
2,000 Hours of Work multiplied by 4¢	=	\$80.00
200 Hours of Work multiplied by 3.4¢	=	\$6.80
1,000 Hours of Work multiplied by 3¢	=	\$30.00
500 Hours of Work multiplied by 2¢	=	\$10.00
1,500 Hours of Work multiplied by 3.2¢	=	\$48.00
\$25,000 multiplied by 2.25%	=	\$562.50
\$225	=	<u>\$225.00</u>

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Total monthly Single Life Benefit = \$1,024.80

This example assumes for illustration purposes only that the benefit rate will remain at the same rate it is as of June 1, 2015, but this might not be the case. The Board of Trustees has the authority to change that rate by amendment at any time, within the limitations imposed by law.

### **What are “Credited Employer Contributions”?**

“Credited Employer Contributions” are those Employer Contributions remitted or required to be remitted on behalf of an Employee that are used in the calculation of benefit accrual of an Employee. Through May 31, 2006, the hourly Employer Contribution negotiated by the Union and the Employers, and the portion of that hourly Employer Contribution which is the hourly Credited Employer Contribution were as follows:

<b><u>For Work Performed</u></b>	<b><u>Employer Contribution</u></b>	<b><u>Credited Employer Contribution</u></b>
July 1, 2001 - May 31, 2002	\$2.35 per hour	\$2.16 per hour
June 1, 2002 - May 31, 2003	\$2.39 per hour	\$2.20 per hour
June 1, 2003 - May 31, 2004	\$2.79 per hour	\$2.20 per hour
June 1, 2004 - May 31, 2005	\$3.19 per hour	\$2.20 per hour
June 1, 2005 - May 31, 2006	\$3.59 per hour	\$2.20 per hour

That portion of the Employer Contributions that is not included in Credited Employer Contributions is used for the general funding needs of the Fund. The current benefit formula (5¢ per Hour of Work performed on and after June 1, 2015) does not use Employer Contributions or Credited Employer Contributions in the determination of benefits.

### **What is the 100% Qualified Joint and Survivor Benefit form?**

If you are married at the time you retire and apply for benefits, the 100% Qualified Joint and Survivor Benefit is the form of pension you will *automatically* receive unless you choose one of the other options and, if required, your spouse consents. A reduced benefit, as described below, is payable to you each month for the rest of your life. If your spouse survives you, your spouse will receive 100% of the monthly amount you were receiving each month for the rest of your spouse’s life.

It is important to understand that the only Surviving Spouse to whom the survivor portion of the benefit is payable is the person who is your legal spouse at the time your benefits begin. (Be sure, however, to read the discussion of Qualified Domestic Relations Orders on page S-38 of this Summary.)

You may, however, if your spouse consents, choose another Benefit form instead of the automatic 100% Qualified Joint and Survivor Benefit form.

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## **How is the 100% Qualified Joint and Survivor Benefit form calculated?**

Your monthly retirement benefit under the 100% Joint and Survivor Benefit form is calculated by figuring out what your monthly Single Life Benefit is and reducing it in order to take into account your age and your spouse's age. The reduced monthly benefit amount is 90% of the Single Life Benefit, minus 1/4% for each year your spouse is younger than you, or plus 1/4% for each year your spouse is older than you, but not to exceed 99.9% of the Single Life Benefit. The ages used are those of you and your spouse at your effective date of retirement.

**EXAMPLE:** Assume that you are 65, your spouse is 61, and that your Single Life Benefit is \$1,024.80. This means that if you retire in the 100% Qualified Joint and Survivor Benefit form, you will receive \$912.07 each month for the rest of your life, calculated as follows:

Reduction Factor:  $90\% - [1/4\% \times 4 \text{ (your age minus your spouse's age)}] = 89\%$   
Benefit Calculation:  $89\% \text{ of } \$1,024.80 = \$912.07$

Upon your death, if your spouse survives you, your spouse will receive 100% of that amount, or \$912.07, each month for the rest of your spouse's life.

## **What is the 50% Joint and Survivor Benefit form?**

The 50% Joint and Survivor Benefit form is available to you if you are married on the day your benefits begin. Under this form, a reduced benefit, calculated as described below, is paid to you each month for the rest of your life. If your spouse survives you, your spouse will receive a monthly benefit that is 50% of the benefit you were receiving at the time of your death.

It is important to understand that the only Surviving Spouse to whom the survivor portion of the benefit is payable is the person who is your legal spouse at the time your benefits begin. (Be sure, however, to read the discussion of Qualified Domestic Relations Orders on page S-38 of this Summary.)

## **How is the 50% Joint and Survivor Benefit form calculated?**

Your monthly retirement benefit under the 50% Joint and Survivor Benefit form is calculated by figuring out what your monthly Single Life Benefit is and reducing it in order to take into account your age and your spouse's age. The reduced monthly benefit amount is 95% of the Single Life Benefit, minus 1/4% for each year your spouse is younger than you, or plus 1/4% for each year your spouse is older than you, but not to exceed 99.9% of the Single Life Benefit. The ages used are those of you and your spouse at your effective date of retirement.

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**EXAMPLE:** Assume that you are 65, your spouse is 61, and that your Single Life Benefit is \$1,024.80. This means that if you retire in the 50% Joint and Survivor Benefit form, you will receive \$963.31 each month for the remainder of your life, calculated as follows:

Reduction Factor:  $95\% - [1/4\% \times 4 \text{ (your age minus your spouse's age)}] = 94\%$   
Benefit Calculation:  $94\% \text{ of } \$1,024.80 = \$963.31$

Upon your death, if your spouse survives you, your spouse will receive 50% of that amount, or \$481.66, each month for the rest of your spouse's life.

### **What is the 75% Joint and Survivor Benefit form?**

The 75% Joint and Survivor Benefit is available to you if you are married on the date your benefits begin. Under this form, a reduced benefit, calculated as described below, is paid to you each month for the rest of your life. If your spouse survives you, your spouse will receive a monthly benefit that is 75% of the benefit you were receiving at the time of your death.

It is important to understand that the only Surviving Spouse to whom the survivor portion of the benefit is payable is the person who was your legal spouse at the time your benefits began. (Be sure, however, to read the discussion of Qualified Domestic Relations Orders on page S-38 of this Summary.)

### **How is the 75% Joint and Survivor Benefit form calculated?**

Your monthly retirement benefit under the 75% Joint and Survivor Benefit form is calculated by figuring out what your monthly Single Life Benefit is and reducing it in order to take into account your age and your spouse's age. The reduced monthly benefit amount is 92.5% of the Single Life Benefit, minus 1/4% for each year your spouse is younger than you, or plus 1/4% for each year your spouse is older than you, but not to exceed 99.9% of the Single Life Benefit. The ages used are those of you and your spouse at your effective date of retirement.

**EXAMPLE:** Assume that you are 65, your spouse is 61, and that your Single Life Benefit is \$1,024.80. This means that if you retire in the 75% Joint and Survivor Benefit form, you will receive \$937.69 each month for the remainder of your life, calculated as follows:

Reduction Factor:  $92.5\% - [1/4\% \times 4 \text{ (your age minus your spouse's age)}] = 91.5\%$   
Benefit Calculation:  $91.5\% \text{ of } \$1,024.80 = \$937.69$

Upon your death, if your spouse survives you, your spouse will receive 75% of that amount, or \$703.27, each month for the rest of your spouse's life.

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## What is the Life-Ten Years Certain Benefit form?

The Life-Ten Years Certain Benefit is a reduced benefit, calculated as described below, and payable to you each month for the rest of your life, with a guarantee of at least 120 monthly payments (ten years' worth) even if you die before all the payments are made. If you choose this form, you designate a Beneficiary, and if you die before you have received all 120 payments, your Beneficiary will then receive any remaining payments each month until the total number of benefit payments made to you and your Beneficiary is 120. If you are married, your spouse must consent if you are to receive your benefits in this form.

## How is the Life-Ten Years Certain Benefit form calculated?

Your monthly retirement benefit under the Life-Ten Years Certain Benefit form is calculated by determining what your Single Life Benefit is and reducing it by using a table that takes into account your age and life expectancy.

Following is a portion of the table used in these calculations:

### Factors for Life-Ten Years Certain Benefit form

<u>Participant's age at Retirement</u>	<u>Percent of Normal, Early or Vested Retirement Benefit</u>
55	96.84%
56	96.50%
57	96.11%
58	95.69%
59	95.21%
60	94.69%
61	94.10%
62	93.46%
63	92.76%
64	91.99%
65	91.16%

**EXAMPLE:** Assume that you retire at age 65, your Single Life Benefit amount is \$1,024.80 and you choose the Life-Ten Years Certain Benefit form. Your monthly benefit would be \$938.72 (91.16% of \$1,024.80), which you would receive for the rest of your life. If you died before you had received 120 monthly payments, your designated Beneficiary would receive a monthly benefit of \$938.72 until the total of the number of monthly benefit payments paid to you and your Beneficiary is 120.

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## What is the Life-Fifteen Years Certain Benefit form?

The Life-Fifteen Years Certain Benefit is a reduced benefit, calculated as described below, and is payable to you each month for the rest of your life, with a guarantee of at least 180 monthly payments even if you die before all the payments are made. If you choose this form, you designate a Beneficiary, and if you die before you have received all of the 180 payments (fifteen years' worth), your Beneficiary will then receive the remaining payments each month until the total number of benefit payments made to you and your Beneficiary is 180. If you are married, your spouse must consent if you are to receive your benefits in this form.

## How is the Life-Fifteen Years Certain Benefit form calculated?

Your monthly retirement benefit under the Life-Fifteen Years Certain Benefit form is calculated by determining what your Single Life Benefit is and reducing it by using a table that takes into account your age and life expectancy.

Following is a portion of the table used in these calculations:

### Factors for Life-Fifteen Years Certain Benefit form

<u>Participant's age at Retirement</u>	<u>Percent of Normal or Early Retirement Benefit</u>
55	93.45%
56	92.79%
57	92.06%
58	91.26%
59	90.40%
60	89.46%
61	88.44%
62	87.34%
63	86.16%
64	84.90%
65	83.55%

**EXAMPLE:** Assume that you retire at age 65, your Single Life Benefit amount is \$1,024.80 and you choose the Life-Fifteen Years Certain Benefit form. Your monthly benefit would be \$856.22 (83.55% of \$1,024.80), which you would receive for the rest of your life. If you died before you had received 180 monthly payments, your designated Beneficiary would receive a monthly benefit of \$856.22 until the total of the number of monthly benefit payments paid to you and your Beneficiary is 180.

**In case of conflict, the Plan, not this Summary, will govern.**

### **Can I change my Beneficiary designation before I receive the minimum number of benefit payments?**

If you want to change your Beneficiary designation before 120 benefit payments have been made under the Life-Ten Year Certain Benefit form, or 180 benefit payments have been made under the Life-Fifteen Year Certain Benefit form, you may name another Beneficiary, subject to the written consent of the spouse to whom you were married at the time benefit payments began, if your spouse is still living. You must do so on a Pension Information Form, and that Form must be received in the Fund Office before the date of your death. The change will be effective the first of the month following the date the Fund Office receives the Form.

### **What happens if I choose the Life-Ten Years Certain Benefit form or the Life-Fifteen Years Certain Benefit form and both my Beneficiary and I die before the full ten or fifteen years of benefits is paid?**

If both you and your Beneficiary die before 120 benefit payments have been made under the Life-Ten Year Certain Benefit form, or 180 benefit payments have been made under the Life-Fifteen Year Certain Benefit form, the value of the remaining payments needed to total 120 or 180 benefit payments, respectively, shall be paid in a lump sum to the estate of the later of the two to die, provided that the estate of the second person to die makes a claim for this amount within twelve months of the date of the second person's death.

### **What happens if I marry after I begin receiving benefits?**

Any spouse you marry after your benefits begin **cannot** be your Surviving Spouse. Only the spouse, if any, to whom you were married at the time your benefits began can be your Surviving Spouse (unless a former spouse is designated as a Surviving Spouse by a Qualified Domestic Relations Order before you retire).

## **III. EARLY RETIREMENT BENEFITS**

### **When am I eligible for an Early Retirement Benefit?**

You are eligible for an Early Retirement Benefit if you retire while you are an Active Participant and you are

- (1) at least 55 years old (and less than 65 years old), and have earned at least 10 Years of Service, or
- (2) at least 62 years old (and less than 65 years old), and have earned at least 5 Years of Service, or

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- (3) if you are at least 55 years old (and less than 65 years old) and have satisfied the “85 points” requirements, as explained below.

Please note that you need not retire in order to receive an Early Retirement Benefit if you have attained age 62 (that is, you can receive a benefit and continue working at the trade).

Early Retirement Benefits begin as of the first day of the month next following the date as of which you both meet all of the eligibility requirements and submit an application on a form prepared by the Fund with all required documentation. However, if the application and personal data required are received prior to the fifteenth (15th) day of the month and you otherwise meet the eligibility requirements, your Early Retirement Benefit shall commence as of the first day of that month.

### **How much will my Early Retirement Benefit be?**

If you are 62 or older, your Early Retirement Benefit will be equal to your Normal Retirement Benefit. Also, if the sum of your age and your accrued Years of Service totals at least 85 (known as “85 points”), your Early Retirement Benefit will be equal to your Normal Retirement Benefit. Otherwise, your Early Retirement Benefit will be calculated by first determining your Normal Retirement Benefit, and then reducing that amount by one half of one percent (.005) for each month by which you are younger than age 62 when payment of your benefit begins. Then, just like a Normal Retirement Benefit, your Early Retirement Benefit will be calculated and paid in the form of benefit you select, subject to any reductions necessitated by that form.

Although the reduction is actually done on a month-by-month basis, the following table will help to illustrate how the reduction works:

<u>Age at Retirement</u>	<u>Percentage of Normal Retirement Benefit (if 85 points not met)</u>	<u>Percentage of Normal Retirement Benefit (if 85 points met)</u>
62	100%	100%
61 years, 6 months	97%	100%
61 years	94%	100%
60 years, 8 months	92%	100%
60 years	88%	100%

**EXAMPLE:** Assume that you retire at age 60 with 24 Years of Service and your Single Life Benefit is \$1,024.80. Applying the reduction formula, you would receive \$901.82 each month (88% of \$1,024.80) for the rest of your life.

**EXAMPLE:** Assume the same facts as above, except that you accrued 25 Years of Service. In that case, the sum of your age (60) and your Years of Service (25) would be 85. Your early

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retirement benefit would be \$1,024.80 per month because you have met the 85 points requirements and, therefore, no reduction is taken.

If because of an error or delay by the Board of Trustees or one of the Fund's service providers, the commencement of your benefit is delayed, interest at the statutory rate will be added to the make-up benefit payment.

#### **IV. EARLY RETIREMENT SUPPLEMENTAL BENEFIT**

##### **Will I be eligible for an Early Retirement Supplemental Benefit?**

In addition to your Early Retirement Benefit, you are eligible for an Early Retirement Supplemental Benefit if you are an Active Participant when you retire under the non-85 points early retirement provisions of the Plan after age 59 but before you have attained age 62 and have performed at least 40,000 Hours of Work. If you are not an Active Participant when you retire, you are not eligible for this benefit. If you retire before you attain age 62 under the 85 points provisions, you are not eligible for this benefit.

##### **How much will my Early Retirement Supplemental Benefit be?**

Your monthly Early Retirement Supplemental Benefit will be \$900.

##### **How long am I entitled to receive the Early Retirement Supplemental Benefit?**

The monthly Early Retirement Supplemental Benefit is payable to you until you reach age 62.

##### **If I die, is my Surviving Spouse entitled to receive the Early Retirement Supplemental Benefit?**

No. The Early Retirement Supplemental Benefit is payable only to you, not to your Surviving Spouse or any other Beneficiary after your death.

#### **V. RETURN TO WORK AND SUSPENSION OF BENEFITS**

##### **What happens if I return to work after I begin to receive benefits?**

Prior to your attaining age 62, your monthly payment will be suspended for any month in which you work 40 hours or more within the geographic jurisdiction of I.B.E.W. Local 445 in the same craft or trade in which you were employed as a Participant for an employer who is required to contribute to the Fund on your behalf.

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If you have retired and begun to receive benefits and intend to return to employment, you must notify the Board in advance on a form prescribed and furnished by them of your intent to do so. The Fund Office will make an initial determination whether the work is suspendible employment. When you no longer meet the conditions of suspension, you must again notify the Trustees on a form prescribed and furnished by them for that purpose so that you will begin receiving your monthly benefits again.

If you return to work without first notifying the Fund Office and you are discovered on a job, the Trustees may presume that you have worked under the conditions described above for the entire period your employer has worked at that particular job site and your monthly benefits for such period may be forfeited. You may, within thirty (30) days of receiving notice that your benefits have been suspended, submit evidence to prove that this presumption is not true. The Trustees' presumption will stand if you fail to present sufficient evidence otherwise within thirty (30) days.

The initial determination (Notice of Suspension of Benefits) will be provided in advance of any withholding as a result of your work in suspendible employment. The notification will include a description of the specific reasons why benefit payments are being suspended, a general description of the plan provisions relating to the suspension of payments, a copy of such provisions, and a reference to applicable Department of Labor regulations in § 2530.203-3 of the Code of Federal Regulations. The notice will also include information regarding the future recoupment of any amounts paid during the periods you were employed in suspendible employment, which will include the identification of periods of suspendible employment, the amounts which will be subject to offset and the manner in which the Fund intends to recoup such amounts. You have the right to appeal the suspension of benefits determination as described in the Claims Appeals section below. See page S-39

When you retire again, your benefit payments will resume in the same amount and under the same option as they were before you returned to work. If you have been credited with Hours of Work during your re-employment, the benefit to which those hours will entitle you will be added to your benefit and paid the following January 1st after you stop working, in the same form as your retirement benefit is being paid.

After you reach age 62, benefits will not be suspended irrespective of work.

**Note:** Returning to work for fewer than 40 hours a month after you retire and prior to attaining age 62 will not result in a suspension of your monthly Retirement Benefit, but it could, depending on the circumstances, be evidence that you did not intend to retire and could result in a determination that you were not eligible to begin receiving Retirement Benefits in the first instance.

## **VI. DISABILITY BENEFITS**

### **Who is eligible for a Disability Benefit?**

**In case of conflict, the Plan, not this Summary, will govern.**

You are eligible for a Disability Benefit if you become totally and permanently disabled while you are an Active Participant and are under age 65. Once you retire and begin receiving Normal, Early or Vested Retirement Benefits, you will no longer be eligible for a Disability Benefit.

### **What does it mean to be totally and permanently disabled?**

You are totally and permanently disabled if it has been determined by the Social Security Administration that you are entitled to receive Social Security Disability Benefits. The Trustees may require you to submit such evidence of continued eligibility for Social Security Disability Benefits as it deems appropriate as a condition of continued payment of Disability Benefits.

### **How much will my Disability Benefit be?**

You will receive a monthly Disability Benefit equal to 75% of your accrued Normal Retirement Benefit determined as of the date on which you become eligible for the Disability Benefit.

If because of an error or delay by the Board of Trustees or one of the Fund's service providers, the commencement of your benefit is delayed, interest at the statutory rate will be added to the make-up benefit payment.

### **What do I need to apply for Disability Benefits?**

In order to apply for Disability Benefits from the Fund, you must submit a completed application form to the Fund on a form prescribed and furnished by the Fund, accompanied by such personal data required by the Fund, with either

1. a complete copy of your application for Social Security Disability Benefits which you have submitted to the Social Security Administration or
2. if then available, a copy of your favorable Social Security Disability Award.

If you submit an application for Disability Benefits to the Fund after you have applied for Social Security Disability but before you have received a favorable Social Security Disability Award, your application shall be held in abeyance by the Fund as incomplete. If you then receive and submit a favorable Social Security Disability Award based upon the application for Social Security Disability Benefits that was submitted with your application to the Fund, this will complete your application, and it can then be processed.

### **When would my Disability Benefit begin?**

Monthly Disability Benefits are effective on the later of

- (1) the first day of the month next following the date in which your Application was received by the Fund, or

**In case of conflict, the Plan, not this Summary, will govern.**



- (2) the effective date of the favorable Social Security Disability Award, provided you are an Active Participant, have not suffered a permanent break in service, and are under age 65 on the effective date of the Social Security Disability Award.

If you submit an application for Disability Benefits to the Fund with a favorable Social Security Disability Award and if all other eligibility requirements are met, monthly Disability Benefits shall commence as of the first day of the month next following the date in which your application was received by the Fund.

If you submit an application for Disability Benefits to the Fund before you have received a favorable Social Security Disability Award, and you later receive and submit to the Fund the favorable Social Security Disability Award (which was based upon the application for Social Security Disability Benefits which you submitted with your original application to the Fund) with an effective date which is on or before the date on which your application for Disability Benefits was received by the Fund, and if all other eligibility requirements are met, your Disability Benefits would commence as of the first day of the month next following the date in which your original application (which was held in abeyance as incomplete) was received by the Fund.

If you submit an application for Disability Benefits to the Fund before you have received a favorable Social Security Disability Award, and you later receive and submits to the Fund the favorable Social Security Disability Award (which was based upon the application for Social Security Disability Benefits which you submitted with your original application to the Fund) with an effective date which is later than the date on which your application for Disability Benefits was received by the Fund, and if all other eligibility requirements are met, your Disability Benefits would commence as of the first day of the month next following the date on which such favorable Social Security Disability Award is effective.

### **How long will I receive my Disability Benefit?**

If you cease to be Totally and Permanently Disabled as defined above or fail to furnish the Board of Trustees with copies of your annual tax returns, W-2 forms and/or such other information as may be requested, your monthly Disability Benefits shall be terminated.

Unless terminated earlier, your Disability Benefits shall terminate on the earlier of (1) the last day of the month in which you reach age sixty-five (65) or (2) the last day on which the Plan provides for Disability Benefits. Disability Benefits are not accrued benefits, nor do they ever vest. The Board of Trustees has the authority to reduce or eliminate the Plan provisions on Disability Benefits at any time.

## **VII. SURVIVING SPOUSE BENEFITS AND DEATH BENEFITS**

### **When I die, are any benefits payable?**

**In case of conflict, the Plan, not this Summary, will govern.**

Yes, if you earned at least five (5) Vesting Years since your latest Break in Service and have not received any Normal, Early or Vested Retirement Benefits. The amount of benefit and whether it will be paid in a single sum or as a monthly benefit will depend on your Years of Service and your marital status.

If, at the time of your death, you are retired and receiving a Normal, Early or Vested Retirement Benefits from the Fund, the type and form of benefit you were receiving will determine whether a death benefit will be payable on your behalf.

None of the death benefit payments described below is automatic. If any benefits are payable after your death, they will be paid **only** after an application is submitted to the Fund Office by or on behalf of your Beneficiary(ies) or Surviving Spouse on a form prescribed and furnished by the Fund Office and accompanied by personal data required by the Fund Office, and that application has been approved by the Fund Office.

If because of an error or delay by the Board of Trustees or one of the Fund's service providers, the commencement of Surviving Spouse or Beneficiary's benefit is delayed, interest at the statutory rate will be added to the make-up benefit payment.

### **May I designate anyone I wish as my Beneficiary?**

Yes, but if you are or become married, certain restrictions apply.

If you are married at the time of your death, your spouse is automatically your Beneficiary and the Surviving Spouse benefit rules apply.

The designation of a spouse as Beneficiary terminates immediately upon the entry of a judgment or decree of divorce between the Participant and his/her spouse. The former spouse shall be recognized as a Beneficiary following the entry of such judgment or decree only if designated as such by a qualified domestic relations order (see below, page S-38) or if redesignated by the Participant on the Pension Information Form after the entry of the judgment or decree of divorce. Therefore, if you are or have ever been divorced, you should submit copies of all of your divorce judgments to the Fund Office, and be certain that your Pension Information Form is up-to-date.

If you are not married at the time of your death, you may designate any person or person(s) you wish by completing and filing the Pension Information Form furnished by the Fund. If you have no effective Beneficiary at the time of your death (for example, if you did not submit a Card, or if the person you designated died before you, or if you named your spouse and then got divorced and did not name a new beneficiary), any Death Benefit payable under the Plan shall be paid in the following order of priority:

**In case of conflict, the Plan, not this Summary, will govern.**

- (a) any person designated by the deceased Participant as beneficiary on forms supplied by the Michigan Electrical Employees' Health Care Plan, or
- (b) any person designated by the deceased Participant as beneficiary on forms supplied by the International Brotherhood of Electrical Workers' Death Benefit Fund, or
- (c) the surviving children of the deceased Participant, in equal shares, or
- (d) if none of the above survives, then surviving parents of the deceased Participant, in equal shares, or
- (e) if none of the above survives, then the surviving brothers and sisters of the deceased Participant, in equal shares, or
- (f) if none of the above survives, then the surviving grandchildren of the deceased Participant, in equal shares, or
- (g) if none of the above survives, then any individual(s) that is a beneficiary of the deceased Participant's estate, in equal shares, or
- (h) if none of the above survives, then the individual(s) identified as entitled to a share of the deceased Participant's property in a sworn Affidavit of Decedent's Successor for Delivery of Certain Assets Owned by Decedent with respect to the deceased Participant, in accordance with MCL §§700.3983-700.3984, in proportion to the shares identified on the form.

**What benefits are payable if I am not married and I die before I start receiving Normal, Early, or Vested Retirement Benefits?**

If you are an Active or Inactive Vested Participant or a Disabled Participant receiving a monthly Disability Benefit and you are not married at the time of your death and you have earned at least five (5) Vesting Years since your latest Break in Service, the single sum death benefit payable by the Fund on your behalf is equal to the total of the employer contributions made to the Fund in respect to hours you worked for which you received any future or special service credit since your latest Break in Service, excluding the value of any prior Benefit paid to you or on your behalf.

**What benefits are payable if I am married and I die before I start receiving Normal, Early or Vested Retirement Benefits?**

If you are an Active or an Inactive Vested Participant, or a Disabled Participant who is receiving a monthly benefit, your spouse is your Beneficiary.

If you met all eligibility requirements to receive Normal, Early or Vested Retirement Benefits at the time of your death, your spouse will receive an immediate monthly benefit for the rest of your

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spouse's life calculated as a 100% Qualified Joint and Survivor Benefit payable the first day of the month following your death.

If you had not met all eligibility requirements to receive a Normal, Early or Vested Retirement Benefits at the time of your death, your spouse will receive a deferred monthly benefit beginning on the earliest date you would have been eligible to begin receiving Normal, Early or Vested Retirement Benefits if you had survived. That benefit will continue for the rest of your spouse's life, and it will be calculated as a 100% Qualified Joint and Survivor benefit based on the age you would have been when benefits would first have become payable to you, and your Surviving Spouse's age on that earliest eligibility date.

### **What benefits are payable if I die after I start receiving Normal, Early or Vested Retirement Benefits?**

If you are receiving a benefit in the Single Life Form at the time of your death, no benefits are payable to anyone after your death. If you are receiving a benefit in the 100%, 50% or 75% Joint and Survivor Form at the time of your death, and the person to whom you were married at the time of your retirement has predeceased you, no benefits are payable to anyone after your death. If you are receiving a benefit in the Life-Ten Years Certain Benefit form or the Life-Fifteen Years Certain Benefit form and you die after you have received at least the number of monthly benefit payments guaranteed under the form you elected (either 120 or 180), no benefits are payable to anyone after your death.

If you are receiving a benefit in the 100% Qualified Joint and Survivor form at the time of your death and you have a Surviving Spouse, your spouse will receive 100% of the monthly benefit you were receiving at the time of your death each month for the rest of your spouse's life. If you are receiving a benefit in the 50% Joint and Survivor form at the time of your death and you have a Surviving Spouse, your spouse will receive 50% of the monthly benefit you were receiving at the time of your death each month for the rest of your spouse's life. If you are receiving a benefit in the 75% Joint and Survivor form at the time of your death and you have a Surviving Spouse, your spouse will receive 75% of the monthly benefit you were receiving at the time of your death each month for the rest of your spouse's life.

If you are receiving a benefit in the Life-Ten Years Certain Benefit form or the Life-Fifteen Years Certain Benefit form and you die before you have received all of the payments guaranteed under the form you elected, your Beneficiary will then receive the remaining payments each month until the total number of benefit payments made to you and your Beneficiary is 120 or 180, as applicable. As noted above, if your designated Beneficiary should die before you, the value of the remaining payments shall be paid in a lump sum to the estate of the second of you to die, provided that claim therefor is made within twelve months of the date of the second death.

### **What if I die while performing military service?**

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As required by the Heroes Earnings Assistance and Relief Tax Act, if you die while serving in the Armed Forces, your beneficiaries are entitled to any additional benefits (other than benefit accruals relating to the period of his service in the Forces) provided under the Plan to which the beneficiaries would have been entitled had you resumed and then terminated employment on account of death, on the date of your death.

### **How do I designate or change my Beneficiary?**

There is a form which the Board of Trustees has adopted called a Pension Information Form. One is included with this summary description. You should complete it, sign it and send it to the Fund Office as soon as possible. It is important to the operation of the Pension Plan. If you wish to change your designated Beneficiary, just fill out another Pension Information Form, which you can obtain at your Local Union or from the Fund Office, and send it in.

Keep in mind that if you have been married for at least one year, you must have spousal consent to name a Beneficiary other than your spouse and cannot do so until you reach age 35. If you are married for more than one year at the time of your death and have not designated a Beneficiary, your spouse is automatically your Beneficiary and the Surviving Spouse benefit rules apply.

Remember, the status of a spouse as Beneficiary terminates immediately upon the entry of a judgment or decree of divorce between you and your spouse. Your former spouse shall be recognized as a Beneficiary following the entry of such judgment or decree only if designated by a qualified domestic relations order or if you designate your spouse as such on a form prescribed and furnished by the Board of Trustees as a beneficiary after the entry of the judgment or decree of divorce. If you are or have ever been divorced, you should submit all copies of your divorce judgments to the Fund Office, and be certain that your Pension Information Form is up-to-date.

## **VIII. MORE ON VESTING**

### **How is the amount in which I am Vested determined?**

The Vesting Schedule for Hours of Work performed on or after **May 1, 1994** and before **August 1, 2008** is as follows:

<u>Vesting Years</u>	<u>Percentage of Accrued Benefit in Which Vested</u>
One Year	10%
Two Years	20%
Three Years	30%
Four Years	40%
Five Years or More	100%

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The Vesting Schedule applicable for Hours of Work performed on and after **August 1, 2008**, is as follows:

<u>Vesting Years</u>	<u>Percentage of Accrued Benefit in Which Vested</u>
Fewer than Five Years	0%
Five Years or More	100%

Even if you have not earned five Vesting Years, however, you will become 100% Vested if you are an Active Participant when you reach your 65th birthday.

Remember, it is possible to accrue Years of Service (and therefore Vesting Years) without performing work covered by a collective bargaining agreement if you work for a contributing employer in another capacity. Such Years of Service are not counted for benefit accrual, only for eligibility. It is your responsibility to notify the Fund when you are engaged in such work.

**EXAMPLE:** Assume that, on and after August 1, 2008, you work for contributing employers for three Plan Years and accumulate three Years of Service and then you stop working with the tools and become a superintendent for a contributing employer. You work 870 or more hours in that capacity each of the next two Plan Years before you go to work in some other industry. Assume that your accrued benefit is \$200 based on work you performed during the three Plan Years that you performed covered work. At the time you stopped working with the tools, you were not vested because you had earned only three Vesting Years. You accrue two more Vesting Years as a superintendent, even though no additional contributions are received. You now have five Vesting Years, and the amount in which you are vested is \$200 (100% of your accrued benefit of \$200). Unless you return to work for a contributing employer, \$200 will remain your basic vested amount.

### **When will I receive the benefits in which I am Vested?**

If you are not working for a contributing employer in some other capacity and continuing to accrue Years of Service/Vesting Years, you may be entitled to receive a Vested Retirement Benefit upon application when you become an Inactive Participant. Remember, being an Inactive Participant means that the only benefits you are eligible to receive are those benefits in which you are Vested, determined and calculated in accordance with the terms of the Pension Plan in effect at the time you become Inactive.

You may begin receiving monthly payments of your basic Vested amount when you reach age 62 or, if you have accrued ten Years of Service by the time you become Inactive, you may begin receiving monthly payments at or after age 55. If you begin receiving benefits at or after age 55, but prior to reaching age 62, your benefit will be reduced by one-half of one percent ( $\frac{1}{2}\%$ ) for each complete calendar

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month by which you are under age 62 when your Vested Benefits are effective. Vested Benefits are subject to all rules governing application for benefits, including the requirements regarding submission of an application and spousal consent.

Vested Retirement Benefits begin as of the first day of the month next following the date as of which you both meet all of the eligibility requirements and submit an application on a form prepared by the Fund with all required documentation.

If you become an Inactive Participant, you should file an application with the Fund Office, which will provide you with a statement showing the exact amount of benefits in which you are Vested as soon as that amount can be determined.

## **IX. DIVORCE, LEGAL SEPARATION AND CHILD SUPPORT**

### **If I divorce or am legally separated, will my former spouse or my dependents be entitled to any of my pension benefits?**

Perhaps. A court may issue an order which, if it meets certain standards, would be a Qualified Domestic Relations Order (“QDRO”) and could assign a portion of your pension benefits to your spouse, former spouse, child, or other dependent (“alternate payee”). A QDRO is any order or judgment entered in your divorce or separation case that clearly identifies the Plan and the benefits assigned and meets other requirements of federal law. A QDRO also may be an order or judgment entered to enforce your support obligations. A QDRO may, for example, assign to your former spouse a portion of your monthly or lump sum benefit and/or provide for payment of surviving spouse benefits after your death.

You will be required to provide the Fund Office with copies of all judgments or decrees of divorce or separation in which you were a party at the time you apply for any benefits. You are encouraged to provide these to the Fund Office as soon as they are entered, and not wait until you retire, so that any issues that arise can be addressed promptly. In addition to the judgment or decree, you should also provide a complete copy of any separation agreements, property settlement agreements and any similar or related orders in the Court’s file that relate to the distribution of property, including any attachments or exhibits. If you are not sure what documents you need to provide to the Fund Office, you can submit a docket report along with the judgment or decree.

When the order or judgment is provided to the Fund, the Fund’s attorneys will decide whether the divorce and/or separation documents contain a QDRO, and if so, what portion of your benefits have been assigned to your spouse, former spouse, child, or dependent. You will be sent a letter if your divorce and/or separation documents are determined to be a QDRO with respect to this Fund, and that letter will describe how your benefits are affected.

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## **How much of my benefits can be given to an alternate payee through a QDRO?**

A QDRO can give an alternate payee all of or any part of your benefits under the Plan, but it cannot require a Plan to provide any form of benefit or amount of benefit that would not otherwise be available. A QDRO cannot require the payment of benefits to an alternate payee if those benefits are already being paid to another alternate payee under another QDRO.

## **How can my benefits under this Plan be divided?**

There are two main approaches for dividing benefits under a QDRO: (1) the shared payment approach, and (2) the separate interest approach.

Under the **shared payment approach**, the portion of your benefits which is subject to the QDRO is paid in one of the Joint and Survivor forms and the monthly benefit payments are split between you and the alternate payee as the QDRO directs. The alternate payee cannot receive a benefit payment until you start receiving benefit payments.

Under the **separate interest approach**, the portion of your benefits that is subject to the QDRO is divided between you and the alternate payee. You decide when to begin receiving your portion and in what form, and the alternate payee makes the same decisions on his or her portion.

A QDRO may also provide the Alternate Payee with the choice of a shared or separate interest approach.

## **Can a QDRO state that my former spouse can start getting benefits from the Plan at any time?**

The Plan will distribute benefits to an alternate payee only when the participant receives benefits from the Plan unless the QDRO provides that the alternate payee may take a separate interest benefit and apply for and begin getting payments when you first reach your earliest retirement age under the Plan, even if you do not actually retire at that time. An alternate payee cannot begin benefits prior to your earliest retirement age and in no event may the benefits assigned to the alternate payee begin later than yours.

## **Does the Fund Office have a sample order that I can take to my attorney?**

Yes, the Fund Office has a Policy and Procedure for Processing Domestic Relations Orders and a sample order. They are available free of charge. Call or write the Fund Office to request a copy. The Fund's Policy is attached hereto for your reference as well.

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## **X. CLAIMS, APPEALS AND OTHER MATTERS**

### **How is a claim for benefits made?**

Whenever you wish to apply for benefits under the Plan, you should complete an application form approved by the Board of Trustees. Copies of these forms can be obtained through the Fund Office, 6525 Centurion Drive, Lansing, Michigan 48917-9275, tel. (517) 321-7502, or fax (517) 321-7508. The Fund Office will notify you in writing if your application is approved, denied, or if additional documents are needed. Even if you believe your application will be denied, it is important for you to submit a completed application with all required documentation because that could establish the effective date of your benefit if a decision of the Fund Office is later overturned.

Any questions you may have concerning the completion or submission of the application form can be answered by inquiring at the Pension Department of the Fund Office. Whenever you have occasion to write to the Fund Office, be certain to include your craft and your Social Security number because they are the controlling references in maintaining the Fund's records.

Retirement benefits are usually effective on the latest of (a) the first day of the month next following the date as of which you both meet all of the eligibility requirements and submit an application on a form prepared by the Fund with all required documentation, (b) the effective date of retirement appearing on your application form, (c) the first day of the month after you stop working or (d) April 1 of the year following the year in which you reach age 70 ½ if you have not started receiving your benefit before then.

In order to allow sufficient time to process your retirement application, it is suggested that you file your application form well before the date on which you plan to retire, at least 90 days prior. If you are married, you and your spouse may have some decisions to make regarding the form of your retirement benefit and your application for benefits must be filed before the date on which you want your benefits to begin. Those decisions must, by law, be made within the 180 days before your benefit begins.

You should always file all divorce judgments with the Fund Office promptly. The Fund Office will require copies of all of these when you submit any application for benefits, and if you have already submitted complete copies of these to the Fund Office, it will greatly expedite the processing of your application.

### **If my claim is denied, may I appeal?**

If your claim is denied by the Fund Office, you or your authorized representative may appeal to the Board of Trustees in writing for a review of that denial. Your appeal must be in writing and must be received in the Fund Office within **60** days of the day you receive the letter denying your claim (or **180** days if you are appealing from a denial of an application for Disability Benefits). You, or your authorized

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representative on your behalf, will have the opportunity to review pertinent documents and other information relevant to your claim free of charge if you submit a written request to the Board. Reasonable access to, and copies of, relevant information will be provided upon request. Whether information or a document is “relevant” is determined in accordance with ERISA Regulation § 2560.503 - 1(m)(8), 29 CFR 2560.503-1(m)(8). You, or your representative, may submit issues, comments, additional legal arguments and new information in writing to the Board for its consideration in your appeal. The Board of Trustees’ review of your appeal will take into account all materials and information you submit to it before its review of and decision regarding your appeal, whether or not that such information was previously submitted or considered by the Fund Office in the initial determination of your claim.

Upon receipt of your appeal, the Board will review your claim “de novo” (meaning “anew” and without deferring to the initial denial of your claim) and it will review the additional materials and information you submit, if any. The review will occur at the Board’s first regularly scheduled meeting following receipt of your appeal, unless your appeal is filed less than 30 days prior to such meeting. In that case, it will be reviewed at the subsequent Board meeting. If, due to special circumstances, the Board requires additional time to review your appeal, you will be notified in writing of the special circumstances and when a determination will be made. The Board will communicate its decision and the reasons therefor in writing within 5 days after the Board makes its decision on your appeal.

Under the terms of the Plan and the Trust establishing the Fund, the Board of Trustees has the sole and exclusive authority and discretion to interpret and apply the rules of the Plan, the Trust and any other rules and regulations, procedures or administrative rules adopted by the Trustees. Decisions of the Board or, where its responsibility has been delegated to others, its delegates, will be final and binding on all persons dealing with the Plan or claiming a benefit from the Plan. If a decision of the Board or its authorized delegates is challenged in court, such decision is to be upheld, unless a court with proper jurisdiction finds and issues a decision that it was arbitrary and capricious.

**Is there a time limit for bringing a lawsuit against the Plan?**

Yes. Under the terms of the Plan, any lawsuit brought against the Fund, the Board of Trustees, any of the Trustees individually, or any agent of any of these under or relating to the Plan is barred unless the complaint is filed within *three years* from the date you first receive a determination of your rights, unless a shorter time period is provided by applicable statute, regulation or case law.

**Is there any limitation on what court I may file a lawsuit against the Plan?**

Yes. Under the terms of the Plan, you can only file a lawsuit in the federal court for the district where the Fund Office is located, currently, the Western District of Michigan.

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### **What if the start of my benefit or any benefit payment is late as the result of a delay by the Fund?**

Any delay in the payment of a benefit caused by what the Fund determines was an administrative delay, error or omission by the Fund or one of its service providers may be remedied by a make-up payment plus interest at the rate specified in the Plan, subject to certain other requirements if you are married or a portion of your benefit has been assigned under a Qualified Domestic Relations Order.

### **May I assign, pledge or sell my right to benefits?**

No. With only two exceptions, your benefits **cannot** be assigned, pledged or sold to anyone or used as security for a loan. The first exception is a “Qualified Domestic Relations Order”, described and explained earlier in this Summary, which assigns some interest in your accrued pension benefit to some other person. The second exception is a levy on your pension benefit imposed by the Internal Revenue Service to collect Federal taxes or tax-related penalties you owe or which the IRS claims you owe, or certain federal claims for restitution. Furthermore, you can assign a portion of your monthly retirement benefit as described below.

### **May I authorize tax withholding from my monthly benefits?**

Yes. You will be given an opportunity when you retire and each year thereafter to have Federal and State income taxes withheld from your pension benefits.

### **Do I need to pay taxes on the benefits I receive from the Fund?**

Generally, monthly benefits paid to retirees and beneficiaries are subject to Federal income tax if the monthly benefits exceed a certain amount. Lump sum benefits are subject to Federal income tax as well, depending upon how the benefit is paid. Depending on your legal residence and other factors, State taxes may also be due. The Fund Office personnel are not tax experts, and you will need to get your own information on your personal tax situation – the Fund cannot provide any advice in this regard.

### **Can I authorize deductions from my monthly pension benefits to cover payments to the Michigan Electrical Employees’ Health Plan?**

Yes. If you are participating as a retiree in the Michigan Electrical Employees’ Health Plan, you will be given an opportunity to authorize deductions from your monthly benefits in whatever amounts may be necessary to maintain your health care coverage. **You have the right to terminate the arrangement at any time.**

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### **What health and welfare benefits am I entitled to after retirement and my surviving spouse entitled to after my death?**

The Pension Fund does not provide any health and welfare benefits. There *may* be benefits available to retirees, their dependents and their surviving spouses through the Michigan Electrical Employees' Health Plan. You should look to documents provided by the Health Plan and other sources to find out what coverage may be available and what, if anything, you or your surviving spouse can do to be covered.

### **May my benefits be rolled over to my IRA or another pension plan?**

Most lump sum benefits payable to you, your spouse, former spouse and/or surviving spouse (including a former spouse designated as your surviving spouse by a Qualified Domestic Relations Order), and non-spouse beneficiaries are eligible rollover distributions. The Fund Office will provide you with information about your right, or your beneficiaries' right, to roll over all or only a part of the lump sum benefit before it is paid.

Monthly Normal, Early, Disability and Survivor benefits are **not** eligible rollover distributions.

### **Is there any way I can be sure that the proper contributions are being made to the Pension Fund on my behalf?**

Yes. To enable you to check on your contributions, the Board of Trustees has authorized preparation and mailing of quarterly notices of contributions. These notices should show the amount of contributions received in your behalf by the Pension Fund. You should carefully check these notices. Normally, the notices are mailed about the middle of the month following the month in which the contributions are received and recorded. For example, if you work in June for an employer, his contributions are due in July and you should receive your monthly notices showing receipt of such contributions about the middle of August.

If no notice is received for a month in which you worked, it may be that your employer did not submit a timely payment or did not furnish your correct Social Security number on the report form. In any event, it is in your best interest to check on the matter immediately so that, if contributions have been made, they will be properly credited to you and, if they have not been made, some timely action can be taken to attempt to collect them from your employer.

### **What happens if it has been determined that I received benefits from the Fund that I was not entitled to under the terms of the Plan?**

The Board of Trustees has the right to recover any amount paid by the Fund in any form to which you are determined to be either fully or partially ineligible when you received such

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amount. The Trustees may recover such overpayments by any lawful means, including, but not limited to, recoupment of such overpayments from any other current or future benefits paid by the Fund of any kind to which you are or may become entitled.

### **Are my benefits insured?**

Benefits are paid directly from the Fund.

Your pension benefits under this multiemployer defined benefit 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. Only vested benefits are guaranteed. Specifically, 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, 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>.

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## **Does this Fund have reciprocity agreements with any other pension funds?**

Because electrical workers move with the work from employer to employer and from location to location, the Fund maintains reciprocity agreements with other pension funds covering electrical workers represented by the International Brotherhood of Electrical Workers and is party to the International Reciprocal Agreement. These agreements provide for the transfer of pension credit you have earned to your “Home Fund” when you work outside of the area covered by the Fund.

The purpose of most of these agreements is to have the money contributed by the employers when you are working outside the jurisdiction of the participating Locals follow you back to the Fund. When this Fund receives money from the other fund involved, you will be given benefit and vesting credit in this Fund.

The reciprocity agreements we have with the other funds are supposed to make transfers of money to this Fund automatic. However, the Fund Office does not always know you are working outside the jurisdiction of the local unions. If you are, be sure to let the Fund Office know.

Ask the Fund Office if you have questions about whether the Fund has a reciprocal agreement with the Fund in the area where you are working or if you have any other questions about reciprocity.

## **XI. PLAN TERMINATION**

### **What events may result in termination of the Plan?**

The Plan will terminate if one or more of the following events occur:

1. The Board of Trustees, based on the opinion of an Enrolled Actuary, determine that the Plan cannot meet the payments that are due or become due to Retirees.
2. There is no individual living who can qualify for benefits under the Plan.
3. The Union, the employers and Trustees unanimously agree to terminate the Plan.
4. The Pension Benefit Guaranty Corporation or any other governmental agency authorized to do so terminates the Plan.

If the Plan should terminate, the Trustees must 1) make provision for the payments of any and all debts and obligations of the Plan, including benefits; 2) arrange for a final audit and financial report; and 3) give the notices required by law and file any reports which may be due.

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At present, what happens if the Plan terminates wholly or partially is governed by federal statutes, which require under certain circumstances that benefits, even vested and accrued benefits, be reduced.

Upon termination, the value of the Vested benefits and the value of the assets of the Plan must be calculated. If the value of the Vested benefits is greater than the value of the assets, the Vested benefits must be reduced accordingly.

In addition, the accrued benefits which are not Vested must also be reduced to the level at which they are insured by the Pension Benefit Guaranty Corporation.

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS  
LOCAL UNION NO. 445 PENSION FUND  
SOCIAL SECURITY NUMBER PRIVACY POLICY  
(EFFECTIVE JANUARY 1, 2006)**

The Social Security Number Privacy Act makes it unlawful, with respect to all or any more than four sequential digits of an individual's social security number, to do any of the following:

- Publicly display more than four sequential digits of the Social Security number. The term "publicly display" is broadly defined to mean exhibit, hold up, post or make visible such as on a computer screen, network, or other electronic medium.
- Use a person's social security number as an individual account number,
- Print a Social Security number on the outside of any envelope or package mailed or sent to an individual,
- Require use or transmission of more than four sequential digits of a Social Security number over the internet or a computer network, unless the connection is secure or the transmission is encrypted, or
- Require use or transmission of more than four sequential digits of a Social Security number to gain access to a website or computer system or network, unless the connection is secure and the transmission is encrypted, or protected by a password or other unique personal ID number or authentication device.

The statute also prohibits including all or more than four sequential digits of a Social Security number in any document or information mailed to a person, unless certain conditions, including the following, apply:

- A state or federal law or rule or court order authorizes, permits or requires the Social Security number's use,
- The document sent is part of an application or enrollment initiated by the individual,
- The document is sent to establish, confirm service, amend or terminate an account, contract, policy, or employee or health insurance benefit; or
- The document is mailed by a public body in certain circumstances.

The restrictions do not apply to use of a Social Security number that is "authorized or required by state or federal statute, by court order, or pursuant to legal discovery or process."

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It is not a violation of the Act to use a Social Security number to “verify an individual’s identity, identify an individual, or do another similar administrative purpose related to,” proposed employment or employment. Use of Social Security numbers to provide or administer health insurance, membership benefits, or retirement programs is also permissible. An entity may also use all or part of a Social Security number to “lawfully pursue or enforce a person’s legal rights,” which may include “audit, collection, investigation, or transfer of a tax, employee benefit, debit, claim” or account.

To comply with the Social Security Number Privacy Act, to protect the confidentiality of the Fund’s participants’ and beneficiaries’ social security numbers, and to prevent to the extent possible their disclosure to persons who would use them unlawfully, the Board of Trustees of the Fund hereby adopts the following Social Security Number Privacy Policy:

- All Fund service providers and their agents and employees are hereby directed to ensure to the extent practicable the confidentiality of all Social Security numbers.
- All Fund service providers and their agents and employees are hereby prohibited from making any disclosure of Social Security numbers contrary to the provisions of the law as set out above.
- All Fund service providers and their agents and employees are directed to limit who has access to information or documents that contain the Social Security numbers strictly to those individuals for whom such information is necessary for the provision and administration of the Fund’s retirement program. Information in any form, written or electronic, which contains Social Security numbers will be handled only by those persons whose job duties require them to have access to that information for the provision and administration of the Fund’s retirement program. If such information is contained in documents, the documents will be securely stored, with access limited to those persons whose job duties require them to have access to that information. If such information is in electronic form, access to any computer or computer files will be limited, using passwords and/or other technology, to those persons whose job duties require them to have access to that information.
- Documents which contain Social Security numbers and which are no longer needed will be disposed of, whether by shredding or otherwise, in a manner which will insure that the numbers are protected. Each Fund service provider shall be responsible for supervising this process.
- Fund service providers who violate this privacy policy will be subject to disciplinary action, up to and including termination.

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**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL NO. 445  
PENSION FUND  
POLICY AND PROCEDURE FOR PROCESSING DOMESTIC RELATIONS ORDERS**

1. The name of the plan, International Brotherhood of Electrical Workers Local No. 445 Pension Fund. **This requirement can best be satisfied by providing the full name of the Fund as set forth in the Plan; however, to the extent the Fund is clearly and unambiguously identified, an order can be determined to be qualified. Language that simply provides for an assignment of “all retirement benefits” will not be legally sufficient.**
2. The dollar amount or percentage (or the method of determining the amount or percentage) of the benefit to be paid to the alternate payee(s). **It is important to note that the Fund is a defined benefit pension plan. References to account balances or immediate lump sum payments are not applicable to the Fund and will, therefore, likely prevent the qualification of an order.**
3. The number of payments or time period to which the order applies. **If the Fund is easily able to determine a missing date, an incomplete order may still be determined to be qualified. For example, a marriage certificate can confirm the date of marriage and a divorce judgment can confirm a date of divorce; therefore, if those dates are not specified, the Fund can easily and reliably obtain them, and the order may still be acceptable.**

When these requirements are met, the order is deemed a Qualified domestic relations order,<sup>@</sup> and the Fund is required to pay benefits to the participant and alternate payee(s) as directed by the QDRO. To the extent an order clearly identifies the rights of the parties, but is incomplete with respect to factual identifying information within the Fund’s knowledge, or easily obtained through a confirming correspondence with the parties, an order may be determined to be qualified.

There are also certain provisions that a QDRO **must not** contain:

1. **The order must not require the Plan to provide an alternate payee or participant with any type or form of benefit, or any option, not otherwise provided under the Plan;**
2. **The order must not require the Plan to provide for increased benefits (determined on the basis of actuarial value);**
3. **The order must not require the Plan to pay benefits to an alternate payee that are required to be paid to another alternate payee under another order previously determined to be a QDRO;**

**In case of conflict, the Plan, not this Summary, will govern.**

**4. The order must not require the Plan to pay benefits to an alternate payee in the form of a qualified joint and survivor annuity for the lives of the alternate payee and his or her subsequent spouse.**

The Board of Trustees of the International Brotherhood of Electrical Workers Local No. 445 Pension Fund, a defined benefit pension plan, hereby adopts the following procedure in order to issue QDRO determinations in a timely manner, and hereby directs that each of the Fund's service providers follow this procedure regarding orders of state courts or agencies that may be QDROs:

1. **Notification of Receipt and of Information Available** - Upon receipt of any order from a state court or agency in a divorce, separation or family support matter, Fund Office personnel will immediately:

- (a) Forward such orders to the Fund's Legal Counsel for determination of whether the order is qualified;
- (b) Notify each person specified in a QDRO received by the Fund (at the address specified in the domestic relations order) of his/her right, upon request, to:
  - 1) Receive a copy of this Policy, as it may be amended from time to time;
  - 2) Receive copies of important Plan information (such as the Summary Plan Description, Plan and individual benefit and account statements);
  - 3) Receive a sample QDRO developed for the Fund; and
  - 4) Designate a representative to receive the above information.

If Legal Counsel receives an order that may be a QDRO from any source other than the Fund Office, Legal Counsel will immediately notify the Fund Office of such receipt.

2. **Information Required from the Participant** - Fund Office personnel will inquire of every participant applying for benefits whether that person has ever been divorced or separated. If s/he has been, the participant will be required to provide a complete and legible copy of every decree or judgment of divorce, separation agreement, property settlement and/or domestic relations order (order) in which s/he was a party prior to the commencement of benefits. Participants are encouraged to provide a complete and legible copy of every order(s) in which s/he was a party immediately upon the entry of such order(s) to avoid possible delays when applying for benefits. Providing a copy of the docket report for each divorce case can significantly expedite the review process.

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A delay in any aspect of benefit commencement to a participant will not result in the participant being eligible to elect a retroactive annuity starting date if the underlying reason for the delay is related to the participant's failure to provide complete documents for review, or to resolve a matter where the order is **not** qualified but it is unclear whether the parties intended for it to be qualified.

3. **Review and Qualification by Legal Counsel** - Upon receipt, orders will be forwarded to Legal Counsel for review and determination as to whether a QDRO has been entered.

If Legal Counsel determines that the order is a QDRO, Legal Counsel will notify the Fund Office, the participant, the alternate payee(s) and their legal representatives, if any, in writing of the order's effect on the payment of benefits from the Fund. After an order is determined to be a QDRO, the Fund will recognize the alternate payee(s) as a beneficiary(ies) under the Plan and provide all notices provided to other beneficiaries.

If Legal Counsel determines that the order is not a QDRO, Legal Counsel will notify the Fund Office personnel. A final order in a divorce matter that is determined not to be a QDRO shall immediately terminate the status of the former spouse as a beneficiary.

If the order is **not** qualified, but it is unclear whether the parties intended for it to be qualified, Legal Counsel may also notify the participant, the intended alternate payee, and their legal representatives, if any, and explain the reason(s) that the order is not a qualified order so that the parties and their representatives may take appropriate action to revise the order to meet the legal requirements.

At the request of a participant, his/her spouse or former spouse or any of their legal representatives, Legal Counsel will review a draft order prior to its entry with the Court and notify the Fund Office, the participant, his/her spouse or former spouse and their legal representatives, if any, on the effect the draft order would have on the payment of benefits from the Fund if it were entered.

The Fund recognizes that it is not required to provide assistance or guidance to participants, the alternate payee(s) and/or their legal representatives, if any, through its Legal Counsel in domestic relations matters. However, the Board has authorized Legal Counsel to do so by means of providing sample forms, and through written and telephone consultations, to aid in resolving a matter promptly, and to avoid future legal difficulties for the Fund. If the participant, the alternate payee(s) and/or their legal representative's use of this assistance becomes burdensome or unproductive, the Fund retains the option of withdrawing future assistance.

4. **Benefits Suspended/Reduced During Review and Qualification** - No benefits shall commence to any participant on whose behalf the Fund has received or been notified of the existence of an order which may be a QDRO until Legal Counsel has advised the Fund Office in writing what, if any, impact the order has on the payment of benefits from the Fund. In addition, the Fund will suspend or reduce the payment of benefits to any participant in pay status on whose behalf the Fund has received or

**In case of conflict, the Plan, not this Summary, will govern.**

been notified of the existence of an order which may be a QDRO until Legal Counsel has advised the Fund Office in writing what, if any, impact the order has on the payment of benefits from the Fund.

If the order is **not** qualified but it is unclear whether the parties intended for it to be qualified and Legal Counsel notifies the parties of that determination, no benefits shall commence to any participant for a period of 90 days. In addition, if the order is **not** qualified but it is unclear whether the parties intended for it to be qualified and Legal Counsel notified the parties of that determination, the Fund will suspend or reduce the payment of benefits to any participant in pay status for a period of 90 days. The 90-day period can be extended for good cause at the Fund's sole and exclusive discretion. If action to enter an order is concluded prior to the end of the 90-day period and Legal Counsel has advised the Fund Office in writing what, if any, impact the order has on the payment of benefits from the Fund, benefit payments can begin or resume.

5. **Duty to the Participant and Alternate Payee(s)** - Where the Fund follows the procedures set out above, its duty to protect the interests/potential interests of the participant and alternate payee/potential alternate payee during the review and qualification process will be discharged.

6. **Payment to the Alternate Payee(s)** -

**Commencement** - No benefits will be payable to the alternate payee(s) until Legal Counsel determines that the domestic relations order is a QDRO.

The alternate payee will begin receiving benefits no later than the participant begins receiving benefits. If the alternate payee(s) cannot be found, and the participant has elected to begin receiving benefits, the Fund Office will provide notice to the alternate payee(s) at the last known address and commence benefits to the participant and alternate payee(s) in the normal form under the terms of the Plan.

If the QDRO so provides, the alternate payee may elect to begin receiving benefits at any time on or after the date on which the participant is first eligible to begin receiving benefits, but no later than participant begins receiving benefits.

Where a QDRO provides for benefit payments to the alternate payee to begin prior to the date the Fund receives the QDRO or purports to impact benefits already paid, any "correction" of those earlier payments will be left to the parties unless specifically provided for in the QDRO. Where a payment is made by mistake following the determination that an order is qualified, the Fund will take steps to correct the payments made by adjusting future payments, unless the QDRO provide otherwise.

**Form of Benefits** - Benefits can be assigned in the form of a Shared Interest or a Separate Interest based on the terms of the QDRO. The terms of the QDRO may also provide the alternate payee with the option to elect either of these types of assignment at the time benefits commence.

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If the QDRO does not clearly indicate the type of assignment, the presumption will be that the parties intended a Separate Interest.

**a) Shared Interest** - If the alternate payee has been designated as a surviving spouse in the QDRO for purposes of the Qualified Post-Retirement Joint and Survivor Annuity, the Fund will recognize him/her as such. The alternate payee will receive benefits in the 50% Joint and Survivor form of benefits unless another Joint and Survivor form provided under the Plan is specified in the QDRO.

Benefits payable to an alternate payee in a Joint and Survivor form must begin at the same time that the participant's benefits begin.

Unless the QDRO provides otherwise, if the participant retires early, the benefits payable to the alternate payee in the shared interest form will include the early retirement subsidy.

**b) Separate Interest** - If the alternate payee has **not** been designated a surviving spouse in the QDRO for purposes of the Qualified Post-Retirement Joint and Survivor Annuity, benefits will be paid in the Single Life form based on the alternate payee's life expectancy unless the QDRO provides the option to elect a Life-Ten Year Certain form, which will be calculated on his/her Single Life benefit amount.

Only if the QDRO so provides, an alternate payee may elect to commence benefits on or after the first date on which the participant is eligible for benefits, even if it is before the participant elects to retire.

Only if the QDRO so provides, the alternate payee may be assigned a share of any early retirement subsidy paid to the participant. If the alternate payee commences benefits before the participant, the alternate payee's benefits will not include any early retirement subsidy that may be payable to the participant. However, when/if the participant subsequently retires and commences receiving subsidized early retirement benefits, the benefits payable to the alternate payee will be recalculated to include the early retirement subsidy.

**c) Choice of Shared or Separate Interest** - If the alternate payee has been designated as a surviving spouse in the QDRO for purposes of the Qualified Post-Retirement Joint and Survivor Annuity, but also has the option to elect the Single Life form based on the alternate payee's life expectancy and/or a Life-Ten Year Certain form, the Fund will recognize him/her as a surviving spouse for purposes of the Qualified Post-Retirement Joint and Survivor Annuity. The alternate payee will receive benefits in the 50% Joint and Survivor form of benefits unless another Joint and Survivor form provided under the Plan is specified in the QDRO or s/he elects one of the alternate optional forms provided in the QDRO. Electing one of the other optional forms shall constitute a waiver of the alternate payee's rights to the Qualified Post-Retirement Joint and Survivor Annuity.

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Only if the QDRO so provides, an alternate payee may elect to commence benefits on or after the first date on which the participant is eligible for benefits, even if it is before the participant elects to retire. In such case, the alternate payee will be deemed to have chosen to receive his/her benefits as a separate interest.

Only if the QDRO so provides, the alternate payee may be assigned a share of any early retirement subsidy paid to the participant. If the alternate payee commences benefits before the participant, the alternate payee's benefits will not include any early retirement subsidy that may be payable to the participant. However, when/if the participant subsequently retires and commences receiving subsidized early retirement benefits, the benefits payable to the alternate payee will be recalculated to include the early retirement subsidy. Again, an alternate payee who elects to commence benefits on or after the first date on which the participant is eligible for benefits, but before the participant elects to retire will be deemed to have chosen to receive his/her benefits as a separate interest.

**7. Other Benefits/Ancillary Benefits/Benefit Formula Changes** - Because the QDRO must clearly specify the benefit to be paid to the alternate payee(s), the Fund will only recognize the assignment of benefits specifically provided for in the QDRO. The Qualified Pre-Retirement Survivor Annuity and, to the extent provided under the Plan, post-retirement benefit changes, supplements and other benefits must be addressed in the QDRO to be included in the assignment. All such benefits must be expressly assigned in the QDRO.

Unless the QDRO provides otherwise, the benefit assigned to the alternate payee will be subject to all pre-retirement benefit formula increases and decreases applicable to the benefit assigned to him/her.

The Fund's legal obligations with respect to QDROs are limited to the assignment of benefits that the Fund would otherwise pay to a participant. To the extent that a QDRO purports to address any other matters, assets or individuals, the Fund shall have no obligation to secure or confirm compliance.

**8. If the Participant Dies Before Benefits Begin** - If the alternate payee has been designated a surviving spouse in the QDRO for purposes of the Qualified Pre-Retirement Survivor Annuity, and the participant predeceases the alternate payee before retiring and before the alternate payee has commenced receiving benefits, the Fund will recognize the alternate payee as a surviving spouse with respect to the marital portion of the participant's benefits as defined by the QDRO or in accordance with the specific terms of the QDRO.

If the alternate payee has been designated a surviving spouse in the QDRO for purposes of the Qualified Pre-Retirement Survivor Annuity, and the participant predeceases the alternate payee before retiring but after the alternate payee has commenced receiving benefits, the Fund will not recognize the alternate payee as a surviving spouse; however, benefits will continue under the Plan provisions governing the form of benefit the alternate payee elected.

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9. **If the Alternate Payee Predeceases the Participant** - If the alternate payee predeceases the participant before the alternate payee begins receiving benefits, all of the benefits assigned to the alternate payee will revert to the participant.

If the alternate payee predeceases the participant after the alternate payee begins receiving benefits, how the alternate payee's benefits will be paid or whether they terminate upon his/her death will be determined under the Plan provisions governing the form of benefit the alternate payee elected.

10. **Timing of Orders** - An order that would otherwise be qualified will not fail to be a qualified order solely because it was:

- a) issued after or revises another domestic relations order (whether qualified or not); or
- b) issued after the death of the participant (as long as it is entered and received by the Fund within five years of the participant's death).

Although the timing of the entry of a QDRO will not be the sole cause for its failure to be qualified, it must otherwise meet the criteria to be a qualified order. Where the Fund has previously paid benefits to a participant or another beneficiary that were intended to be assigned by a QDRO to an alternate payee, but prior to the Fund's receipt or notice of such QDRO, such previously paid benefits are not benefits that the Fund remains obligated to pay.

Further, the Fund will rely on the terms of the last entered QDRO received by the Fund regardless of any conflict with other previously entered orders, which it will be deemed to supersede. If the Fund receives a QDRO and another order entered the same day, the Fund will rely on the terms of the QDRO in the event of any conflict. If the Fund receives a QDRO that is ambiguous with respect to certain non-essential terms, the Fund may rely on the terms of any other entered orders to help clarify the parties' intent.

11. **Post-Retirement Orders** – The right to receive survivor benefits under the terms of the Plan permanently vests in the spouse of the participant at the time the participant retires unless before that date there is a valid waiver of the Qualified Joint and Survivor Annuity form by the participant and a valid consent to that waiver by the spouse. Generally, the Fund does not permit any change in the form of benefit after the issuance of the first benefit payment. Accordingly, a post-retirement QDRO may only assign an alternate payee(s) a portion of the monthly benefits being paid to the participant during his lifetime – no change in form or in the identity of the surviving spouse is permissible.

12. **Division of Benefits** - The Fund maintains records and calculates benefits on a monthly basis and will, therefore, use the full calendar months beginning and ending nearest to the period specified in the QDRO to calculate the benefits assigned to the alternate payee(s).

**In case of conflict, the Plan, not this Summary, will govern.**



13. **Benefit Estimates** - The participant and the alternate payee will each be entitled to one estimate, containing no more than five (5) anticipated retirement dates, of the benefits payable to him/her under the various forms available under the Plan and QDRO annually without charge. The charge for each additional estimate, payable in advance by the individual requesting the estimate, will be the actual cost for the estimate as charged to the Fund by its actuary.

14. **Effect of a Suspension of Benefits after Retirement** - The Fund's suspension of the participant's pension benefits under the Plan's Suspension of Benefits provision will not affect the payment of the portion of the participant's accrued benefit assigned to the alternate payee(s) pursuant to a QDRO. If the Fund pays a supplemental benefit, the portion assigned to the alternate payee is subject to suspension.

15. **Taxes** - All benefits received by the alternate payee under the QDRO shall be included in the alternate payee's gross income in the tax year of receipt.

16. **Foreign Domestic Relations Orders** - The QDRO exception is limited to orders issued by state courts, as defined in ERISA. Therefore, the Fund will not recognize orders entered in jurisdictions other than any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, and the Canal Zone.

17. **Children as Alternate Payees** - The Fund will recognize children as alternate payees subject to a QDRO for purposes of child support; however, a child cannot be designated as a surviving spouse for purposes of the Fund's qualified pre- or post-retirement survivor annuities. The order can require payment to someone with legal responsibility for the child alternate payee.

Children are often identified as alternate payees through Child Support Orders or Income Withholding Orders issued to enforce child support obligations. Although such orders may be issued by agencies, the U. S. Department of Labor has determined they are issued pursuant to state domestic relations law and have the authority of an order. Accordingly, such orders can be determined to be QDROs. In such cases, the child support agency will serve as agent for the child and receive the payment on behalf of the child.

18. **Limitations on Plan Obligations** – The Plan is not required to determine whether the issuing court or agency had jurisdiction to issue an order, whether state law is correctly applied to the order, whether service was properly made on the parties, or whether an individual identified in an order is qualified to be an alternate payee under state law.

19. **Determinations Final** - Following the review of a QDRO as set forth in this Policy, determinations are final. If the implementation of the QDRO does not meet the expectations of the parties, they must take action to amend or otherwise revise the QDRO in State Court. The Fund will not be a party to such matters.

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