Sheet Metal Workers' Local No. 73

Pension Plan

Summary Plan Description

2011 Edition

May 2011

Sheet Metal Workers' Local 73 Pension Fund

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Introduction

May 2011

To All Participants:

The Trustees of the Sheet Metal Workers' Local No. 73 Pension Plan (the Plan) are pleased to provide you with this Summary Plan Description (SPD) booklet that describes your Retirement benefits under the Pension Plan. This booklet provides an up-to-date explanation of the Pension Plan provisions.

Because your pension is one of the most important parts of your retirement planning, it is important for you and your family to understand the Plan's benefits. This booklet highlights the most important features of the Plan as of January 1, 2011, and is designed to show you how the Pension Plan fits into the different stages of your life. It begins with your eligibility to participate, then describes how you earn Pension Credits, when you become eligible to receive a pension, how your pension benefit is calculated, payment options to receive your benefit, and how to apply for Plan benefits.

This booklet replaces and supersedes any prior explanation booklets. It has been prepared to give you an overview of the Plan Rules and Regulations and to help you make decisions about Retirement. There is a glossary beginning on page 40, which defines terms used throughout. If you are not familiar with a term, please review this section. Terms that are capitalized in this booklet have special meanings and are defined throughout the booklet or in the Glossary.

Please read this SPD booklet carefully, share it with your family, and keep it in a safe place for future reference. Knowing how your Retirement benefits accumulate and what your responsibilities are can help you plan better for your future.

The Trustees are proud of the success we have achieved in providing security to Employees who retire after devoting many years to our industry. We realize that a large part of this success is due to the hard work and cooperation of the Union, Employers and Employees, and we appreciate their efforts.

The Trustees will notify you in writing of any changes to Plan benefits or procedures. If you have any questions, please call or write the Fund Office.

Sincerely,

Board of Trustees

Nothing in this Summary Plan Description booklet is meant to interpret or change in any way the provisions expressed in the Plan Document. In the event of doubt or discrepancy between what is included in this booklet and the Plan Document, the Plan Document will always govern. Only the full Board of Trustees has the discretion and authority to interpret the Plan described in this booklet. No Employer, Union, or any representative of any Employer or Union, in such capacity, is authorized to interpret this Plan nor can any such person act as agent of the Trustees. The Trustees reserve the right to interpret, resolve inconsistencies, cure omissions or errors, amend, modify, or discontinue all or part of the Plan whenever, in their judgment, conditions so warrant. If the Plan makes any inadvertent, mistaken, excessive, erroneous, or fraudulent payment of benefits, the Trustees or their representative will have the right to recover these types of payments.

Important Reminders

- Save this booklet and put it in a safe place.
- Tell your family, particularly your spouse, about this booklet and where you keep it filed.
- If you lose your copy, contact the Fund Office for a replacement.
- Notify the Fund Office promptly if you change your address. If the Trustees are unable to reach you at your last address on record, any benefit payments will be held without interest.
- Your eligibility for the Pension Plan entitles you to benefits under this Plan only. Please refer to the Plan Documents of other benefit plans to determine your eligibility for benefits under those plans.
- If you have worked in employment covered by the Plan for five years or more and you are leaving without definite plans to return in the near future, you may be entitled to a pension, payable when you reach Normal Retirement Age.
- If you have any questions or problems as to benefit determinations, you have a right to appeal to the Trustees who administer the Plan as described in the appeals procedures on page 17 of this booklet.

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Benefits at a Glance

Your benefits under the Pension Plan are a significant part of your retirement income. The amount of your pension benefit is based on your age and marital status, the number of Pension and Special Service Credits you have earned, the form of payment you elected, and the benefit accrual rate in effect when you separate from employment. Generally, the longer you work for contributing Employers, the greater your pension benefit. The Pension Plan offers:

- Pensions at various Retirement ages;
- Different payment options;
- Disability benefits; and
- Survivor benefits.

Pension Plan benefits are in addition to any amounts you may receive from Social Security and other retirement plans.

About the Pension Plan

The Pension Plan is a defined benefit plan designed to provide Retirement benefits to eligible participants. It is funded by a legal trust established for this purpose, known as the Pension Fund (the Fund).

The Agreement and Declaration of Trust originally dated September 1, 1953, and since amended, established the Pension Fund. A Board of Trustees, which serves without any compensation, acts on your behalf to manage all aspects of the Pension Fund's operations. This Board is made up of an equal number of Union and Employer representatives whose powers and duties are set forth in the Trust Agreement.

Participating Employers, who contribute to the Pension Fund according to their collective bargaining agreements or other written agreements with Local Union No. 73, pay the entire cost of the Plan. Employees who perform work for these Participating Employers are covered by the Plan if contributions for their work are required to be paid to the Fund.

The amount of the contribution is determined through collective bargaining agreements. No contributions are required from you and none are permitted.

Becoming a Participant

Generally, you become a participant on the first January 1 or July 1 after you complete 870 hours of work in Covered Employment in a consecutive 12-month period for an Employer under the Plan.

> Employees who perform work for Employers under collective bargaining agreements or other written agreements with the Union are covered by the Plan if contributions for their work are required to be paid to the Fund.

Pension Credits

- Pension Credits determine the amount of your benefit.
- Currently, you earn 1/12 of a Pension Credit for every 100 hours of work in Covered Employment you complete in a Calendar Year, up to a maximum of one Pension Credit. Also, you may earn Special Service Credits. Different formulas and conditions apply for service before 1990.

Vesting Service

- You earn a right to a pension once you are vested in the Plan. Generally, you become vested when you have five years of Vesting Service.
- You must complete 870 hours of work in Covered Employment in a Calendar Year to earn one year of Vesting Service.
- Special rules apply if you were not a participant in the Plan on or after July 1, 1999.

Receiving a Pension

See pages 22-23 for information on your earliest eligible Normal or Early Retirement Age.

You may be eligible for a(n):

- **Regular Pension** as early as age 62 if you have at least 10 Pension Credits, including at least four earned after January 1, 1950.
- **Early Retirement Pension** as early as age 55 if you have at least 10 Pension Credits, including at least four earned after January 1, 1950.
- **Disability Pension** if you meet the Plan's definition of total and permanent disability and have at least 10 Pension Credits, including at least four earned after January 1, 1950 and ½ of a Pension Credit earned during the 12 months immediately before you became disabled.
- **Deferred Pension** if you have five years of Vesting Service and are no longer employed by any Employer participating in the Plan. Payment of deferred vested benefits generally begins at your earliest eligible Normal Retirement Age. However, if you have at least 10 Pension Credits you may apply for a reduced Early Retirement Pension as early as age 55 or an unreduced Regular Pension as early as age 62.
- **Normal Retirement Age Pension, Rule of 95 Pension** or **Pro-Rata (Reciprocal) Pension** under certain situations in lieu of one of the options listed above.

Payment Options

- If you are **married**, the following forms of payment are available:
  - 50% Husband-and-Wife Option
  - 75% Husband-and-Wife Option
  - 100% Husband-and-Wife Option
  - 60-Month Guarantee
- If you are **not married**, you will generally receive your benefit as a 60-Month Guarantee.

If you are married and elect to receive your payment in a form other than the 50% Husband-and-Wife Option, your spouse must consent in writing to your election, as witnessed by a notary public.

- The Plan also provides a **Level Income (Social Security) Option** and **Partial Lump Sum Option** in conjunction with the 50% Husband-and-Wife Option and the 60-Month Guarantee. Disability pensioners are not eligible for the Level Income or Partial Lump Sum Options.
- If the total value of your benefit is $1,000 or less, you will receive it as a lump sum distribution. If the value is at least $1,000 but less than $5,000, the benefit will be paid in a lump sum following your consent to the distribution.

Survivor Benefits before Retirement

If you are vested and die *before you retire*, your spouse or beneficiary may be eligible to elect one of the following forms of survivor benefits:

- 75% Unreduced Preretirement Surviving Spouse Pension
- 50% Preretirement Surviving Spouse Pension
- Lump Sum Death Benefit

The type of benefit your survivor receives depends on a number of factors (see page 36 for more details). Only one of these benefits will be payable. If the total value of your benefit is at least $1,000 but less than $5,000, your spouse or beneficiary will automatically receive it as a lump sum distribution following consent to the distribution.

Survivor Benefits after Retirement

If you die *after benefits begin*, whatever form of payment that was in effect at the time of your death will determine the benefit, if any, paid to your spouse or beneficiary. If you were receiving the:

- **50% Husband-and-Wife Option**, your surviving spouse will receive 50% of the amount you had been receiving for the balance of his or her lifetime.
- **75% Husband-and-Wife Option**, your surviving spouse will receive 75% of the amount you had been receiving for the balance of his or her lifetime.
- **100% Husband-and-Wife Option**, your surviving spouse will receive 100% of the amount you had been receiving for the balance of his or her lifetime.
- **60-Month Guarantee**, your surviving spouse or designated beneficiary will receive the remaining monthly payments, if less than 60 monthly payments have been made to you.

Beginning Work

Plan Participation

You become a Plan participant after completing the initial participation requirement. The required hours may include hours you work for a contributing Employer in a job not covered by this Plan, if that non-covered employment is immediately before or after Covered Employment with the same Employer.

The initial participation requirement is the first January 1 or July 1 after you've completed 870 hours of work in Covered Employment in a consecutive 12-month period for an Employer under the Plan.

EXAMPLE: Joe started working in Covered Employment on February 1, 2010. By February 1, 2011, he had worked over 870 hours. Joe becomes a participant in the Plan on July 1, 2011.

Once you are a Plan participant, your participation will end only if you are not eligible for an immediate or deferred pension (other than disability) and you do not:

- Complete at least 435 hours of Work in Covered Employment; or
- Earn at least 1/12 of a Pension Credit (1/4 of a Pension Credit before January 1, 1990) in a Calendar Year.

If your Plan participation ends, you will regain participation retroactive to the first day you return to Work after you once again meet the initial participation requirement.

Earning Pension Credits

Your Pension Credits determine the amount of your pension benefit. Pension Credits are calculated in one of three ways, depending on when your work in Covered Employment was completed.

Before January 1, 1950

Special rules apply for Pension Credits earned for work before January 1, 1950. For more information, please contact the Fund Office.

Between January 1, 1950 and January 1, 1990

For service completed between January 1, 1950 and January 1, 1990, you will receive 1/4 of a Pension Credit for each calendar quarter in which you had at least 133 hours of work in Covered Employment for which Employer contributions were required to be paid to the Fund. You will receive a full Pension Credit if you worked at least 532 hours in a Calendar Year and contributions were required to be paid to the Fund for that work.

Please note: If you work one or more hours in the Sheet Metal Industry in Employment that is not covered by a Collective Bargaining Agreement between the Employer and the Union at any time after December 31, 1989, you will lose all Pension Credit for Employment received before the Contribution Period for the purpose of calculating your benefit amount. However, any loss of Pension Credit will not decrease your accrued normal retirement benefit to an amount less than your benefit as of December 31, 1989.

January 1, 1990 or Later

For work beginning January 1, 1990 and after, you will receive 1/12 of a Pension Credit for each 100 hours of work in a Calendar Year in Covered Employment for which Employer contributions are required to be paid to the Fund, to a maximum of one Pension Credit. You cannot earn more than one Pension Credit in a Calendar Year. Hours over 1,200 cannot be carried over to future years. However, the Plan does provide Special Service Credits (see page 21 for more information).

Special Circumstances

You will continue to receive Pension Credit during periods in which contributions were not required to be paid to the Plan if you are absent from Covered Employment due to:

> The Contribution Period is the period during which an Employer is required, in accordance with a collective bargaining agreement or other written agreement, to make contributions to the Fund for work in Covered Employment.

- **Disability.** If you have prior Pension Credit based on work during the Contribution Period and you become disabled, you will be granted non-work Pension Credit for the period of time you receive either Workers' Compensation benefits (to a maximum of 2.00 Pension Credits for each such disability) or weekly accident and sickness benefits from the Sheet Metal Workers' Local 73 Welfare Fund (to a maximum of 1¼ Pension Credits for each such disability). One week of weekly accident and sickness benefits or Workers' Compensation benefits equals 40 hours of work in Covered Employment.

  You or your employer must provide acceptable documentation of Workers' Compensation benefits to the Fund Office in a timely manner to receive this credit. Please contact the Fund Office for more information on acceptable forms of documentation.

- **Military Service.** You will be granted Pension Credit for certain periods of qualified military service in the Uniformed Services of the United States (up to the maximum permitted by federal law) if you:

  - Worked and earned Pension Credit during the Contribution Period immediately prior to active duty in qualified military service, and
  - Return to or seek work in Covered Employment within the time required by federal law.

  For more information on credit for military service, please contact the Fund Office.

Other Service

You may also receive Pension Credit for other service as follows:

- While a full-time elected officer or elected Employee of the Union or the Sheet Metal Workers' International Association, provided contributions are made to the Pension Fund.
- While a full-time Joint Apprenticeship Committee Coordinator (including full-time teachers), provided contributions are made to the Pension Fund.
- While a full-time representative of the Energy Management Institute of Illinois.

Pension Credit Limits

At Retirement, your accumulated units of Pension Credit are added together. The resulting number of Pension Credits will be used to calculate your pension benefit.

On or After April 1, 1996

If you separate from Covered Employment and retire on or after April 1, 1996, there is no longer a limit on the number of Pension Credits that will count toward your pension benefit.

Before April 1, 1996

Prior to April 1, 1996, the following limits applied:

Date of Separation from Covered Employment	Maximum Pension Credits
July 1, 1976 to December 31, 1981	25
January 1, 1982 to March 31, 1987	30
April 1, 1987 to March 31, 1988	31
April 1, 1988 to March 31, 1990	33
April 1, 1990 to March 31, 1991	34
April 1, 1991 to March 31, 1992	36
April 1, 1992 to March 31, 1993	38
April 1, 1993 to March 31, 1996	40

Vesting Service

Vesting Service is used for participation purposes and determines your right to a pension benefit. To be eligible to receive a pension benefit, you must be vested.

Your hours of work in Covered Employment during the Contribution Period determine your Vesting Service. Hours of work for a contributing Employer in continuous non-covered employment counts toward Vesting Service as well.

You must complete 870 hours of work in a Calendar Year to earn a year of Vesting Service. You will not be credited with any years of Vesting Service before January 1, 1971 unless you earned at least three years of Vesting Service after December 31, 1970. Vesting Service can only be earned on or after January 1, 1950.

You will have a non-forfeitable right to a pension (or be vested) after completing five years of Vesting Service, provided you are a Plan participant at any time on or after July 1, 1999. Otherwise, you need 10 years of Vesting Service to be vested in the Plan.

Pension Credits vs. Vesting Service

There are a number of differences between Pension Credits and Vesting Service, as follows:

Pension Credits	Vesting Service
Can be earned before and after January 1, 1950	Can only be earned after January 1, 1950
Can only be made for work in Covered Employment for which contributions are required to be made to the Plan	Can be earned for work in Covered Employment and/or continuous non-covered employment
Benefit amount is determined based on Pension Credits	Eligibility to receive benefits is based on Vesting Service, but benefit amount is not
A participant can qualify for a Regular, Early Retirement, Disability, Rule of 95 or Pro-Rata (Reciprocal) Pension based on Pension Credits	A participant can qualify for a Deferred Pension based on Vesting Service

Loss of Pension Credits and Vesting Service

Because the Plan is designed to provide benefits to Employees who have continuing employment in the jurisdiction of the Fund, provisions have been made for cancellation of Pension Credits and Vesting Service for Employees who leave without meeting the minimum work requirements under the Plan. See page 9 for more information about how these breaks in service impact Pension Credits and Vesting Service.

Getting Married or Divorced

If you are married at the time of your Retirement or, in the case of the Fund's Pre-Retirement Surviving Spouse Pension, at the time of your death, your spouse has certain rights relating to your pension benefit. In the event of your divorce, your former spouse or your children may have certain rights relating to your pension benefit pursuant to a Qualified Domestic Relations Order (QDRO).

Getting married or divorced may affect how your benefit is paid, and your spouse may be entitled to a survivor benefit if you die before or after Retirement.

Marriage

Certain benefit options are only available to married participants. Before Retirement, a married participant can choose from a 50%, 75%, or 100% Husband-and-Wife Pension form of payment. If, before retiring, you die before beginning your pension benefit, your surviving spouse may be eligible to receive a survivor benefit (see page 36 for more details).

After Retirement, your pension benefit is not affected if you marry ***after*** payments have begun. *Once you start receiving pension benefits, you cannot change your form of payment.*

Divorce

If you divorce (whether before or after Retirement), you or your spouse's attorney may file a qualified domestic relations order (QDRO). A QDRO is a domestic relations order that has been determined to be "qualified" under the Plan's QDRO procedures. A domestic relations order is a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of a participant AND is made pursuant to a state domestic relations law. However, a divorce decree or a property settlement agreement are usually not sufficient to act as a QDRO.

A domestic relations order is a *qualified* domestic relations order (QDRO) if it creates or recognizes the existence of an alternate payee's rights, or assigns to an alternate payee the right, to receive all or a portion of the benefits payable to a participant under a plan, specifies required information, and does not alter the amount or form of plan benefits. An alternate payee is a spouse, former spouse, child or other dependent of a participant who is recognized by a domestic relations order as having a right to receive all, or a portion of, the benefits under a plan with respect to the participant.

Under the terms of a QDRO, certain payments could be required to be made from your benefits to pay alimony, child support, or marital property rights of your spouse, former spouse, child or other dependent. As a QDRO may affect the amount of benefits you will receive or are receiving from this and other plans, if a QDRO requires the distribution of all or part of your benefits under the Plan to an alternate payee, the Trustees are required to comply with the order.

Please note: An order is not considered a QDRO unless you and the alternate payee receive notification from the Plan that the order satisfies QDRO requirements. If you receive a domestic relations order, you should immediately forward it to the Fund Office for review. The order is not effective until it is filed with and approved according to the Plan's QDRO procedures. It is very important that you follow these procedures as they affect the amount of benefit you will receive from the Fund when you retire. In addition, if you divorce and do not provide a QDRO according to the QDRO procedures before you apply for pension benefits, you will experience delays in the start of your benefit payments. These delays can be avoided if a QDRO is obtained at the time of your divorce and submitted to the Fund Office for approval before the date on which you want to begin receiving your pension. Approval of a QDRO by the Fund Office may take several months, depending on the responsiveness of all parties involved (e.g., your attorney, your former's spouse attorney, etc.).

The Fund has created model QDRO orders that you and your attorney can use to draft a QDRO. You are not required to use the Fund's model, however, use of the model will generally assist your attorney, reduce your cost and expedite the review process. If you have questions about QDROs or would like to receive a copy of the Plan's model QDRO or QDRO procedures free of charge, please contact the Fund Office.

The Fund Office, as a matter of policy, will ask for copies of all divorce decrees (including marital settlement agreements) from all prior marriages of pension applicants. ***Failure to provide this information may result in a delay in processing your pension application.***

Leaving Work

If you have a break in service before you are vested, it is possible for you to lose your Pension Credits and Vesting Service.

> Once you reach vested status, you cannot incur a permanent break in service.

A break in service occurs if you are not credited with a minimum number of hours of employment during a specified period of time. In general, when you have a break in service you are no longer a participant in the Plan. If you have a **permanent** break in service, the Pension Credits and Vesting Service you earned before the break are cancelled.

However, if you have already earned the right to a pension, which means you are vested, you may leave the coverage of the Plan without losing your pension rights.

Breaks in Service

Before December 31, 1975

Special rules apply for breaks in service before January 1, 1976. For more information, please contact the Fund Office.

On or After January 1, 1976

On January 1, 1976, the federal law known as ERISA introduced one-year breaks and permanent breaks. One-year breaks are considered temporary and can be repaired.

One-Year Break in Service

After 1975 and before 1990, a one-year break in service occurs in any Calendar Year in which you did not earn at least **1/4 of a Pension Credit** or have at least 435 hours of work in Covered Employment or continuous non-covered employment.

Beginning in 1990, a one-year break in service occurs in any Calendar Year in which you did not earn **1/12 of a Pension Credit** or have at least 435 hours of work in Covered Employment.

One-year breaks in service can be repaired if you return to work and earn at least one year of Vesting Service before having a permanent break. This means you must work at least 870 hours in Covered Employment and/or continuous non-covered employment. Once a one-year break in service is repaired, your participation in the Plan, Pension Credits and Vesting Service will be restored. When your service is restored, the one-year break is not counted toward a permanent break.

Permanent Break in Service after 1975

Please note: You cannot repair a permanent break in service if it occurs on or after January 1, 1976.

Unless you have already met the requirements for a pension, if you have a one-year break in service and do not return to work, the number of your consecutive one-year breaks will be added together and may be considered a permanent break as follows:

- **After 1975 but before January 1, 1987**, a permanent break occurs when the number of your consecutive one-year breaks equals or exceeds the number of your years of Vesting Service or full Pension Credits earned during the Contribution Period (whichever is greater). For example:

Year	Hours of Work	Pension Credit	Years of Vesting Service	One-Year Breaks in Service
1	1,500	1	1	0
2	1,000	1	1	0
3	90	0	0	1
4	0	0	0	1
Total	—	2	2	2

This Employee had two years of Vesting Service, two Pension Credits, and two one-year breaks. Because his consecutive one-year breaks equaled his years of Vesting Service (or Pension Credits), a permanent break occurs, canceling all Pension Credit and Vesting Service previously earned.

- **After December 31, 1986**, a permanent break in service occurs only after your consecutive one-year breaks equal five or more. For example:

Year	Hours of Work	Pension Credit	Years of Vesting Service	One-Year Breaks in Service
1	1,700	1	1	0
2	1,800	1	1	0
3	1,600	1	1	0
4	50	0	0	1
5	85	0	0	1
6	90	0	0	1
7	80	0	0	1
8	40	0	0	1
Total	—	3	3	5

This Employee has three years of Vesting Service, three Pension Credits, and five consecutive one-year breaks. A permanent break in service occurs at the end of Year 8 after five consecutive one-year breaks in service, canceling all of his Pension Credits and Vesting Service earned under the Plan.

If this Employee had returned to employment in Year 8 and completed at least 870 hours of work, his work record would look like this:

Year	Hours of Work	Pension Credit	Years of Vesting Service	One-Year Breaks in Service
1	1,700	1	1	0
2	1,800	1	1	0
3	1,600	1	1	0
4	50	0	0	1
5	85	0	0	1
6	90	0	0	1
7	80	0	0	1
8	870	8/12	1	0
Total	—	3-8/12	4	4

In this example, the Employee reinstated his participation, Pension Credits and Vesting Service by returning to employment and receiving credit for 870 hours in Year 8. Because the number of his consecutive one-year breaks was less than five, he was able to repair his one-year breaks and restore his Pension Credits and years of Vesting Service.

IMPORTANT: One-year breaks will not be added together unless they occur consecutively without interruption by a Calendar Year in which you are credited with at least one minimum unit of Pension Credit (1/4 of a Pension Credit before January 1, 1990 and 1/12 of a Pension Credit on or after January 1, 1990) or 435 hours of work.

Exceptions to Break in Service Rules

Certain periods of time will not be counted when determining breaks in service. This time will be considered an exception if your failure to earn Vesting Service or Pension Credit was caused by the following:

- A period of total Disability (as defined on page 12) up to a maximum of 12 consecutive calendar quarters. You must notify the Trustees in writing of your disability (for periods of time on and after January 1, 1954, the Trustees will not recognize a disability beyond nine months before notification, or 18 months if they find extenuating circumstances). The Trustees may require you to submit to an examination by a competent physician (or physicians) selected by the Trustees. In addition, you may be required to agree to being re-examined to assess your physical or mental condition, no more than semi-annually or as required by the Trustees.
- Lack of sufficient work in Covered Employment if you have remained available for Covered Employment but none was available, for up to four consecutive calendar quarters. Continued membership in good standing with the Union will be used to prove the participant was available for work. (**This grace period no longer applies on or after January 1, 1987**).
- Full-time employment as an elected officer or elected employee with the International Association or Union, or as Joint Apprenticeship Committee Coordinator for Apprentices (or as a full-time teacher) or as Representative of the Energy Management Institute of Illinois.
- Employment as a Sheet Metal Worker for up to three years with any of the following: City of Chicago, County of Cook, County of Cook Forest Preserve, Chicago Metropolitan Sanitary District, Chicago Board of Education or Chicago Park District or a governmental agency within the jurisdiction of the Union that is not a contributing Employer to the Pension Fund.
- Absence from work because of pregnancy, childbirth, adoption or infant care. Up to a maximum of 501 hours will be provided to you in the year the absence starts or, if not required in that year to prevent a break, in the following year.
- Absence from work, up to 12 weeks, that qualifies under the Family and Medical Leave Act of 1993 (FMLA).

In the Event of Disability

If you become totally and permanently disabled, you may be eligible for a Disability Pension. You are considered totally and permanently disabled if you are totally unable, as the result of bodily injury or disease, to work as a Sheet Metal Worker or in other employment in the construction industry. You can be considered disabled and perform other types of work if you earn $35,000 or less per year. Your disability must be permanent for the remainder of your life.

Medical evidence of total and permanent disability is required, and can consist of a Social Security Disability Award or other medical evidence acceptable to the Trustees. In most cases, you will be required to be examined by a physician or physicians selected by the Trustees.

> You must file an application for a Disability Pension immediately upon medical confirmation of a total and permanent disability so you can begin receiving payments on a timely basis.

Eligibility

If you become totally and permanently disabled, you may qualify for a Disability Pension if you have at least 10 Pension Credits, including four Pension Credits earned during the Contribution Period and ½ of a Pension Credit earned during the 12-month period immediately preceding the time you became totally and permanently disabled. It is important that you notify the Trustees as soon as your disability occurs so that you can establish compliance with these time limits.

> If you go to work in Covered Employment in the Sheet Metal Industry that is not covered by a Collective Bargaining Agreement between the Employer and the Union after December 31, 1989, you will not be able to receive a Disability Pension. You may, however, be entitled to a Regular, Early Retirement or Deferred Pension, if you meet the requirements for such a pension. See page 19 for more information.

Amount

The amount of the Disability Pension is calculated similar to Regular Pension benefits (see page 19) and depends on the total Pension Credits you earned. There is no reduction in benefit amount because you are younger than 62.

Continued Disability

Once you are approved for a Disability Pension, you may be required to verify annually that you are not earning more than the $35,000 annual earnings limit for Disability Pensioners. In addition, the Trustees may require you to provide proof of your continued entitlement to a Social Security disability benefit or medical evidence of your continued disability every five years and periodic compliance with the earnings limits. For more information, please contact the Fund Office.

You must provide actual income by requesting income verification from the Social Security Administration, with the Fund paying the required fee. If you fail to respond to the Trustees' request for disability information within 60 days of the first request, you may be disqualified for benefits until you provide disability verification. Any withheld pension payments will be paid in a lump sum without interest after you provide verification.

Claim Determination

Approval or denial of a claim for a Disability Pension will normally be made within 45 days after the claim has been received by the Plan. If additional time is required because of circumstances beyond the control of the Plan, the Plan can extend the 45-day time period by 30 days. If the 30-day extension is not sufficient, the Plan can apply a second 30-day extension. Before the end of the original 45-day period (or, for a second extension, before the end of the first 30-day extension), you will be notified in writing of the circumstances requiring an extension of time and of the date by which the Plan expects to make a final decision on the claim. If the Plan needs additional information or material to process your disability claim and if the Plan requests that material in writing, you will be given up to an additional 90 days to obtain the information the Plan has asked you to provide. The time for the Plan to decide your claim is extended by the time it takes you to provide the requested information. When you respond to the Plan's request for additional information, the ordinary time limits (the 45-day period or the 30-day extension) will again start to run. If you do not respond to the Plan's request within 90 days, the Plan will decide without that information, which may result in the denial of your claim.

If your claim is denied, you have a right to appeal the decision. See page 17 for more details.

Payment of Benefits

> You are not entitled to receive a pension benefit for any month in which you receive weekly accident and sickness benefits from the Sheet Metal Workers' Local No. 73 Welfare Fund.

If approved by the Trustees, your Disability Pension will start no earlier than the first day of the month following the month in which your total and permanent disability began or, if later, the first day of the month following the month in which the Disability Pension Application process is completed, including approval by the Pension Committee followed by completion of all required forms. For that reason, it is important to file you application on a timely basis so that you do not lose benefits. Disability Pension benefits are payable for life, assuming, of course, that you remain totally and permanently disabled and comply with the Continued Disability requirements as outlined above.

Preparing for Retirement

Regardless of your retirement plans, you'll want to be financially comfortable. To maintain your current standard of living during retirement, experts estimate you'll need between 70% and 80% of your preretirement income; more if you plan on pursuing expensive activities, like travel.

For example, Joe is planning to retire soon and currently earns $75,000 a year. He'll need about $56,250 a year (75% of $75,000) to maintain his current lifestyle after he retires.

Retirement income usually comes from three sources: Social Security, personal savings and pension benefits. Understanding how all three of these sources work together can help you plan for a financially secure retirement.

The information in this section is designed to help you start thinking about your retirement and how much money you may need during retirement. You may want to consult a financial planner when considering the option that is best for you.

Retirement Checklist
These questions may help you think about some expenses you may incur during retirement. During your retirement years:

- What will your out-of-pocket retiree medical costs be?
- Will you be paying for your child's education?
- Do you plan to travel?
- Will your home be paid for?
- Will your household expenses be lower (children living on their own, smaller home, etc.)?
- When do you plan to begin receiving your Social Security benefit? How much will it be?
- Could you or your spouse have any health conditions that might increase your monthly budget?
- Will your hobbies require increased savings?
- Will you be responsible for caring for your parents or your spouse's parents?

Social Security

Over the years, you have had deductions for Social Security benefits taken from your paychecks. These deductions have been taken out to fund current Social Security benefits. As discussed above, Social Security is one portion of your retirement income.

The Social Security full retirement age is gradually increasing for people born after 1937. Full retirement age is the age at which you can collect full retirement benefits from Social Security without any reduction for early retirement (see table below). For example, if you were born in 1960 or later, full Social Security benefits will be payable to you at age 67—not age 65.

Social Security full retirement age is the age at which you can collect full retirement benefits from Social Security without any reduction for early retirement. You will receive an estimate of your Social Security benefits annually from the Social Security Administration.

Social Security replaces a higher percentage of income for retiring participants at lower pay levels. To reach 70% to 80% income replacement levels, a participant needs help from pension benefits and personal savings.

SOCIAL SECURITY FULL RETIREMENT AGE

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 + 2 months
1939	65 + 4 months
1940	65 + 6 months
1941	65 + 8 months
1942	65 + 10 months
1943 - 1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 or later	67

Your pension from this Plan is ***in addition*** to any benefits you or your spouse may receive from Social Security.

Applying for Benefits

Generally, you must apply for your pension benefits before you want your payments to begin. You can obtain a pension application by writing, calling or visiting the Fund Office. You can also get a copy of the pension application and instructions from the Local 73 Pension Fund's website at www.sm73funds.org.

Please note that to apply for a pension from the Sheet Metal Workers' National Pension Fund, you should call 1-800-231-4622 or obtain a copy of the pension application from the National Pension Fund's website, which is www.smwnpf.org.

Processing Your Application

Once you receive a pension application, you must complete and submit the application and supporting documents to the Fund Office before you want payments to begin. Your completed application must be received at least 30 days – but no more than 90 days – before your retirement date. Your spouse or other beneficiary must apply in the event of your death. You should file as soon as you decide on your intended Retirement date. Early filing will avoid delay in the processing of your application and payment of benefits.

When applying for a pension, the Plan will use your Effective Date to calculate and pay benefits under the Plan. Your Effective Date is generally the first day of the month on or after the later of:

- The first day of the month following your submission of a completed application for benefits; or
- Thirty days after the Plan provides you with your available payment options.

You may defer your benefit payments until your Required Beginning Date, which is the April 1st of the Calendar Year following the Calendar Year in which you reach age 70½.

> Your Effective Date will never be later than the Required Beginning Date.

Your application is not considered complete until all necessary supporting paperwork has been submitted to the Fund Office. All required information must be on file within 90 days from the time your pension application is first received, or your application will be closed and you must reapply for pension benefits.

Your pension application and supporting documentation must be considered fully complete by the Fund Office before pension payments can begin. Benefits will not be paid for any period before the first day of the month following the month the Fund Office receives your completed application and supporting documentation.

> To receive benefits, you must file an application form with the Fund Office. If your application is denied, you may appeal the decision.

Your application is subject to the approval by a Committee of the Trustees at the next monthly meeting following your completion of the application process.

Proof of Age

Instructions describing the types of acceptable proof of age will be given to you with your application. If you are married, you must provide proof of your spouse's age and proof of your marriage when submitting your completed application to the Fund Office.

Marital Status

If you are or have been divorced and your former spouse was assigned a portion or all of your benefits under the Plan, you will not be able to begin the distribution of your benefits until the Fund Office has received either an approved Qualified Domestic Relations Order (as described in page 7) or a waiver from your former spouse with respect to any interest in your benefits that has been assigned to her/him.

Benefit Determination

The Board of Trustees will decide if you meet the eligibility requirements for a pension. The Trustees are bound by the rules of the Pension Plan and are the sole judges in interpreting the Plan and determining eligibility based on the documents you submit with your application.

Generally, you will receive a written confirmation of the approval or denial of a claim for any type of benefit other than a Disability Pension within 90 days after the claim has been received by the Plan. (See page 13 for more information about benefit determination for Disability Pensions.) If additional time is required in special cases, you will be notified in writing of the special circumstances requiring an extension of time and of the date by which the Plan expects to make final decision on the claim. The extension of time to decide a claim is 90 days so the maximum processing time is 180 days (the initial 90 days plus one 90-day extension). If the Plan needs an extension of time, you will be given a written notice of the extension before the end of the initial 90-day period.

If the Plan needs additional information or material to process your disability claim and if the Plan requests that material in writing, you will be given up to an additional 90 days to obtain the information the Plan has asked you to provide. The time for the Plan to decide your claim is extended by the time it takes you to provide the requested information. When you respond to the Plan's request for additional information, the ordinary time limits (the 45-day period or the 30-day extension) will again start to run. If you do not respond to the Plan's request within 90 days, the Plan will decide without that information, which may result in the denial of your claim.

If Your Application Is Denied

If your claim is denied, in whole or in part, you will receive a written notice that will include:

- The specific reason(s) for the denial.
- Reference to specific Plan provisions on which the denial was based.
- A description of additional information needed to reconsider your application and why the information is necessary.
- A detailed explanation of the Plan's appeal procedures, along with time limits for filing an appeal.
- A statement that you have the right to bring a civil action under ERISA following an appeal.
- For a denial of an application for benefits due to disability, a statement that:
  - You have the right to request a copy, free of charge, of any internal rule, guideline, protocol, or similar criteria upon which the denial was based.
  - You have the right to request a copy, free of charge, of any medical judgment, including an explanation regarding the scientific or clinical judgment, upon which the denial was based.

Appeal Procedure

If your application for benefits is denied in whole or in part, or your pension payments are suspended or stopped for any reason, you may request a full and fair review by filing a written notice of appeal with the Fund Office. The Fund Office must receive a notice of appeal no later than 60 days (180 days for a disability claim) after you receive written notification of your denied claim or, if applicable, suspension of your pension. Your appeal is considered to have been filed on the date the written notice of appeal is received by the Fund Office.

If you like, another person may represent you in connection with an appeal. If you use an authorized representative to represent you in your appeal, the Trustees have the right to require that you give the Plan a signed statement, advising the Trustees that you have authorized that person to act on your behalf regarding your appeal. Any representation by another person will be at your own expense. In connection with your appeal, you or your authorized representative may review pertinent documents and may submit issues and comments in writing.

If you appeal your application or benefit amount, the Board of Trustees will complete a new full and fair review of your application based on all the information available. The members of the Appeals Committee who initially denied your claim for benefits will not vote again when the full Board considers your appeal. The Trustees hold regular meetings at least four times per year. If you file your appeal:

- More than 30 days before a regular Board of Trustees meeting, the Trustees will make a decision at that meeting unless special circumstances require an extension of time for processing. In that case, the Trustees will make a decision on your appeal at the following meeting.
- Within the 30-day period immediately preceding a regular Board of Trustees meeting, the Trustees will make a decision at the following meeting, unless special circumstances require an extension of time for processing your appeal. In that case, the Trustees will make a decision on your appeal at the third regular meeting following the date your appeal was filed.

Whenever there are special circumstances requiring that the decision be delayed until the next regular meeting, you will be advised in writing of why the extension of time was needed and when the appeal will be decided.

Once the Board of Trustees has decided your appeal, you will receive a written notice of the decision. The notice will be mailed within five days of the Trustees' decision. If the Trustees uphold the denial of your claim, you will then have the right to file suit, under the authority of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. Also, if your appeal is denied, you are entitled to receive, upon request at no cost, copies of documents and information that the Plan relied on in denying your claim. See page 16 for more information.

If the decision on a claim or appeal is not provided within the time limits outlined in this section, the claim or appeal is considered to have been denied. No claim will be considered to have been denied until you have exhausted all of the procedures described in this section.

The final decision of the Board of Trustees on an appeal is final and binding. The Trustees' decision will be given judicial deference in any later court action or administrative proceeding to the extent that it does not constitute an abuse of discretion and is not arbitrary or capricious. You must exhaust the Plan's appeal procedures before bringing any court action or administrative proceeding.

The Plan contains a two-year statute of limitations. Notwithstanding any other state or federal law, any and all legal actions relating to the Plan must be filed within two years of the action or inaction on which the complaint is based. This includes but is not limited to actions to recover benefits that must be filed within two years of the final decision on a claim. As the situs of the Plan is in DuPage County, Illinois, legal actions must be brought in the United States District Court for the Northern District of Illinois.

Benefit Payment to an Incompetent Person

If benefit Plan payments are due to an incompetent or physically or mentally incapacitated person, the Trustees may make payments directly to any legal representative appointed for that individual. If the Trustees are not aware of any legal representative, the Trustees may make payment to the institution responsible for that individual or to the spouse, child(ren), or any other person whom the Trustees reasonably determine is caring for or otherwise providing support and maintenance for the individual. If you have been appointed financial power of attorney for one of the Plan participants, please provide a copy of the power of attorney to the Fund Office.

Lump Sum Distribution Taxation and Rollovers

If you receive a lump sum payment from the Plan (including a Partial Lump Sum), you may roll over all or part of it to a traditional or Roth individual retirement account (IRA), or another eligible plan that accepts these contributions. In addition, a non-spousal Beneficiary may elect a direct rollover into an inherited IRA.

If you do not choose to roll over this lump sum payment, federal law requires the Fund to withhold 20% of the total amount for federal tax purposes. There may be an additional 10% penalty if you are under age 59½ at the time of your lump sum distribution.

Federal law requires the Fund Office to provide you with a timely Special Tax Notice Regarding Plan Payments describing your rights and obligations regarding rollovers and withholding requirements. For more information, or a copy of this notice, please contact the Fund Office.

Receiving a Pension

You may receive only one type of pension under the Plan. The Plan provides several different types of pension benefits:

- Regular Pension
- Normal Retirement Age Pension
- Early Retirement Pension
- Disability Pension
- Deferred Pension
- Rule of 95 Pension
- Pro-Rata (Reciprocal) Pension

A number of factors are taken into account in calculating the amount of a pension: your age (based on the number of months you are younger than age 62), marital status, the number of Pension Credits earned, the form of payment elected, and the date and benefit accrual rate when you separated from Covered Employment.

For information about the Disability Pension, refer to the section *In the Event of Disability* on page 12. The other types of pensions are described in this section.

You must elect and apply for a pension benefit and the Trustees must approve your application (see *Applying for Benefits* on page 15). Once your pension application is approved, your payments will begin as follows:

- Regular, Normal Retirement Age, Early Retirement, Deferred, Rule of 95 or Pro-Rata Pension payments will begin on your Effective Date, as long as you have filed a completed application and all required forms in a timely manner.
- Disability Pension payments will begin the first day of the month following the month in which the Disability Pension Application process is completed, including first the approval by the Pension Committee followed by the completion of all required forms in a timely manner.

Your Effective Date is generally the first day of the month on or after the later of:

- The first day of the month following your submission of a completed application for benefits; or
- Thirty days after the Plan provides you with your available payment options.

Please note: You must begin taking minimum distributions no later than April 1st following the Calendar Year in which you reach age 70½, even if you are still working in Covered Employment.

Regular Pension

You are eligible for a Regular Pension if you are age 62 and have at least 10 Pension Credits, including at least four Pension Credits during the Contribution Period.

Pension Credits

The monthly amount of the Regular Pension is determined by multiplying your total Pension Credits by the benefit accrual rate in effect on the date you separated from Covered Employment as shown in the following table:

Date of Separation from Covered Employment	Accrual Rate per Pension Credit	Maximum Pension Credit
July 1, 1976 to August 31, 1978	$12.00	25
September 1, 1978 to August 31, 1980	$13.00	25
September 1, 1980 to January 31, 1981	$14.50	25
February 1, 1981 to December 31, 1981	$15.00	25
January 1, 1982 to June 30, 1983	$15.00	30
July 1, 1983 to June 30, 1984	$16.00	30
July 1, 1984 to March 31, 1985	$17.00	30
April 1, 1985 to March 31, 1986	$18.00	30
April 1, 1986 to March 31, 1987	$19.00	30
April 1, 1987 to March 31, 1988	$20.00	31
April 1, 1988 to December 31, 1988	$21.00	33
January 1, 1989 to March 31, 1989	$22.00	33
April 1, 1989 to March 31, 1990	$23.00	33
April 1, 1990 to March 31, 1991	$24.00	34
April 1, 1991 to March 31, 1992	$25.00	36
April 1, 1992 to March 31, 1993	$26.00	38
April 1, 1993 to June 30, 1993	$27.00	40
July 1, 1993 to March 31, 1996	$29.00	40
April 1, 1996 to March 31, 1997	$31.00	Unlimited
April 1, 1997 to March 31, 1998	$35.00	Unlimited
April 1, 1998 to March 31, 1999	$37.00	Unlimited
April 1, 1999 to March 31, 2000	$39.50	Unlimited
April 1, 2000 to March 31, 2001	$42.50	Unlimited
April 1, 2001 and after	$43.50	Unlimited

If you retired before March 1, 2005, only full pension credits were used to calculate the amount of your pension. For retirements on or after March 1, 2005, full and fractional pension credits are used to calculate the amount of your pension.

If you left Covered Employment before July 1, 1976, your benefit amount will be determined based on the provisions of the Plan Document in effect at that time. For more information, contact the Fund Office.

However, if you have a separation from Covered Employment and subsequently return to Covered Employment, the accrual rate for your Pension Credits will be the rate in effect upon your return, provided you earn at least three Pension Credits during your return (one Pension Credit before 1990). If you earn less than the required number of Pension Credits during your return (three beginning in 1990; one before 1990), the accrual rate for Pension Credits earned before the separation will be the rate in effect when you separated and the accrual rate for Pension Credits earned during your return will be the current rate in effect for these credits.

Determining Your Separation Date

Your pension is determined under the terms of the Plan in effect at the time you separate from Covered Employment. To determine the accrual rate per Pension Credit that applies to you, you must determine when you separated from Covered Employment.

You separate from Covered Employment as of the end of a two consecutive Calendar Year period during which you do not earn at least one minimum unit of Pension Credit (1/12 of a Pension Credit beginning in 1990; before 1990, 1/4 of a Pension Credit).

If you have not previously separated from Covered Employment when you retire, the date of your Retirement will be used for purposes of determining your accrual rate per Pension Credit. In the case of separation from Covered Employment before July 1, 1976, the accrual rate can be obtained from the Fund Office.

Special Service Credits

For Calendar Years 2000 and after, you will also receive Special Service Credits to be included when determining the amount of your pension. Before January 1, 2011, you earned Special Service Credits for every 300 hours of work in Covered Employment beyond 1,200 hours in a Calendar Year. Beginning January 1, 2011, you earn Special Service Credits for every 300 hours of work in Covered Employment **for which contributions are actually made** beyond 1,200 hours in a Calendar Year. Special Service Credits are earned for Calendar Years beginning on or after January 1, 2000, as follows:

Hours of Work in Covered Employment During Calendar Year	Special Service Credit
Up to 1,500	0
1,500 – 1,799	1
1,800 – 2,099	2
2,100 or more	3

You can earn a maximum of three Special Service Credits in a Calendar Year. Special Service Credits are used to determine the amount of your pension from the Plan, but don’t count toward eligibility for any type of pension from the Plan.

The value of the Special Service Credits is determined by multiplying the number of Special Service Credits earned in a Calendar Year on or after January 1, 2000 by the Accrual Rate for Special Service Credit for that year as follows:

Calendar Year	Accrual Rate per Special Service Credit
2000	$3.00
2001 – 2002	$3.50
2003 and after	$5.50

Examples of Calculating Regular Pension Amounts

The following examples assume the Employee elects a 60-Month Guarantee without any other optional form of payment under the Plan. The amount of a pension paid in a Husband-and-Wife form would be somewhat lower than the amounts shown in the examples. For more information about forms of payment, see page 27.

EXAMPLE 1: You retire on January 1, 2011 at age 62 with a total of 41 Pension Credits. Your accrual rate per Pension Credit is $43.50 because you had no previous separation from Covered Employment. You also earned 30 Special Service Credits (three Service Credits in each year from 2000 through 2010). Therefore, your monthly Regular Pension is determined as follows:

$43.50	X	41 Pension Credits	=	$1,783.50
$3.00	X	3 Special Service Credits (2000)	=	9.00
$3.50	X	3 Special Service Credits (2001)	=	10.50
$3.50	X	3 Special Service Credits (2002)	=	10.50
$5.50	X	3 Special Service Credits (2003)	=	16.50
$5.50	X	3 Special Service Credits (2004)	=	16.50
$5.50	X	3 Special Service Credits (2005)	=	16.50
$5.50	X	3 Special Service Credits (2006)	=	16.50
$5.50	X	3 Special Service Credits (2007)	=	16.50
$5.50	X	3 Special Service Credits (2008)	=	16.50
$5.50	X	3 Special Service Credits (2009)	=	16.50
$5.50	X	3 Special Service Credits (2010)		16.50
				$1,945.50

EXAMPLE 2: You retire on July 1, 2011 at age 62. You separated from Covered Employment as of January 1, 1991 at which time you had earned 20 Pension Credits and subsequently returned to work in 2009 and earned two Pension Credits. Your pension amount is $567.00, the sum of $480.00 (20 Pension Credits x $24.00, the rate in effect January 1, 1991) and $87.00 (2 Pension Credits x $43.50, the rate in effect when you retire in 2010.) If you earn six Special Service Credits (three in 2009 and 2010), your Regular Pension would receive an additional $33.00, which would increase your pension to $600.00.

If the resulting amount of pension is not an exact multiple of $.50, it is rounded to the next higher $.50 multiple.

Normal Retirement Age Pension

You are eligible for a Normal Retirement Pension if you are a Plan participant on or after you attain your Normal Retirement Age. That is, you have reached age 65 or completed five years of Plan participation, whichever is later. Participation before a permanent break in service is not recognized when determining whether you qualify for this benefit. If you do not meet the requirements for one of the previously described pensions and you are a participant in the Plan at or after your Normal Retirement Age, you are eligible for a Normal Retirement Age Pension.

Amount

The amount of the Normal Retirement Age Pension is calculated in the same way as the Regular Pension.

Early Retirement Pension

You are eligible for an Early Retirement Pension if you are age 55 but not yet age 62 and have at least 10 Pension Credits, including at least four Pension Credits earned after January 1, 1950 during the Contribution Period.

Amount

The monthly amount of the Early Retirement Pension is determined using the following steps:

Step 1: Calculate the amount of the Regular Pension to which you would be entitled if you were age 62, based on your Pension Credits at the time of early Retirement.

Step 2: Reduce this by ½ of 1% for each full month you are younger than age 62 on the date your pension payments will begin.

Step 3: The result is the amount of the Early Retirement Pension. Benefits will be paid based on the payment option you elected.

Deferred Pension

You are eligible for a Deferred Pension if you have five or more years of Vesting Service. If you were not a participant in the Plan as of July 1, 1999 and had a break in service, you must return to (or begin) work in Covered Employment and re-establish the participation requirements on page 4 in order to qualify for a Deferred Pension with five years of Vesting Service. If you do not meet this requirement, you must have 10 years of Vesting Service without a break in service to be entitled to a Deferred Pension. The Deferred Pension typically is payable at Normal Retirement Age (generally age 65). However, you can choose to begin your Deferred Pension as early as age 55 if you have 10 Pension Credits, of which at least four were earned during the contribution period.

If you completed 10 Pension Credits as shown above before your separation date, you can retire on a Deferred Pension at age 62 without any reduction to your monthly benefit because the benefit begins before age 65 or you can retire on a Deferred Pension as early as age 55 and your pension would be reduced using the same factors as for an Early Retirement Pension. If you have less than 10 Pension Credits, you cannot retire until age 65.

Amount

The amount of the Deferred Pension is the same as the Regular Pension amount.

Rule of 95 Pension

You are eligible for a Rule of 95 Pension if you separate from Covered Employment on or after April 1, 1997 and the sum of your attained age in years plus your Pension Credits equals or exceeds 95.

Amount

The amount of the Rule of 95 Pension is calculated similar to the Regular Pension. There is no reduction in your monthly benefit amount because the benefit begins earlier than age 62.

Pro-Rata (Reciprocal) Pension

You are eligible for a Pro-Rata (Reciprocal) Pension if you:

- Would be eligible for a pension if your total combined Pension Credits (Pension Credits under this Plan and other related Sheet Metal Worker Plans) is treated as service under the Sheet Metal Workers' Local No. 73 Pension Plan,
- Earned at least one Pension Credit under this Pension Plan, and
- Are eligible for a Pro-Rata Pension under this Plan and at least one other Sheet Metal Worker Plan.

Amount

The amount of the Pro-Rata (Reciprocal) Pension payable under this Plan is determined by multiplying the accrual rate in effect when you worked under this Plan by the Pension Credits earned under this Plan. The Pro-Rata (Reciprocal) Pension amount payable under a Related Plan will be based on the accrual rates and number of Pension Credits earned under the Related Plan.

If you have worked, or plan to work, under another Sheet Metal Worker Pension Plan, call or write the Fund Office for information.

Special Circumstances

Work for Certain Governmental Entities

If you leave Covered Employment to work for one of the following governmental entities (under collective bargaining agreements with the Union), you may be eligible to have your pension calculated using the accrual rate in effect at the time you retire from such entity, and not at the time you separate from Covered Employment. Prior to April 1, 1998, the accrual rate used to calculate your pension was the rate in effect at the time you separated from Covered Employment under the Sheet Metal Workers' Local 73 Pension Fund.

In order to qualify for this provision, you must:

- Have earned at least 20 Pension Credits under the Local 73 Plan prior to being employed by the governmental entity;
- Have a minimum of one year of Employment with one of the following governmental entities, under a bargaining agreement with the Union:
  - City of Chicago
  - County of Cook
  - County of Cook Forest Preserve
  - Chicago Metropolitan Sanitary District
  - Chicago Board of Education School Board

  - Chicago Park District, or
  - a governmental agency within the jurisdiction of Sheet Metal Workers' Local 73 that is not a Contributing Employer to the Pension Plan;
- Work under a bargaining agreement between the Union and one of the above entities after December 31, 1996, and
- First retire under the Plan after December 31, 1996.

Please note that you cannot earn Pension Credit or Vesting Service under the Local 73 Pension Fund for employment with these governmental entities as these employers do not contribute to the Local 73 Pension Fund on your behalf. In addition, if you are not vested with the Local 73 Pension Fund when you go to work with one of these governmental entities, you must return to work for an Employer that contributes to Local 73 before you have a permanent break in service in order to keep the Pension Credits you earned prior to working for one of these entities.

Work for a Non-Signatory Employer

If you perform work in the Sheet Metal Industry and such employment is not covered by a Collective Bargaining Agreement between the Union and the Employer, on or after January 1, 1990:

- You will lose all past service credit for the purpose of calculating your benefit; provided, however, that this loss will not decrease the pension benefit you had accrued as of December 31, 1989.
- The Effective Date of an Early Retirement or Deferred Pension, or resumption of payments in the event that you had been on pension and then returned to employment, will be delayed 6 months for any calendar quarter in which you performed one hour or more of such employment. An Effective Date of pension cannot be delayed under this provision beyond age 65.
- You cannot retire under a Disability Pension.
- In the event of your death before Retirement, no Preretirement Lump Sum Death Benefit will be payable to your beneficiaries.

Recovery of Previous Status

If you performed work in the Sheet Metal Industry not covered by a Collective Bargaining Agreement with the Union on or after January 1, 1990, you can regain your previous status. To do so, you must return to Covered Employment with the Plan, and earn months of Pension Credit under the Plan that equal the number of calendar months in which you worked at least one hour in employment in the Industry that was not covered by a Sheet Metal Collective Bargaining Agreement.

This opportunity to restore previous status is available only once.

Suspension of Benefits

If, for any reason, your benefits are suspended, you are entitled to a review of any determination suspending your benefits. You may file a written request for review with the Board of Trustees.

The Plan's rules regarding suspension of benefits can be found beginning in Section 6.8 of the actual Plan Document. The Plan's rules are according to Department of Labor regulations concerning suspension of benefits. Those regulations can be found in Section 253.203-3 of Volume 29 of the Code of Federal Regulations.

Non-Duplication with Accident and Sickness Benefits

No pension benefits will be payable for any month you are receiving weekly accident and sickness benefits from the Sheet Metal Workers' Local Union No. 73 Welfare Fund or temporary disability benefits from a governmental entity that employs members of Sheet Metal Workers' Local Union No. 73.

Recovery of Overpayments

If you make a willfully false statement on or related to your application or furnish fraudulent information or proof material to your claim, benefits not vested under this Plan may be denied, suspended, or discontinued. The Trustees have the right to recover any benefit payments made in reliance on any willfully false or fraudulent statement, information, or proof submitted by you (including withholding of material fact) plus interest and costs, without limitation by recovery through offset or benefit payments as permitted by this Plan.

If the Trustees determine that you (or your beneficiary) have received amounts from the Plan in error, the Trustees may offset such amounts against any lump sum payments due and/or reduce any pension payments due by up to 25% of the corrected monthly pension amount until the entire amount of any overpayment is recovered by the Plan in addition to or in lieu of pursuing collection though other means.

Choosing a Payment Option

The Plan offers a number of pension payment options:

- 60-Month Guarantee
- 50% Husband-and-Wife Pension
- 75% Husband-and-Wife Pension
- 100% Husband-and-Wife Pension
- Partial Lump Sum Option
- Level Income Option

If you are **not** *married,* the normal form of payment is a 60-Month Guarantee.

If you are married, the normal form of payment is a 50% Husband-and-Wife Option.

When you apply for your benefits, the Fund Office will provide you with estimates of your benefit payable in the different forms available under the Plan. You are entitled to only one pension under the Plan. Once payments begin, you cannot change from one type of pension to another or from one optional form of payment to another optional form, except that:

- If you were receiving a disability pension and recover from your total and permanent disability, you are entitled to a different kind of pension; or
- You may receive benefits as both a prior Plan participant and as a spouse or beneficiary of a deceased participant.

If you are married, you will have until the Effective Date of your pension or, if later, 30 days after the date of the estimate to decide whether or not you want your pension paid as a 50% Husband-and-Wife Option. Please note that you can waive the 30-day waiting period with your spouse's consent and can begin receiving your pension benefits after only a seven-day waiting period.

You can make a choice or change a previous election by completing, signing, and returning the election form to the Fund Office within the period described. In no event can the election be changed after the later of the Effective Date of your pension or 30 days from the date of the written estimate.

You should also note that if you (and your spouse, if you are married) wish to elect an optional form of payment other than the 50% Husband-and-Wife Option, the rejection cannot be made more than 90 days before the Effective Date of your pension.

When you retire, your marital status determines your benefit payment options. If you choose the 60-Month Guarantee or 50% Husband-and-Wife Option, you may also be eligible to elect the Level Income Option or Partial Lump Sum Option. The Level Income Option is designed to provide nearly equal payments before and after Social Security benefits begin, and the Partial Lump Sum Option offers an upfront lump sum benefit payment that is then subtracted when calculating your subsequent monthly benefit amount.

Each of these payment options is described in this section. The options that you are eligible to choose will depend on your marital status. The right form of payment for you depends on your individual situation. You may want to consult a financial planner when considering the option that is best for you.

60-Month Guarantee

If you are unmarried when you retire, your benefit will be paid as a 60-Month Guarantee. If you are married when you retire, you may elect to receive your benefit as a 60-Month Guarantee with your spouse's written, notarized consent.

The 60-Month Guarantee provides you with monthly pension payments for your lifetime. If you die before receiving 60 payments, your spouse or designated beneficiary (if you are unmarried) will receive your monthly benefit until 60 payments, including the payments to you, have been made.

If your spouse or designated beneficiary also dies before a total of $1,500 in monthly pension payments has been paid to him or her, the difference between the amount of payments actually made and $1,500 will be paid as a lump sum to the beneficiary designated by your designated beneficiary.

Husband-and-Wife Options

You can choose from the 50% Husband-and-Wife Option, 75% Husband-and-Wife Option, or 100% Husband-and-Wife Option. The Husband-and-Wife Options provide a reduced monthly benefit for you so that, upon your death, your spouse will receive a percentage of the benefit you were receiving. As long as you and your spouse are legally married on the starting date of your pension and for at least one year before your death, these elections entitle your spouse to receive a reduced monthly benefit for life.

After payments have begun, if you elect a Husband-and-Wife Option and your spouse dies before you or you get a divorce, the amount of your monthly benefit is **not** increased. No other spouse may become eligible for the Husband-and-Wife Option. Likewise, if you get a divorce after your pension benefits begin, the amount of your monthly benefit is not increased, and your ex-spouse will receive the elected survivor pension upon your death. Further, the Plan, in accordance with the law, must recognize a Qualified Domestic Relations Order. For more information regarding these orders, see page 7.

If you are married when you retire, your pension benefit is automatically payable in the form of a 50% Husband-and-Wife Option unless you reject this form of payment, your spouse consents to the rejection, and the rejection (with spousal consent) is witnessed by a notary public and filed with the pension application at the Fund Office.

50% Husband-and-Wife Option

This benefit provides a reduced monthly benefit for you so that, upon your death, your spouse will receive 50% of the benefit you were receiving.

Your monthly pension benefit will be actuarially reduced taking into consideration the difference between your age and your spouse's age. The factor applied is calculated by starting with 90% (82% for a Disability Pension), and either adding 0.4% for each full year that your spouse is older than you or subtracting .4% for each full year that your spouse is younger than you on the starting date of the pension.

For example, you retire at age 62, are eligible for a Regular Pension of $1,500.00 per month and your spouse is age 60. The factor would be 89.2% (90% - .8%) based on a spouse who is two years younger. Therefore, the payment under the monthly 50% Husband-and-Wife Option would be $1,338.00 ($1,500.00 x 89.2% = $1,338.00). This amount is payable to you for your lifetime. If your spouse is living at the time of your death, he or she will receive a monthly benefit of half this amount, or $669.00, for the remainder of his or her lifetime.

The actuarial factors are shown on the following table for participants with a spouse from one to 10 years younger or older.

Spouse's Age Compared with Participant's Age	Actuarial Factor for 50% Husband-and-Wife Option	
	Non-Disability	*Disability*
10 years younger	86.0%	78.0%
9	86.4%	78.4%
8	86.8%	78.8%
7	87.2%	79.2%
6	87.6%	79.6%
5	88.0%	80.0%
4	88.4%	80.4%
3	88.8%	80.8%
2	89.2%	81.2%
1 year younger	89.6%	81.6%
Same age	90.0%	82.0%
1 year older	90.4%	82.4%
2	90.8%	82.8%
3	91.2%	83.2%
4	91.6%	83.6%
5	92.0%	84.0%
6	92.4%	84.4%
7	92.8%	84.8%
8	93.2%	85.2%
9	93.6%	85.6%
10 years older	94.0%	86.0%

75% Husband-and-Wife Option

If you retire on or after April 1, 1996 and are married, you can elect a 75% Husband-and-Wife Option. This form provides a reduced monthly benefit for you so that, upon your death, your spouse will receive 75% of the benefit that you were receiving for the rest of his or her life.

Your monthly benefit will be actuarially reduced taking into consideration the difference in your age and your spouse's age. For most retiring participants, the reduction factor is calculated by starting with 85.5% and adding 0.6% for each year that your spouse is older than you or subtracting 0.6% for each year that your spouse is younger than you. (For participants retiring on a Disability Pension, the reduction factor is calculated by starting with 74.5% and adding 0.5% for each year that your spouse is older than you or subtracting 0.5% for each year that your spouse is younger than you.)

Payment of the 75% Husband-and-Wife and 100% Husband-and-Wife Options are subject to the following conditions:

- You can only elect these options before the Trustees approve your pension application;
- **Your election cannot be revoked once it is approved by the Board of Trustees and payments begin; and**
- You may not elect these Options in conjunction with the 60-Month Guarantee or any other optional form of payment available under the Plan.

For example, you retire at age 62, are eligible for a Regular Pension of $1,500.00, and you and your spouse elect the 75% Husband-and-Wife Option. Your spouse's age is 59. The reduction factor would be 83.7% based on a spouse who is three years younger. Therefore the payment under the 75% Husband-and-Wife Option would be $1,255.50 ($1,500.00 x 0.837 = $1,255.50). This amount is payable to you for your lifetime. If your spouse is living at the time of your death, he or she will receive a monthly benefit of $942.00 ($1,255.50 x 0.75 = $941.63, rounded to $942.00) for the remainder of his or her lifetime.

The actuarial factors are shown on the following table for participants with a spouse from one to 10 years younger or older.

Spouse's Age Compared with Participant's Age	Actuarial Reduction Factor for 75% Husband-and-Wife Option	
	Non-Disability	*Disability*
10 years older	91.5%	79.5%
9	90.9%	79.0%
8	90.3%	78.5%
7	89.7%	78.0%
6	89.1%	77.5%
5	88.5%	77.0%
4	87.9%	76.5%
3	87.3%	76.0%
2	86.7%	75.5%
1 year older	86.1%	75.0%
Same age	85.5%	74.5%
1 year younger	84.9%	74.0%
2	84.3%	73.5%
3	83.7%	73.0%
4	83.1%	72.5%
5	82.5%	72.0%
6	81.9%	71.5%
7	81.3%	71.0%
8	80.7%	70.5%
9	80.1%	70.0%
10 years younger	79.5%	69.5%

100% Husband-and-Wife Option

If you retire on or after April 1, 1996 and are married, you can elect a 100% Husband-and-Wife Option. This form provides a reduced monthly benefit for you so that, upon your death, your spouse will receive 100% of the benefit that you were receiving for the rest of his or her life. Your monthly benefit will be actuarially reduced taking into consideration the difference in your age and your spouse's age. For most retiring participants, the reduction factor is calculated by starting with 81% and adding 0.7% for each year that your spouse is older than you or subtracting 0.7% for each year that your spouse is younger than you. (For participants retiring on a Disability Pension, the reduction factor is calculated by starting with 67.0% and adding 0.5% for each year that your spouse is older than you or subtracting 0.5% for each year that your spouse is younger than you.)

For example, you retire at age 62, are eligible for a Regular Pension of $1,500.00, and you and your spouse elect the 100% Husband-and-Wife Option. Your spouse's age is 57. The reduction factor would be 77.5% based on a spouse who is five years younger. Therefore the 100% Husband-and-Wife Option would be $1,162.50 ($1,500.00 x 0.775 = $1,162.50). This amount is payable to you for your lifetime. If your spouse is living at the time of your death, he or she will receive a monthly benefit of $1,162.50 for the remainder of her lifetime.

The actuarial reduction factors are shown on the following table for participants with a spouse from one to 10 years younger or older.

Spouse's Age Compared with Participant's Age	Actuarial Reduction Factor for 100% Husband-and-Wife Option	
	Non-Disability	***Disability***
10 years older	88.0%	72.0%
9	87.3%	71.5%
8	86.6%	71.0%
7	85.9%	70.5%
6	85.2%	70.0%
5	84.5%	69.5%
4	83.8%	69.0%
3	83.1%	68.5%
2	82.4%	68.0%
1 year older	81.7%	67.5%
Same age	81.0%	67.0%
1 year younger	80.3%	66.5%
2	79.6%	66.0%
3	78.9%	65.5%
4	78.2%	65.0%
5	77.5%	64.5%
6	76.8%	64.0%
7	76.1%	63.5%
8	75.4%	63.0%
9	74.7%	62.5%
10 years younger	74.0%	62.0%

Partial Lump Sum Payment Option

If you retire on or after April 1, 1996, you may elect to have the amount of your monthly benefit reduced by not more than 10% in return for a lump sum payment at the time your monthly pension is first payable.

Payment of the Partial Lump Sum Payment Option is subject to the following conditions:

- You must elect to have your monthly benefit reduced by an even dollar amount not to exceed 10% of the monthly benefit. The minimum lump sum payable is $500. **The maximum lump sum payable is $20,000.**
- You can only elect the Partial Lump Sum Payment Option before the Trustees approve your pension application. Thereafter, you may not elect a Partial Lump Sum Payment, even following subsequent reemployment. **Once the Board of Trustees approves the Partial Lump Sum Payment Option, it cannot be revoked.**
- You cannot elect the Partial Lump Sum Payment Option in connection with the 50% Husband-and-Wife Option unless both you and your spouse provide written consent. If you elect the 50% Husband-and-Wife Option, the amount will be computed after adjustment for the Partial Lump Sum Payment.
- You may not elect the Partial Lump Sum Payment Option in connection with the Level Income Option or the 75% or 100% Husband-and-Wife Options.
- The Partial Lump Sum Option is not available if you are receiving a Disability Pension
- Only one Partial Lump Sum Payment will be awarded during your lifetime.

EXAMPLE:	Mike, a married participant, retires at age 62 as of October 1, 2009 and is eligible for a Regular Pension of $1,200.00 per month. He elects the Partial Lump Sum Option (with the consent of his spouse) and chooses to reduce his pension dollar amount by the maximum 10% allowed (limited to $20,000). In this case, Mike's reduction in his monthly pension equals $120.00 per month. On the Effective Date of his pension, Mike receives a lump sum payment of $18,333.42 (as determined by the Fund Office) and his monthly pension of $1,080.00 ($1,200.00 minus $120.00).

If Mike and his spouse wish to receive the remainder of his pension as a 50% Husband-and-Wife Option, the $1,080.00 monthly benefit would be reduced. Assuming that Mike's spouse is the same age as Mike (age 62), the monthly benefit would be $972.00 (90% of $1,080.00). Upon Mike's death, his surviving spouse will receive $486.00 per month (50% of $972.00) for life.

The amount of the Partial Lump Sum Payment is based on factors determined by the Fund's actuary. These factors change each year on July 1 based on interest rates and a mortality table defined by federal law to calculate lump sum payments.

> If the total lump sum value of your benefit is $1,000 or less, you will receive it as a lump sum distribution. If the value is at least $1,000 but less than $5,000, the entire benefit will be paid in a lump sum following your consent to the distribution.

The lump sum payments shown above are determined on a <u>before-tax</u> basis. The rules regarding taxation of a lump sum distribution are very complex. You may wish to consult a tax advisor prior to electing this option.

Level Income (Social Security) Option

If you retire on or after April 1, 1996 and have not yet reached your unreduced Social Security Retirement Age, you may elect the Level Income Option in conjunction with the 60-Month Guarantee or 50% Husband-and-Wife Option.

The Level Income Option provides nearly equal monthly retirement payments to you before and after you become eligible for Social Security benefits. Under this option, the Plan pays a higher benefit before your Social Security Retirement benefits begin to account for Social Security benefits you have not yet begun to receive. After you start receiving your Social Security Retirement benefits, pension payments from the Plan will be lower to account for Social Security benefits you are receiving.

Once payment under the Level Income Option is approved by the Trustees, there will be no changes in the amount of the monthly benefits paid by the Plan, regardless of the amount actually paid by Social Security.

If you retire under the Level Income Option, you must request an estimate of your reduced Social Security benefit payable at age 62 or your unreduced Social Security Retirement Age (which varies, depending on your date of birth and can be age 65 up to age 67, see page 14) from the Social Security Administration. The Social Security Administration will need to know your Social Security number and your current earnings. You must file a copy of this report with the Fund Office. The Plan will use the information to determine the amount of your monthly pension benefit.

Payment of the Level Income Option is subject to the following conditions:

- **The Level Income Option can be elected only prior to the approval of your pension application by the Trustees. Thereafter, you may not elect a Level Income Option, even following subsequent reemployment. Once the Level Income Option is approved by the Board of Trustees, it cannot be revoked.**

- If the benefit adjustment would reduce the monthly amount payable after age 62 or your unreduced Social Security Retirement age to less than $25 a month, you cannot elect this option.
- The Level Income Option may not be elected in connection with the Partial Lump Sum Option or the 75% or 100% Husband-and-Wife Options.
- The Level Income Option may not be elected or received in connection with a Disability Pension under this Plan.

Calculating the Level Income Option

Pensions payable in the Level Income Option form will be adjusted based on factors determined by the Fund's actuary. These factors change each year on July 1 based on interest rates and mortality table defined by federal law.

Your estimated Social Security benefit will be multiplied by an actuarial factor corresponding to your age on the date pension benefits begin. The resulting amount will be added to the monthly pension amount you would otherwise receive from the Plan. If you had not reached age 62 or the unreduced Social Security Age by November 1, 2007, payment of this higher monthly amount will be made until the first of the month following the month in which you reach age 62 or your unreduced Social Security Retirement Age. At that time, the monthly amount you are receiving from this Plan will be reduced by the estimated Social Security benefit used in the original pension calculation.

If you elect a 50% Husband-and-Wife Option with the Level Income Option, benefits are determined as follows:

Step 1: Determine the monthly amount of the pension without adjustment for the 50% Husband-and-Wife Option or the Level Income Option form of payment.

Step 2: Adjust the amount for the 50% Husband-and-Wife Option as described on pages 28-29 of this booklet.

Step 3: Adjust the amount for the Level Income Option amounts to be paid according to this section.

If you die before your spouse, he or she will receive 50% of the amount payable prior to adjustment for the Level Income Option.

EXAMPLE:

Jim, an unmarried participant, is retiring at age 60 as of October 1, 2010 and is entitled to a pension of $1,500.00 a month for life from the Fund. At age 62, Jim will be entitled to a Social Security benefit of $1,100.00 per month.

Under the Level Income Option, Jim will be paid a benefit of $2,442.81, rounded to $2,443.00 per month from the Fund until the first of the month following the month in which he reaches age 62, and then a benefit of $1,343.00 per month for life after age 62 (instead of the $1,500 per month that he would have received as a single life benefit beginning at age 60 and payable for life). When the lower pension amount becomes payable at age 62, Jim will continue to receive $2,443.00 per month ($1,343.00 from the Fund and $1,100.00 from Social Security).

Please note that, if you are married, you can elect this option in conjunction with the 50% Husband-and-Wife Option. In the prior example, if Jim were married, had chosen the 50% Husband-and-Wife Option, and he and his wife were both age 60, his monthly benefit before age 62 would be $2,292.81, rounded to $2,293.00 and his monthly benefit beginning at age 62 would be $1,193.00. Upon his death, his spouse will receive one-half of the $1,350 (90% reduction for the 50% Husband-and-Wife Option x $1,500 = $1,350) Jim would have received as a regular 50% Husband-and-Wife Option, or $675.00, for the remainder of her lifetime.

Returning to Work

If you leave Covered Employment and later return to Covered Employment before receiving a pension benefit, refer to the *Leaving Work* section on page 9, which explains the break in service rules under the Plan.

After Normal or Early Retirement Benefits Begin

To receive a pension from this Plan, you must be in Retirement. Generally, Retirement means that you have left Covered Employment, are eligible to begin a Retirement benefit under the Plan, and are not working in disqualifying employment. You may actually do certain types of work and still be considered retired, as long as that work is not what is called disqualifying employment.

Disqualifying Employment

Exactly what kind of work is disqualifying (that is, will cause a suspension of pension benefits) depends on your age. Also, if you are receiving a Disability Pension, employment will be limited.

- **Before age 62.** In any month you are employed or self-employed in work regularly performed by Sheet Metal Workers or in any other building trades craft, you will lose your pension for that month.

  If you are under 62 and you work in the Sheet Metal Industry in employment that is not covered by a Collective Bargaining Agreement between the employer and Union, your pension will be suspended for six consecutive months for every calendar quarter in which you worked one hour or more in that type of employment in addition to the other suspensions described in this section.

- **After Age 62.** You will lose your pension for any month in which you are employed or self-employed for more than 40 hours in a month as a Sheet Metal Worker in the State of Illinois labor market area.

- **After Age 70½.** As of April 1 of the Calendar Year following the year in which you reach 70½, you will be considered retired, whether or not you are employed. This means that disqualifying employment is not applicable to you after April 1 of the Calendar Year following the year in which you reach age 70½.

- **After Disability Retirement.** Before age 62, benefits will be suspended for each year in which you earn $35,000.00 or more from any employment or gainful pursuit. ***At or after age 62, benefits will be suspended as described in the* After Age 62 *bullet above.***

- You are required to report any disqualifying work to the Fund Office within 15 days of starting the work. If you do not notify the Fund Office within 15 days, your pension benefits will be suspended for an additional twelve months. If you are not sure whether or not a job you are considering is disqualifying employment, check with the Fund Office.

> It is important for you to know that you are obligated to repay the pension amounts you receive while working in disqualifying employment. When you stop working and your benefits begin again, part of your payments will be withheld until the Fund has recovered benefits improperly paid to you. If you are age 62 or older, the Plan may withhold the first three monthly payments due to you plus up to 25% of the following monthly amounts (including payments to your spouse) if necessary to recover any overpayment. Prior to age 62, all checks due to you may be withheld by the Plan until the overpayment is recovered.

Resumption of Benefits

If you return to work in disqualifying employment after retiring, your Retirement will be withdrawn and pension benefits will stop. When you retire again, pension benefits will be recalculated.

If you initially retired at or after Normal Retirement Age, or if you earn a year of Vesting Service after you return to work, your pension benefit will be recalculated when you resume Retirement and will include additional Pension Credits earned. If you initially retired before Normal Retirement Age and return to work for at least three months but do not earn one year of Vesting Service during your return, your pension will be adjusted for your age only.

In addition, if you originally retired with an Early Retirement Pension, or any benefit payments were made after your return to Covered Employment on or after January 1, 2007 or later, your recalculated pension will be actuarially adjusted based on the special actuarial factors. For more information, please contact the Fund Office.

Survivor Benefits

In the Event of Your Spouse's Death

In the event of your spouse's death, your benefit will not increase if you have already started receiving your pension benefit in the form of a 50% Husband-and-Wife, 75% Husband-and-Wife, or 100% Husband-and-Wife Option. You cannot elect another beneficiary for the Husband-and-Wife Options if your spouse dies before you.

In the Event of Your Death

As soon as possible after your death, your spouse or beneficiary should contact the Fund Office to request instructions about filing an application to determine what benefits are available. In order to apply for a survivor benefit, the Fund Office will ask for a number of items such as a copy of your death certificate (a certified copy, if possible), proof of your birth and, if the benefit is payable to a surviving spouse, proof of marital status and your spouse's age (unless these items are already on file with the Fund Office).

If you do not designate a Beneficiary or your Beneficiary dies before you, pension benefits will be paid to your:

- Surviving spouse; or if none,
- Surviving children in equal shares; or if none,
- Father; or if none,
- Mother; or if none,
- Brothers and sisters in equal shares; or if none,
- Estate.

If you are married and select a Beneficiary other than your spouse, your spouse must agree to the election in writing by submitting a form furnished by the Fund Office. Your spouse must sign the form in the presence of a notary public.

Before Your Pension Begins

There are three types of benefits payable before Retirement:

- 75% Unreduced Preretirement Surviving Spouse Pension
- 50% Preretirement Surviving Spouse Pension
- Lump Sum Death Benefit

Only one of these benefits will be payable.

Preretirement Surviving Spouse Pensions will be paid on a monthly basis for the remainder of your eligible surviving spouse's lifetime. However, if the total lump sum value of the applicable Preretirement Surviving Spouse Pension is at least $1,000 but less than $5,000, the Board of Trustees will make one lump sum payment to your surviving spouse instead of monthly payments following consent to the distribution.

Your spouse may delay the start of a Preretirement Surviving Spouse Pension until a date no later than the first of the month following the date you would have reached Normal Retirement Age. Your spouse must make the request to the Trustees in writing. The benefit will be determined as if you had survived to the age as of the date your surviving spouse elected to begin receiving benefits, retired at that age with an immediate Husband-and-Wife Pension and died the next day.

75% Unreduced Preretirement Surviving Spouse Pension

If you are married and die before retiring on a pension (and are an active participant at the time of death), your spouse may be eligible for a 75% Unreduced Preretirement Surviving Spouse Pension. Five important requirements must be met for the 75% Unreduced Preretirement Surviving Spouse Pension to be payable:

- You must have earned at least 10 Pension Credits.
- You and your spouse must have been married to each other for the one-year period ending on the date of your death.
- You must have earned an hour of work after December 31, 1975.
- You must be an active participant at the time of your death. To be considered active, you must not have separated from Covered Employment at the time of your death. You separate from Covered Employment as of the end of a two consecutive Calendar Year period during which you do not earn at least 1/12 of a Pension Credit.
- Your death occurs on or after April 1, 1999.

The amount of the 75% Unreduced Preretirement Surviving Spouse Pension is equal to 75% of the unreduced 60-Month Guarantee amount that could have been payable had you retired on the day before you died. The benefit is not reduced for payment as a Husband-and-Wife Option or for your age at death. The pension will be paid on a monthly basis for the remainder of your eligible surviving spouse’s lifetime beginning with the month following the month of your death.

50% Preretirement Surviving Spouse Pension

After August 22, 1984, if you are married, die before retiring on a pension, and do not meet the requirements for the 75% Unreduced Preretirement Surviving Spouse Pension, your spouse may be eligible for a 50% Preretirement Surviving Spouse Pension. Three important requirements must be met for the 50% Preretirement Surviving Spouse Pension:

- You must have earned the Pension Credit and Vesting Service required for a pension.
- You and your spouse must have been married to each other for the one-year period ending on the date of your death.
- You must have earned an hour of work after December 31, 1975.

If you die after you reach age 55, the amount of the 50% Preretirement Surviving Spouse Pension is equal to 50% of the 50% Husband-and-Wife Option amount which would have been payable had you retired on the day before you died, calculated as if you had retired on the day before you died.

If you die before age 55, your eligible surviving spouse will receive 50% of the 50% Husband-and-Wife Option amount you would have received at age 55. The pension will be paid on a monthly basis for the remainder of your eligible surviving spouse’s lifetime. The pension cannot begin until the month in which you could have started your pension if you had survived. For example, if you died at age 50 with at least 10 Pension Credits, your spouse’s pension could not begin until you would have been age 55. If you died at age 50 with at least five (but less than 10) pension credits, your spouse’s pension could not begin until you would have been age 65.

Notwithstanding any other provisions for a Preretirement Surviving Spouse Pension, if you are married and die before retiring on a pension, your spouse may be eligible for a 50% Preretirement Surviving Spouse Pension, if certain requirements are met. These are aside from the specific requirements for each type of benefit payable before retirement and are as follows:

- You must have earned at least seven Pension Credits.
- You must have earned at least 1/12 Pension Credit or were credited with at least 435 hours of work in Covered Employment during the Calendar Year immediately preceding the Calendar Year in which your death occurs.
- Your death must have been due to an injury sustained while working in Covered Employment.

Preretirement Lump Sum Death Benefit

A lump sum payment of $1,500 will be paid to your beneficiary if you:

- Die before receiving any pension benefits, and
- Have at least 10 Pension Credits, including at least 4 Pension Credits earned during the Contribution Period, and
- Do not meet the eligibility requirements for a 75% Unreduced Preretirement Surviving Spouse Pension or the 50% Preretirement Surviving Spouse Pension.

Caution: If you work at least one hour of Employment in the Sheet Metal Industry that is not covered by a Collective Bargaining Agreement between the Employer and the Union after December 31, 1989, this death benefit is not payable.

After Your Benefits Begin

If you die after you begin receiving pension benefits from the Plan, your eligible spouse or beneficiary may receive a monthly pension, depending on the form of payment you elected. The different forms of payment are described beginning on page 27. There are four types of survivor benefits payable after Retirement.

50% Husband-and-Wife Survivor Benefits

If this option was in effect after your Retirement, your spouse will receive 50% of the pension amount you had been receiving before your death. If your benefit had been reduced for any reason, your spouse will receive 50% of that reduced amount.

75% Husband-and-Wife Survivor Benefits

If this option was in effect after your Retirement, your spouse will receive 75% of the pension amount you had been receiving before your death. If your benefit had been reduced for any reason, your spouse will receive 75% of that reduced amount.

100% Husband-and-Wife Survivor Benefits

If this option was in effect after your Retirement, your spouse will receive 100% of the pension amount you had been receiving before your death. If your benefit had been reduced for any reason, your spouse will receive 100% of that reduced amount.

60-Month Guarantee

If this option was in effect after your Retirement and you die before receiving 60 monthly payments, your spouse or beneficiary will receive 60 monthly payments minus the number of payments you already received. If your benefit had been reduced for any reason (such as Early Retirement, Level Income Option or Partial Lump Sum Option), your spouse will receive the remaining payments of that reduced amount. If you die after receiving 60 monthly payments, pension payments will end the month of your death since the guarantee period has ended.

Glossary

Calendar Year

The Calendar Year, January 1 through December 31, serves as the basis for computing a year of Vesting Service and Pension Credit. It differs from the Pension Fund's fiscal year, which is the 12-month period of July 1 through June 30.

Contribution Period

The Contribution Period is the period during which an Employer is required, according to Collective Bargaining Agreements or other written agreements, to make contributions to the Fund for work in Covered Employment.

Covered Employment

Covered Employment means employment of an Employee by an Employer for which contributions are required to be paid to the Fund, and may include such employment prior to the Contribution Period which, if performed during the Contribution Period would have resulted in contributions being paid to the Fund. There may be some periods of Covered Employment for which contributions are not required to be paid, such as apprentice time. For more information, contact the Fund Office.

Effective Date (or Annuity Starting Date)

The date used to calculate and pay your benefits under the Plan, generally, the first day of the first month after or coincident with the later of:

- The first day of the month following your submission of a completed application for benefits; or
- 30 days after the Plan advises you of your available payment options.

The Effective Date may occur and benefits may begin before the end of the 30-day period, provided:

- You (and your spouse, if applicable) consent in writing to beginning payments before the end of the 30-day period, but no earlier than seven days before your Effective Date;
- Your benefit was previously being paid because of an election after Normal Retirement Age; or
- Your benefit is being paid automatically as a Lump-Sum Payment under the provisions of the Plan.

The Effective Date for a beneficiary or alternate payee under a Qualified Domestic Relations Order will be determined as stated above, except that references to spousal consent do not apply.

The Effective Date will not be later than the Required Beginning Date.

Employee

If you work for an Employer who contributes to the Pension Fund for your work as required by a Collective Bargaining Agreement or other written agreement, you are an Employee under the Plan and are covered by the Pension Plan.

Employer

If the Employer you work for contributes to the Pension Fund according to a Collective Bargaining Agreement or other written participation agreement providing for such contributions, it is considered an Employer under the Plan. An Employer may also be referred to as a Contributing Employer.

ERISA

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Initial Participation Requirement

Initial Participation Requirement is the first January 1 or July 1 after you've completed 870 hours of work in Covered Employment in a consecutive 12-month period for an Employer under the Plan.

Normal Retirement Age

Normal Retirement Age is generally the later of age 65 or the fifth anniversary of your participation in the Plan.

Pension Credits

Pension Credits are the units used to measure your work in Covered Employment in order to qualify for pension benefits and to determine your benefit amount.

Pension Credits before the Contribution Period

Pension Credits before the Contribution Period are the number of years and quarters of years of work in Covered Employment **before** Employers were first required to pay contributions to the Fund.

Pension Credits during the Contribution Period

Pension Credits during the Contribution Period are earned by your hours of work in Covered Employment for which Employers are required to pay contributions to the Pension Fund.

Required Beginning Date

As of April 1, 1988, this date is the April 1 of the Calendar Year following the Calendar Year in which you reach age 70½. However, if you reached age 70½ before 1988, your Required Beginning Date is April 1 of the Calendar Year in which you stopped work in Covered Employment, if that is later.

Retirement

The period after you qualify for a pension under the Plan and start to receive monthly pension payments is considered Retirement. Certain types of employment, called disqualifying employment, are prohibited during Retirement. This is explained in detail beginning on page 34.

Special Service Credits

For Calendar Years on or after January 1, 2000, you can earn Special Service Credits for hours of work in Covered Employment in a Calendar Year, according to the following schedule:

Hours of Work in Covered Employment During Calendar Year	Special Service Credit
Up to 1,500	0
1,500 – 1,799	1
1,800 – 2,099	2
2,100 or more	3

Union

When reference is made to the Union, it means the Sheet Metal Workers' International Association, Local Union No. 73 of Chicago, Cook and Lake County, Illinois, AFL-CIO.

Vesting Service

Vesting Service is counted in years and is earned through hours of work in Covered Employment and/or continuous non-covered employment during the Contribution Period, and determines your right to a Deferred Pension (see page 6).

Administrative Information

Plan Name	Sheet Metal Workers' Local 73 Pension Plan
Plan Employer Identification Number	51-6126221
Plan Number	001
Fiscal Year	July 1 through June 30
Plan Type	The Pension Plan is a defined benefit plan maintained for the purpose of providing Retirement benefits to eligible participants.
Plan Sponsor and Administrator	The Board of Trustees is both the Plan Sponsor and Plan Administrator. The Board of Trustees is responsible for the operation of this Plan. The Board of Trustees consists of Employer and Union representatives selected by the Employers and the Local Union who have entered into Collective Bargaining Agreements related to this Plan. If you wish to contact the Board of Trustees, use the address and telephone number below.
Board of Trustees	Sheet Metal Workers' Local 73 Pension Fund **4530 Roosevelt Road** **Hillside IL 60162** **Telephone: (708) 449-7373** **Fax: (708) 449-7333** **Web Site: www.sm73funds.org**

The Trustees of this Plan are:

Union Trustees	**Employer Trustees**
Mr. Robert Schneider Sheet Metal Workers' Local 73 4550 Roosevelt Road Hillside, IL 60162	Mr. James S. Billard Hill Mechanical Group 11045 Gage Avenue Franklin Park IL 60131
Mr. Rocco Terranova Sheet Metal Workers' Local 73 4550 Roosevelt Road Hillside, IL 60162	Mr. John Delano SMACNA Chicago 2703 Van Buren Street Bellwood, IL 60104-2458
Mr. Michael A. Vittorio Sheet Metal Workers' Local 73 4550 Roosevelt Road Hillside, IL 60162	Mr. John P. Harmon, Sr. Builders Heating, Inc. 4633 West 138th Street Crestwood, IL 60445

Agent for Service of Legal Process	The Plan's agent for service of legal process is: Gregorio & Associates 2 N. LaSalle St., Suite 1650 Chicago, IL 60602 Accordingly, if legal disputes involving the Plan arise, any legal documents should be served upon the agent listed above or any of the Trustees at the Fund Office.
Collective Bargaining Agreements	This Plan is maintained pursuant to Collective Bargaining Agreements between Sheet Metal Workers' Local No. 73 and Contributing Employers. You may obtain a copy of the Collective Bargaining Agreement by writing to or examining it at the Fund Office.
Source of Contributions	Benefits described in this booklet are provided through Employer contributions. The provisions of the Collective Bargaining Agreements and participation agreements determine the amount of the Employer contributions and the Employees on whose behalf contributions are made.
Pension Fund's Assets and Reserves	All assets are held in trust by the Board of Trustees for the purpose of providing benefits to eligible participants and defraying reasonable administrative expenses. Plan assets may be invested in accordance with the requirement of applicable law. These investments are made only after consultation with professional investment managers retained by the Trust.
Eligibility and Benefits	The types of benefits provided and the Plan's requirements with respect to eligibility as well as circumstances that may result in disqualification, ineligibility, or denial or loss of any benefits are described in this booklet.
Rights and Responsibilities	As someone who may be eligible for benefits from this Plan, you should be aware that benefits are paid in accordance with Plan provisions out of a trust fund maintained solely for this purpose. If you have any questions or problems as to benefit determinations, you have a right to appeal to the Trustees who administer the Plan as described in the appeals procedures on page 17 of this booklet. Your rights have been incorporated in the Employee Retirement Income Security Act, which Congress adopted in 1974, for application to all benefit plans. Those rights are set forth beginning on page 46.
Sole Determination by Trustees	Only the Board of Trustee has broad discretion and authority to determine eligibility for benefits and the right to participate in the Pension Fund, and to exercise all the other powers specified in the Plan. The Trustees may, in their sole discretion, modify, amend, or terminate this Plan in any manner or at any time. The Board of

Trustees determines eligibility for and the type and amount of benefits. The decision of the Board of Trustees is final and binding and will receive judicial deference to the extent that it does not constitute an abuse of discretion. No officer, agent, or Employee of the Union, or Employer or any other person is authorized to speak for, or on behalf of, or to commit the Board of Trustees, on any matter relating to the Pension Fund or Plan. If a decision of the Trustees is challenged in court, the decision will be upheld unless the court finds it to be arbitrary and capricious.

Plan Termination or Modification

The Board of Trustees intends to continue the Plan indefinitely, although they reserve the right to change or amend it at any time. A Plan would end automatically if every Employer withdraws from the Plan or as defined by law. Any remaining benefits will be paid as described in the legal Plan Document. If the Plan is amended or terminated, you will be notified in writing.

Upon termination of the Pension Plan, you will be completely vested in your accrued benefit to the extent funded as of the date of termination. The assets of the Plan will be allocated after payment of Plan expenses in accordance with ERISA.

The Plan may be amended at any time if the Trustees agree to do so in writing.

Non-Assignment of Benefits

The Pension Plan contains a provision forbidding any assignment, pledging or otherwise disposing of your pension payments except in relation to a qualified domestic relations order (QDRO). For more information regarding QDROs, or to receive a copy of the Fund's QDRO procedures free of charge, please contact the Fund Office.

Top-Heavy Provisions

Federal law requires that if the Plan becomes a top-heavy plan, as described in the Internal Revenue Code, minimum contributions may apply. In the unlikely event that the Plan becomes top-heavy, you will be notified accordingly.

Maximum Contributions

Federal law limits the total amount participants can receive from all retirement plans in which they participate. It is unlikely that these limits will affect the amount of pension you receive from this Plan. However, if you have any questions, please contact the Fund Office.

Your ERISA Rights

As a participant in Sheet Metal Workers' Local No. 73 Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to certain rights, as described in the following information.

Receive Information about Your Plan and Benefits

You have the right to:

- 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. These include insurance contracts, 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 (EBSA).
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan. These including insurance contracts, Collective Bargaining Agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Administrator may make a reasonable charge for the copies.
- Receive notice annually on the Plan's funding status. The Plan Administrator is required by law to furnish each participant with a copy of this Annual Funding Notice.
- Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age 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 earn a right to a pension. This statement must be requested in writing and is not required to be given more than once every 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 application 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 or a medical child support order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the EBSA, U.S. Department of Labor at:

Nearest Regional Office

Employee Benefits Security Administration
Chicago Regional Office
200 West Adams Street, Suite 1600
Chicago, Illinois 60606
312-353-0900

National Office

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
866-444-3272

You may also obtain certain publications and learn more about your rights and responsibilities under ERISA by visiting the EBSA web site at www.dol.gov/ebsa or by calling the publications hotline of EBSA. For single copies of publications, contact EBSA's Brochure Request Line at (800) 998-7542 or contact the nearest EBSA field office.

Protecting Your Pension

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

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

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

The PBGC guarantee generally covers:

- Normal and early retirement benefits;
- Disability benefits if you become disabled before the plan becomes insolvent; and
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law;
- Benefits based on plan provisions that have been in place for fewer than five years at the earlier of:
  - The date the plan terminates; or
  - The time the plan becomes insolvent;
- Benefits that are not vested because you have not worked long enough;
- Benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact:

> Pension Benefit Guaranty Corporation
> Technical Assistance Division
> 1200 K Street N.W., Suite 930
> Washington, D.C. 20005-4026

You may also call the PBGC's Customer Contact Center at 800-400-7242 or 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 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 website at http://www.pbgc.gov.