



SHEET METAL WORKERS'

International Association • Local Union No. 73

4530 Roosevelt Road | Hillside, Illinois 60162 | 708.449.7373 | FAX 708.449.7333



Welfare and Pension Funds

December 10, 2010

Dear Participant:

This letter is to notify you that, effective January 1, 2011, certain non-work hours for which no employer contributions are required to be made to the Sheet Metal Workers' Local No. 73 Pension Plan (the "Plan") will no longer be used in the calculation of Special Service Credits under the Plan. Attached is a more detailed description of this change.

Prior to this change, participants in the Plan earned Special Service Credits for hours during which they were not working and receiving weekly accident and sickness benefits or workers' compensation benefits. However, employer contributions are not made for these types of hours.

The purpose of Special Service Credits is and always was to reward participants who work additional hours over the 1,200 hour requirement to earn a regular pension credit. Participants who earn Special Service Credits become entitled to an enhanced retirement benefit if they work 1,500 or more hours in a Plan Year. This enhanced benefit is not financially feasible unless the additional hours result in additional employer contributions to the Plan. Again, the non-work hours mentioned above do not result in additional employer contributions to the Plan.

The Board of Trustees has determined that Special Service Credits were never intended to be given for these types of non-work hours, and that this oversight must be corrected going forward to make the Plan's rules fair to all participants.

The Board of Trustees is committed to providing the retirement benefits to which participants are entitled through work in covered employment. This change is a direct result of that commitment.

Sincerely,

Board of Trustees
Sheet Metal Workers' Local 73 Pension Fund

December 10, 2010

Notice of Elimination of Special Service Credits for Certain Non-Work Hours

Overview

Under the Sheet Metal Workers' Local No. 73 Pension Plan (the "Plan"), Participants earn 1 Special Service Credit (each worth an additional \$5.50 per Pension Credit) for reaching each of 1,500, 1,800, and 2,100 hours in a year. Participants can therefore earn up to 3 Special Service Credits in each year. The calculation of hours for Special Service Credits includes certain limited periods during which a Participant is not working and is receiving either (1) weekly accident and sickness benefits from the Sheet Metal Workers' Local No. 73 Welfare Fund or (2) workers' compensation benefits. Special Service Credits were intended to benefit Participants who work more and earn more Plan contributions. These non-work hours were not originally intended to be used in the calculation of Special Service Credits. Effective January 1, 2011, these non-work hours will therefore not be used in the calculation of Special Service Credits.

Terms of the Plan Currently

Each Participant is credited for a limited period of time with 40 hours of work in covered employment for each week during which the Participant is not working and receiving either weekly accident and sickness benefits from the Sheet Metal Workers' Local No. 73 Welfare Fund or workers' compensation benefits. These non-work hours are currently used in the calculation of Special Service Credits.

Terms of the Plan Effective January 1, 2011

Effective January 1, 2011, any hours credited to a Participant for non-work periods during which the Participant is receiving either weekly accident and sickness benefits or workers' compensation benefits will not be included in the calculation of Special Service Credits. However, a Participant who has these types of non-work periods will still be entitled to Special Service Credits if the Participant has 1,500, 1,800, or 2,100 hours of regular work and certain other non-work hours such as time spent in qualified military service.

On the other hand, hours that are credited to a Participant for non-work periods (during which the Participant is receiving either weekly accident and sickness benefits or workers' compensation benefits) will continue to be used in the calculation of regular Pension Credit. Participants will continue to earn 1 regular Pension Credit for each year in which they are credited with 1,200 hours, even if some or all of those hours are non-work hours.

This notice is being provided to you in accordance with section 204(h) of the Employee Retirement Income Security Act. Copies of the Plan amendment that provides for the change discussed in this notice are available from the Plan Administrator upon request. If you have any questions about this change, please contact the Plan Administrator.