# BUILDING MATERIAL DRIVERS LOCAL 436

# PENSION FUND

# SUMMARY PLAN DESCRIPTION

Updated as of January 1, 2014

**6051 Carey Road**
**Valley View, Ohio 44125**

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# INTRODUCTION

The Building Material Drivers Local 436 Pension Plan (the "**Plan**") was initially established effective May 1, 1961. The primary purpose of the Plan is to provide retirement and related benefits to you, the members of the Excavating, Building Material, Construction Drivers and Race Track Employees Local Union 436 (hereinafter, the "**Union**"). The actual terms and conditions are stated in the Plan which is fairly complicated legal document. This Summary Plan Description is not the Plan document. Instead, it is a summary of the Plan and is intended to help you understand and appreciate the benefits provided to you, your family, and your other beneficiaries.

This Summary Plan Description (hereinafter "**Summary**" or "**SPD**") is intended to present the important features of a complicated legal document so you can understand how it operates. We have tried to be accurate and unambiguous. However, in all cases, the actual terms of the Plan will prevail.

Since it was originally adopted on December 26, 1961, the Plan has been restated and amended numerous times. The most recent restatement was adopted in January 2010 and is effective January 1, 2002 (the "2002 Restatement"). This Summary reflects the 2002 Restatement and all subsequent amendments. If additional changes occur we will keep you informed so that you will understand how they affect you.

The Plan is governed in accordance with the provisions set forth under the Employee Retirement Income Security Act of 1974 (ERISA), as amended and the Internal Revenue Code of 1986, as amended (the "Code") and applicable regulations issued by either the Department of Labor or the Treasury Department. The requirements set forth under ERISA, the Code and any related regulations are intended to protect your benefits and give you necessary information about the administration and operation of the Plan.

The provisions of the Plan and the information in this Summary apply to members who are participating in the Plan as of January 1, 2002 or who became eligible to participate after that date. The purpose of the Plan is to provide security for you and your family. If you left the union before 2002, regardless of whether you have returned, the provisions of the Plan at the time you left may govern the retirement benefit you have accrued and the eligibility for such benefit under the Plan. If you are in doubt, please call the Fund Office at 216-328-0436 or 877-396-3436 for assistance.

If you have any questions about your situation and entitlement to benefits under the Plan please call the Fund Office for assistance. In addition, a copy of the Plan is available for your review at the Fund Office..

## JOINING THE PLAN

### How Do I Know if I Am Eligible to Join the Plan?

You are eligible to participate in the **Plan** if you work for an **Employer** who has a collective bargaining agreement with the **Union** which covers the terms and conditions of your employment and which requires them to make contributions to the Pension Fund on your behalf. Ask your **Employer** if you are not sure.

> **<u>Note</u>**: Words in **Bold** have special meaning and are defined in this Summary. An Index is located on the last page of this Summary (page 37) that identifies where the definition of a particular bolded term can be found.

### When Do I Become a Participant?

You automatically join the **Plan** the day you start working for an **Employer** in worked covered under the collective bargaining agreement in placed between the **Union and your Employer**.

### Do I Have to Do Anything to Start My Participation?

You will be asked to complete and sign certain forms which gives the Fund Office information about you such as your date of birth and the name of any **Beneficiary** who will receive any **Plan** benefits that are payable if you die. You will also agree to accept the terms and conditions of the **Plan**.

If you are married, your **Beneficiary** is your spouse unless you and your spouse mutually agree to designate another individual or individuals as your **Beneficiary** (any such consent by your spouse must be in writing and notarized). If you are single, your **Beneficiary** is the individual or individuals you have designated by completing the necessary form with the Fund Office.

## RECEIVING BENEFITS

***<u>Retirement Benefits</u>***

STARTING BENEFITS

### When Can I Start Receiving Benefits?

The primary purpose of the **Plan** is to provide retirement income after you have completed your career working in **Covered Service**. **Covered Service** includes all hours for which you are paid or entitled to payment pursuant to the terms of a collective bargaining agreement between your **Employer** and the **Union.** As discussed in this SPD, the earliest date you can commence receiving your benefits under the **Plan** has changed in the past few years. For all periods after November 19, 2009, you can start receiving benefits as early as age 62 so long as your benefits are **Vested** in the Plan. However, your benefit in this case will be actuarially reduced to account for the early commencement of such benefit. To receive an unreduced retirement benefit you have to begin receiving your benefits after you attain your **Normal Retirement Date.**

The definition of **Normal Retirement Date** under the Plan depends upon whether you earned your benefits before January 1, 2007 or after.

#### For Service Before January 1, 2007

For benefits earned before January 1, 2007, the Plan's technical definition of **Normal Retirement Date** is the earlier of:

(i) The later of your 62nd birthday or the date you complete ten years of **Credited Service**; or

(ii) The later of your 65th birthday or the fifth anniversary of your joining the **Plan**.

It's not as difficult as it sounds and in fact usually is pretty straight forward. As long as you join the Plan before age 52, your **Normal Retirement Date** is age 62 for benefits earned before January 1, 2007. The **Plan** calls this unreduced benefit your **Normal Retirement Benefit.**

The complications regarding the definition of **Normal Retirement Date** only apply if you join the Plan when you are older than 52. In that situation, if you don't have the ten years at 62, you can only receive your unreduced **Normal Retirement Benefit** when you have earned ten years of Credited Service.

In addition, if it is earlier, you can receive your unreduced **Normal Retirement Benefit** beginning on the fifth anniversary of your participation in the **Plan** after you are at least age 65. This provision is only important if you join the **Plan** after age 60.

**For Service After December 31, 2006**

For benefits earned after December 31, 2006 the Plan's definition of **Normal Retirement Date** also seems complicated. However, it is straight forward for almost all participants. It is the earlier of:

(i) The later of your 65nd birthday or the date you complete ten years of Credited Service; or

(ii) The later of your 65th birthday or the fifth anniversary of your joining the Plan.

Similar to the above definition, the earliest date you can receive an unreduced **Normal Retirement Benefit** is generally age 65 for benefits earned after December 31. 2006. It only gets complicated if you join the plan after age 55.

You can start benefits earlier than either **Normal Retirement Date** and receive a so-called **Early Retirement Benefit.** If you elect to receive an **Early Retirement Benefit** your monthly benefit payments will be reduced. However, you are not really losing anything with this reduction. Your benefit amount is reduced to reflect the fact that you will be receiving benefits for a longer period of time since you started such benefits before your **Normal Retirement Date**. This reduction is called an actuarial reduction.

In addition, if your day of birth is in the first ten days of your month of birth you will receive a payment on the first day of your birth month. In other cases, your first payment will begin on the first day of the month after your birth month.

**Some of My Benefits Were Earned Before 2007 and Some After? Do I Have To Wait Until Age 65 to Receive an Unreduced Benefit?**

In most cases, yes. However, as mentioned above, you can receive some of your benefits on a reduced basis. An example of how this works can be found on page 12 of this **SPD**.

In addition, in some cases you can actually receive an unreduced benefit at age 62 even though some of your **Credited Service** is after 2006. If you already had 32 years of **Credited Service** by December 31, 2006, you already had earned the maximum benefit and you can start receiving your benefit at age 62 without any actuarial reduction.

**Can I Begin Receiving My Benefits Earned Before January 1, 2007, and Wait to Receive My Post-December 31, 2006 Benefits?**

No. When you apply to receive benefits you must apply for both pieces at the same time.

BENEFIT AMOUNTS IN GENERAL

**How Much Will I Get When I Retire?**

After your **Normal Retirement Date**, the payment you receive each month is called your **Normal Retirement Benefit**. The amount of such benefit will depend upon the following factors:

(i) The years of **Credited Service** you have earned - The more **Credited Service** you have earned the larger your benefit will be; and

(ii) The Benefit Level of your **Employer** when you earn your **Credited Service** - The higher the Benefit Level, the larger the benefit. Right now, the highest benefit level provides a monthly benefit of $2,700 after 32 years of **Credited Service**.

**Credited Service** is explained more fully beginning on page 9. Basically, after December 31, 2006 you earn one year of **Credited Service** if you work at least 2080 hours in a calendar year for an **Employer**.

THE PLAN'S VARIOUS BENEFIT LEVELS

**What Are The Benefit Levels Provided by the Plan?**

Right now there are a number of Benefit Levels provided under the Plan. Among the benefit Levels provided under the Plan are the following: (i) Regular; (ii) Low; (iii) the 1992 Plan Level,; (iv) the 1995 Plan Level; (v) the 1997 Plan Level, (vi) the 1998 Plan Level; (vii) the 2000 Plan Level; (viii) the 2001($2,300) Plan Level, (ix) the 2001($2,500) Plan Level, and (x) the 2001($2,700) Plan Level).

Except for the Regular and Low benefit levels they all have this same format - four (4) different benefit rates that vary according to the amount of **Credited Service** accrued by the Participant.

The mechanics of the Regular and Low Plan are a bit different. If your benefit is determined under either the Regular or Low benefit level, please contact the Fund Office if you want detailed information about your retirement benefit under the Plan.

The following table shows the monthly benefit you will get for each year of **Credited Service** you earn based on the Benefit Level that has been negotiated with your **Employer**.

**1992 ($1,002) Plan Level**: The exact benefit rates that apply to the 1992 Plan Level are as follows:

| Years of **Credited Service** | Monthly Benefit Per Year of **Credited Service** |
|---|---|
| Less than 10 Years | $27.00 |
| Between 10 and 20 Years | $31.00 |
| Between 20 and 30 Years | $35.00 |
| Years 30 through 32 | $36.00 |

**1995 ($1,302) Plan Level**: The exact benefit rates that apply to the 1995 Plan Level are as follows:

| Years of **Credited Service** | Monthly Benefit Per Year of **Credited Service** |
|---|---|
| Less than 10 Years | $35.10 |
| Between 10 and 20 Years | $40.30 |
| Between 20 and 30 Years | $45.50 |
| Years 30 through 32 | $46.50 |

**1997 ($1,525) Plan Level**: The exact benefit rates that apply to the 1997 Plan Level are as follows:

| Years of **Credited Service** | Monthly Benefit Per Year of **Credited Service** |
|---|---|
| Less than 10 Years | $41.10 |
| Between 10 and 20 Years | $47.20 |
| Between 20 and 30 Years | $53.30 |
| Years 30 through 32 | $54.50 |

**1998 ($1,750) Plan Level**: The exact benefit rates that apply to the 1998 Plan Level are as follows:

| Years of **Credited Service** | Monthly Benefit Per Year of **Credited Service** |
|---|---|
| Less than 10 Years | $47.20 |
| Between 10 and 20 Years | $54.20 |
| Between 20 and 30 Years | $61.10 |
| Years 30 through 32 | $62.50 |

**2000 ($2,100) Plan Level**: The exact benefit rates that apply to the 2000 Plan Level are as follows:

| Years of **Credited Service** | Monthly Benefit Per Year of **Credited Service** |
|---|---|
| Less than 10 Years | $56.70 |
| Between 10 and 20 Years | $65.00 |
| Between 20 and 30 Years | $73.30 |
| Years 30 through 32 | $75.00 |

**2001 ($2,300) Plan Level**: The exact benefit rates that apply to the 2001 ($2,300) Plan Level are as follows:

| Years of **Credited Service** | Monthly Benefit Per Year of **Credited Service** |
|---|---|
| Less than 10 Years | $62.10 |
| Between 10 and 20 Years | $71.20 |
| Between 20 and 30 Years | $80.30 |
| Years 30 through 32 | $82.00 |

**2001 ($2,500) Plan Level**: The exact benefit rates that apply to the 2001 ($2,500) Plan Level are as follows:

| Years of **Credited Service** | Monthly Benefit Per Year of **Credited Service** |
|---|---|
| Less than 10 Years | $67.20 |
| Between 10 and 20 Years | $77.50 |
| Between 20 and 30 Years | $87.50 |
| Years 30 through 32 | $89.00 |

**2001 ($2,700) Plan Level**: The exact benefit rates that apply to the 2001 ($2,700) Plan Level are as follows:

| Years of **Credited Service** | Monthly Benefit Per Year of **Credited Service** |
|---|---|
| Less than 10 Years | $72.60 |
| Between 10 and 20 Years | $83.70 |
| Between 20 and 30 Years | $94.50 |
| Years 30 through 32 | $96.00 |

**<u>EXAMPLE # 1</u>**

What would be a participant benefit base upon the following assumptions:

Age at Retirement: 62
Credited Service: 15.5 years (all before December 31, 2006)
Plan Benefit Level: 2001 Plan ($2,700) Level

The monthly retirement benefit would be determined as follows:

(i) For the first 10 years, the benefit rate is $72.60 per month per year of **Credited Service.**

10 x $72.60 = $726.00 per month.

(ii) For the next 5.5 years, the benefit rate is $83.70 per month per year of **Credited Service**.

5.5 x $83.70 = $460.35 per month.

(iii) The total monthly benefit is $**<u>1,186.35</u>** ($726.00 plus $460.35).

If you are married, the law requires that your retirement benefit be paid in the form of a **50% Qualified Joint and Survivor Annuity** ("**50% QJ&S Annuity"**). A **50% QJ&S Annuity** includes "life insurance coverage" to provide certain benefits to a Participant's surviving spouse, only if the Participant predeceases his or her surviving spouse.

Because this life insurance to your surviving spouse has a cost, your **Normal Retirement Benefit** is reduced if you decide to accept this protection. The **50% QJ&S Annuity** is explained further on page 16 along with the ability to waive such coverage and select another distribution method instead of a **50% QJ&S Annuity**.

**How Can I Find Out My Employer's Negotiated Benefit Level?**

Ask your **Employer** or contact the Fund Office.

**What If I Work For Different Employers Who Have Different Contribution Rates?**

These situations can get complicated. The general rule is that the benefit level is determined by the provisions of the **Plan** when you earned each year of your **Credited Service**. The intent is to treat you and the **Plan** fairly. The **Plan** does not want to penalize you and it does not want to give you a windfall.

For example if you work and earn a total of 18 years of **Credited Service**, the first 15 under the 2000 Plan Benefit Level and the last 3 under the 2001 Plan ($2700) Benefit Level, your benefit would be determined as follows:

**<u>EXAMPLE # 2</u>**

(i) For the first 15 years in 2000 Plan:

$567+ 5 years times $65 per month per year of **Credited Service** or $567+$325 = $<u>892.00</u>.

(ii) For the last 3 years which were in the 2001 Plan ($2700):

3 years times $83.70 per month per year of **Credited Service** or 3 times $83.70 = $<u>251.10</u>.

(iii) Total monthly benefit is **<u>$1,143.10</u>** ($892.00 + $251.10)

CREDITED SERVICE

**What is Credited Service?**

**Credited Service** is one of the most important terms and conditions of the **Plan** because it is one of the key components used in determining the monthly amount of your **Normal or Early Retirement Benefit**, , as well as the amount of any benefits your **Beneficiary** or **Beneficiaries** may be entitled to upon your death. For each calendar year that you are working in **Covered Employment** you can earn up to one year of **Credited Service** depending upon how many hours you work. **Credited Service** is also one of the **Plan's** more complicated aspects because different rules apply to different time periods.

**1961 through 1990**

After 1961 and before December 31, 1991, if you worked 750 hours in a calendar year you earned a half year of **Credited Service.** If you worked at least 1,500 hours, you earned a full year. For hours between 751 and 1,499 credit under the Plan was pro-rated according to the following table:

| HOURS WORKED | CREDITED SERVICE(YRS) |
|---|---|
| 1,500 or more | 1.0 |
| 1,350 to 1,499 | .90 |
| 1,200 to 1,349 | .80 |
| 1,050 to 1,199 | .70 |
| 900 to1,049 | .60 |
| 750 to 899 | .50 |

**1991 through 2006**

Between January 1, 1991 and December 31, 2006, the rules related to the award of **Credited Service** were different. You had to work at least 1,300 hours to receive a full year of **Credited Service**. If you did not qualify for a full year of Credited Service because you did not work at least 1,300 hours, you could earned partial credit (in 1/10ths) if you worked at least 650 hours during the year. Partial credit was earned according to the following table:

| HOURS WORKED | CREDITED SERVICE(YRS) |
|---|---|
| 1,300 or more | 1.0 |
| 1,170 to 1,299 | .90 |
| 1,040 to 1,169 | .80 |
| 910 to 1,039 | .70 |
| 780 to 909 | .60 |
| 650 to 779 | .50 |

**After 2006**

Beginning January 1, 2007, you have to work at least 1,000 hours to earn any **Credited Service** and you have to work 2,080 hours to earn a full year of Credited Service. If you work less than 2,080 hours (but at least 1,000) your credit is pro-rated by dividing your hours by 2,080 and rounding to the nearest thousandth.

**EXAMPLE #3**

> If you work 1,700 hours, you will earn .82 years of Credited Service (1,700/2,080 = .817).
>
> If you work 1,250 hours you will earn .60 years of Credited Service (1,250/2,080 = .60)
>
> Except for the last year in which you work in **Covered Service** and retire, you will not earn any **Credited Service** if you work less than the minimum required to earn any credit. For your last year after 2006, you will earn a credit equal to your hours worked divided by 2080, rounded to the nearest hundredth.

**What If Happens If I Have To Wait Until Age 67 To Receive my Unreduced Social Security Retirement Benefits?**

Normal or early retirement ages allowed in Social Security only affect your Social Security benefits. They do not affect the benefit provided to you under the **Plan**.

***Early Retirement***

**Can I Receive Benefits Before Age 65?**

Yes, however, the earliest age you can retire was changed effective as of November 19, 2009 in accordance with the Rehabilitation Plan as adopted by the Trustees on that date and updated annually. The Rehabilitation Plan and any updates was adopted in order to comply with the requirements imposed upon the Plan by the pension Protection Act of 2006 ("PPA"). You can request copies of the Rehabilitation Plan and any annual updates by contacting the Fund Office.

**Prior to November 19, 2009** If you have at least 15 years of **Credited Service** you were eligible to commence receipt of your benefits as early as age 57. However, if you start receiving benefits before the applicable **Normal Retirement Date(s)** the monthly amount of your benefit was actuarially reduced. Your benefits were reduced because starting early meant that benefits will be paid to you for a longer period of time.

**After November 19, 2009**. Early Retirement will only be allowed after attainment of age 62. Participants can no longer retire prior to age 62 under the Rehabilitation Plan.

EARLY RETIREMENT FACTORS

**How Much Will They Be Reduced?**

The factor that is applied to your **Normal Retirement Benefit** depends on three things: 1) the age you start receiving benefits; 2) when you earned your benefits; and 3) the **Normal Retirement Date** associated with the benefit.

The following table is effective for benefits that commence before November 19, 2009 and gives the applicable retirement factors at each full year age .

| EARLY RETIREMENT FACTORS | | |
|---|---|---|
| Retirement Age | Benefits Earned | |
| | Before January 1,2007 | After December 31, 2006 |
| 57 | 59.01% | 41.86% |
| 58 | 65.32% | 46.34% |
| 59 | 72.44% | 51.39% |
| 60 | 80.49% | 57.10% |
| 61 | 89.62% | 63.58% |
| 62 | 100.00% | 70.94% |
| 63 | 100.00% | 79.34% |
| 64 | 100.00% | 88.95% |
| 65 | 100.00% | 100.00% |

So, if you start receiving benefits at age 60 and all of your benefit was earned before January 1, 2007 (and commence receipt of such benefits prior to November 19, 2009); you multiply your **Normal Retirement Benefit** by 80.49% to determine your monthly payment. If all of your service was earned after December 31, 2006; the age 60 early retirement factor is 57.1%. When you actually apply for benefits, the early retirement factors will be based on your age in years and months. So, for example, if you apply at age 60½, the factor will be slightly larger than the amounts shown.

Of course, for most participants, your benefit will be based on service before and after December 31, 2006. This means different retirement factors will be applied to the two pieces of your total benefit, the piece earned before January 1, 2007 and the piece earned after December 31, 2006.

To understand how this works, let's return to Example #2 on page 8. In Example # 2 we determined that 15.5 years of Credited Service, all earned before December 31, 2006, would earn a monthly benefit of $1,186.35 with payments starting at age 62. Of this, the first ten (10) years of Credited Service earned $726 per month and the last 5.5 years earned $460.35.

Let's change the facts a little and say that the total **Credited Service** still is 15.5 years but that the first ten (10) years occurred before January 1, 2007, and the last 5.5 occurred after January 1, 2007. Further for purposes of this Example #4 let's say that benefit payments are to start at age 62 (since a participant can no longer retire before age 62 under the Rehabilitation Plan) and payment commenced as of January 1, 2012.

Since the **Normal Retirement Date** is age 65 for the $460.35 amount earned after December 31, 2006, and is age 62 for the $726.00 amount earned before that date, these two amounts must then be multiplied by the applicable early retirement factors because the benefit will commence at age 62.

The amount payable at 62 in this case would be determined as follows:

**EXAMPLE #4**

| | | | |
|---|---|---|---|
| 1. | a. | Benefit earned before January 1, 2007: | $726.00 |
| | b. | Early Retirement Factor at 62: | N/A |
| | c. | Benefit Payable at 62: | $726.00 |
| ***plus*** | | | |
| 2. | a. | Benefit earned after December 31, 2006: | $460.35 |
| | b. | Early Retirement Factor at 62: | 70.94% |
| | c. | Benefit Payable at 62 (a multiplied by b): | $326.57 |
| 3. | | Total Benefit at age 62 (1c+2c) | **$1,052.57** |

***Post-Retirement Return To Work***

**What If I Return To Work After I Retire?**

The **Plan** set forth certain restrictions on the ability to work and receive a pension benefit under the **Plan**. Whether you can return to work after you retire will depend on several factors, including the type of work you wish to perform and whether you are under or over the age of 65 (for periods on or after January 1, 2007). You may request an advance determination from the Fund Office of whether a particular job is considered disqualifying or otherwise prohibited under the terms of the **Plan**. However, if you retired before January 1, 2007, you may be able to return to work prior to age 65. You should contact the Fund Office with any questions.

**WORK BEFORE AGE 65.** Your monthly pension benefit will be suspended during any month in which you are employed in so-called "**Disqualifying Employment**". **Disqualifying Employment** for the period before age 65 shall include performing work within the jurisdiction of the **Union**, which is of the type covered by a labor agreement between the **Union** and any **Employe**r, or in any type of work normally performed by the

**Union**. However, you are allowed to work any job that is not within the jurisdiction of the **Union** and is not work that is performed by the **Union**.

With respect to any Disability pensioner, he shall have his payments suspended for any calendar month in which he performs any work of any type for which he receives or is entitled to receive compensation.

**WORK AT AGE 65 OR OLDER.** You will lose your pension for any month in which you work for forty (40) hours or more in **Disqualifying Employment**, or other work in an industry in the jurisdiction and geographic area of the **Plan** and in a job in which you worked under the **Plan**, or any job covered by the **Plan** when your pension began.

Notwithstanding the above restriction, you can work up to 110 hours per month and also continue to receive benefit payments. However, there are several conditions that must be met for this to happen:

(i) The work must be performed during May through October for a contributing employer;

(ii) Your **Employer** must make contributions on your behalf in accordance with the applicable Collective Bargaining Agreement;

(iii) Your **Employer** cannot have any union members on layoff;

(iv) You retired under the **Plan**'s provisions with either a Normal or Early Retirement;

(v) The Welfare Fund of Teamsters Union Local 436 does not require contributions; and

(vi) You and your **Employer** sign documents developed by the **Plan** that acknowledge **Plan** provisions and responsibilities in this regard.

**What Happens If I Violate These Rules?**

If you under age 65 and work in **Disqualifying Employment** or are over age 65 and do not satisfy the hour limitation and other rules set above, your pension will be cancelled for the affected month or months related to such employment. Your benefits will be suspended until you notify the **Plan** that you have retired from your reemployment in the industry. You may request a review of the determination to suspend your benefits by filing a written request with the **Board of Trustees** within 180 days of the notice of suspension. This same right to review applies to an advance determination as to whether a job constitutes **Disqualifying Employment**. If you have worked in prohibited employment, the Trustees shall presume that you have worked for at least 40 hours in such month and any subsequent month before you provide notice that you have ceased the prohibited work. You will have the right to overcome this presumption by presenting proof satisfactory to the Trustees that you did not work in **Disqualifying Employment**.

If your pension benefit has been suspended, payment of such pension shall resume no later than the first day of the third calendar month after the calendar month in which you cease to be employed in **Disqualifying Employment.** The initial payment upon resumption will include the payment scheduled to occur during the month of recommencement along with any amount withheld during the period between the cessation of benefits due to the **Disqualifying Employment** and resumption of the benefit payments.

**What If I Work Beyond Age 70 ½?**

Federal tax law requires that you start receiving **Plan** benefits no later than the April 1 following the calendar year you reach age 70 ½. However, the **Plan** will permit you to defer commencement of your benefit payments until you actually retire, if you so elect. Upon reaching age 70 ½, you may choose to either begin payments and continue working in covered service, or defer payments until you retire. This choice is irrevocable. If you defer payments until you retire, you will be compensated for any missed payments in the manner described below.

To compensate you for any missed payments of the benefits you have earned up to the date the law says that payments should have started plus any new benefits you earn after that date will be actuarially increased to provide you equal value to what you would have received had payments started. There will also be an adjustment for any payments you receive. However, there will be no actuarial adjustment if you decide to begin payments at the legally required beginning date (usually age 70 ½) and continue to work in covered service.

<u>Note</u>: That no work performed after you reach the required beginning date for receipt of your pension (in general, age 70 ½) will be treated as **Disqualifying Employment**.

**Do I Have To Do Anything Special If I Return To Work?**

You need to tell the Fund Office in writing within 15 days after you go back to work and you need to provide any information regarding such employment as may be requested by the Fund Office. You need to do this even if you do not expect to work more than 40 hours per month or you do not believe such employment constitutes disqualifying employment.

### ***Forms of Payment***

LIFE ANNUITY

**How Will My Benefits Be Paid**?

Once payments start, you will receive a monthly payment as of the first of each month as long as you remain alive. Your payments will start on the first day of the month after you have satisfied the requirements for a pension benefit and have filed the necessary application and required documentation with the Fund Office. However, if you eligible for a **Normal Retirement Benefit** and your birthday occurs during the first ten (10) days of the month, you will receive your first monthly benefit retroactive to the beginning of the month.

If you unmarried at the time you commence your retirement benefit will generally be paid in the form of a Life Annuity, unless you elect a different form of benefit. A Life Annuity is a monthly benefit payable for your life and will cease upon your death; provided, however, in the past the Life Annuity provide a sixty (60) months guarantee of payments, even if you did not live that long that would be paid to your designated beneficiary. This sixty (60) month guarantee was eliminated as of November 19, 2009 in accordance with the Rehabilitation Plan adopted under PPA.

If you have been married for at least one year prior to the start of your benefit payments, the mandatory form of payment is a **50% Qualified Joint and Survivor Annuity.** In addition, effective as of January 1, 2008, you can also elect to have your benefit paid in the form of a **75% Qualified Optional Survivor Annuity.**

50% QUALIFIED JOINT AND SURVIVOR ANNUITY

**What is a 50% Qualified Joint and Survivor Annuity?**

A **50% Qualified Joint and Survivor Annuity ("50% QJ&S Annuity")** is a form of benefit that provides a reduced benefit to you for your life along with a surviving monthly benefit payable to your spouse upon your death. In other words, you will receive a monthly benefit that is slightly smaller than your **Normal Retirement Benefit** or your **Early Retirement Benefit** would be if paid in the form of a Life Annuity; however, when you die your surviving spouse will receive 50% of the benefit that was being paid to you while you were alive. Spousal payments continue as long as your spouse is alive.

The amount of reduction that is applied to your monthly benefit to provide a **50% QJ&S Annuity** depends on your age and your spouse's age when payments begin. For most people, the reduction is between 10% and 15%. That means you will typically receive 85% to 90% of the benefit that would have been payable without the **50% QJ&S Annuity** feature. When you apply for retirement benefits the Fund Office will tell you about all the payment options you have and the exact amounts payable under each option so you can make an informed choice. They will also supply all the forms you will need to complete to make a benefit election.

75% QUALIFIED OPTIONAL SURVIVOR ANNUITY

**What is the 75% Qualified Optional Survivor Annuity?**

The **75% Qualified Optional Survivor Annuity** is a payment form that was added to the Plan by the Trustees and is effective for any distributions made on or after January 1, 2008. The **75% Qualified Optional Survivor Annuity** means that the Participant will receive a reduced monthly amount for life and, if the Participant dies before his Qualified Spouse, the Qualified Spouse will be entitled to receive 75% of the reduced lifetime amount that the retired Pensioner was receiving at the time of his death. The participant can elect payment of his retirement benefit in the form of a **75% Qualified Optional Survivor Annuity** without written spousal consent

OTHER PAYMENT FORMS

**If I Am Married Do I Have To Take My Benefit in Either the Form of a 50% QJ&S Annuity or 75% Qualified Optional Survivor Annuity?**

No. The **50% QJ&S Annuity** is the default payment form if you are married and the **75% Qualified Optional Survivor Annuity** is another option available to a married participant on or after January 1, 2008; however, you and your spouse may elect for payment of Single Life Annuity or one of the optional benefit payment form provided under the Plan. However, any decision to forego the **50% QJ&S Annuity or the 75% Qualified Optional Survivor Annuity** and/or select a beneficiary other than your spouse must be made in writing and must be agreed to by both you and your spouse.

At the time you apply for benefits you will receive distribution election forms to commence your pension benefit and select the form of payment you and your spouse want. These forms must be signed by you and your spouse in front of a notary public and must generally be completed within 30 days before benefit payments begin.

**Regardless Of Whether I Am Married or Not, Are There Other Ways To Receive Benefits Besides Either a Life Annuity, a 50% QJ&S Annuity or a 75% Optional Survivor Annuity?**

Yes. You have two other options:

1. **120 Month Certain Option**

   This form of benefit is paid as a Life Annuity with guaranteed payments for a period of at least 120 months. If you die prior to receipt of a 120 monthly payment the remaining guarantee payments will be made your designated beneficiary. Obviously, because of the 120 month guarantee there is also a reduction in your **Normal Retirement Benefit** for this feature. This reduction depends on the age at which you start to receive benefits. If you married and want to select this form of payment, your spouse has to agree and consent to the election of this **120 Month Certain Option.**

2. **50% Contingent Pension**

   You can also decide to have your benefits paid in a manner that is very similar to the **50% QJ&S Annuity** that has to be offered to married participants. The **Plan** calls this a **50% Contingent Pension**. The difference between the two is that the person who receives the continuing benefits if you die first, your Beneficiary, does not have to be your spouse. You do not have to be married to receive this form of payment.

   Of course, if you want this form of payment and you are married, your spouse has to agree in writing to waive the **50% QJ&S Annuity** and consent to the non-spouse beneficiary you have selected. There are some restrictions on when this benefit option is available. The Board of Trustees can reject this option when certain parameters are not satisfied. For example, this benefit option may not available if there is a very large difference between your age and the age of your designated Beneficiary. The **Plan** office will inform whether this option is available based upon the information provided and the age of the Beneficiary you have selected.

   As with the **50% QJ&S Annuity,** the benefit you receive under the **50% Contingent Pension** is reduced to pay for the cost of this feature. The actuarial reduction depends upon your age and the age of your beneficiary. You will receive the reduced benefit and your beneficiary receives **50% QJ&S Annuity** of this amount if you die first. If you are interested in this option, the Fund Office will give you the estimated amounts that would be payable to you and your Beneficiary.

**You Mean I Can't Get A One Time Lump Sum Payment Of My Benefit?**

That is generally correct. However, a lump sum payment will be made if the Plan determines that the actuarial value of your benefit payments is less than $1,000.

So, if you terminate employment and apply for a pension benefit, and the **Plan** determines that the value of your retirement benefit is less than $1,000, such benefit will automatically be paid to you in the form a single lump sum payment.

If the actuarial value of your benefit payments is $1,000 or greater, but does not exceed $5,000, you may elect to receive a single lump sum payment as soon as administratively feasible after your retirement or termination of employment. If this situation exists you will be contact by the Fund Office at the time of your retirement or termination of employment

After payment of any lump sum amount whether mandatory or permissible, the Plan will have no other future obligations to you or your Beneficiaries.

***Death Benefits***

**What Does the Plan Provide When I Die?**

The Plan is a retirement Plan not a life insurance plan so you should not count on it to provide your life insurance needs. Nonetheless, the **Plan** is set up so that your spouse or other beneficiaries are protected from completely losing your **Vested** retirement benefits because of an untimely death. The death benefits payable from the **Plan** depend upon when you die and your **Plan** status (Are you a retiree, actively at work past age 6 2, **Vested** terminated, etc.).

The term **Vested** is fully explained on page 24. You usually become **Vested** after earning 5 years of **Credited Service** under the **Plan**. The following questions highlight some of the possible payment situations.

DEATH AFTER RETIREMENT PAYMENTS HAVE STARTED

**What Happens If I Die After Benefit Payments Have Started?**

As explained previously, if you are married when you apply for benefits, the default form of payment is a **50% QJ&S Annuity**. This will occur unless both of you agree to another form of payment in writing before a notary. Under the **50% QJ&S Annuity** your spouse will continue to receive half of the monthly amount that was paid to you while you were alive. These payments will continue as long as your spouse is alive.

If you are single and have selected a Life Annuity (or you are married and have selected Life Annuity with proper spousal consent) no additional benefits will be to you upon death. However, if you are single or you are married and have selected the **120 Month Certain Option (**with proper spousal consent if married), you are guaranteed that 120 payments will be made to you and/or your designated Beneficiary. For example, if you choose **120 Month Certain Option** benefit option and you die after 48 monthly payments have been made; your **Beneficiary** will receive monthly payments for the next 72 months. If your **Beneficiary** dies prior to receiving the 72 monthly payments, the remaining payments will be paid to his/her designated Beneficiary and if none was selected, then the remaining amounts will be paid to your Beneficiary's estate.

Further, if you are single or you are married and have selected the **50% Contingent Pension (**with proper spousal consent if married), an annuity equal to 50% of the benefit paid to you will be paid to your contingent beneficiary upon your death.

DEATH BEFORE PAYMENTS HAVE STARTED

**What Happens If I Die After I Am Eligible To Receive An Early Or Normal Retirement Benefit But I Have Not Started Receiving Benefits?**

It depends upon whether you are married or not at the time of your death. If you are not married, no benefits are payable. If you are married, benefits are payable as follows.

The **Plan** pretends as if you retired the day before you died, applied for benefits, and such benefits were paid in the default form of a **50% QJ&S Annuity**, and then passed away the next day.

This means the **Plan** will determine what you would have received if you had lived and retired. Your spouse will then receive 50% of this amount. Remember that an actuarial reduction for the **50% QJ&S Annuity** form of payment will apply and an actuarial reduction for Early Retirement may also apply. The **Plan** calls this death benefit a **Pre-Retirement Surviving Spouse Annuity.**

Your surviving spouse can decide that they would like to postpone the beginning of benefit payments. If they do, the monthly amount they eventually receive will be actuarially adjusted, usually increased, to reflect the fact that payments will ultimately be paid over a shorter time period.

DEATH AFTER VESTING BUT BEFORE ELIGIBILITY FOR EARLY RETIREMENT

**What Happens If I Die After I Become Vested But Before I Am Eligible For An Early Retirement Benefit? Does It Matter Whether I Am An Active Participant or Not?**

It doesn't matter whether you are active or whether you have left the Union. If you are **Vested** (generally you have five or more years of **Credited Service**) your surviving spouse will be eligible to receive a **Pre-Retirement Surviving Spouse Annuity** from the **Plan**. If you are not married, the **Plan** does not pay any death benefits.

In this situation to determine what your spouse will receive, the **Plan** pretends a few things happen. First it pretends that you terminate your membership in the **Plan**. Then it pretends that you will live to the day before the earliest date you could receive a retirement benefit (usually age 62 for periods on or after November 19, 2009) and apply for your benefits under a **50% QJ&S Annuity** form of payment. Finally it pretends you then die. The **Plan** also calls this death benefit a **Pre-Retirement Surviving Spouse Annuity**.

The end result of this is that your surviving spouse is eligible to receive a **50% QJ&S Annuity** of the amount that would have been payable if all these things had happened. For example if you die when you are age 40 and have 20 years of **Credited Service** and your wife is 35; in 22 years when you would have been 62 and when your surviving spouse is 55, she can start receiving benefits.

Please note that not only will your spouse usually have to wait several years to receive benefits; the **Pre-retirement Surviving Spouse Annuity** monthly benefit amounts will usually be fairly small since several actuarial adjustments are applied. These adjustments could include an early retirement adjustment,), as well as the adjustment related to payment as a **50% QJ&S Annuity** adjustment.

Your surviving spouse can decide that they would like to postpone the beginning of benefit payments. If they do, the monthly amount they eventually receive will be actuarially adjusted, usually increased, to reflect the fact that payments will ultimately be paid over a shorter time period.

## ***Disability Benefits***

### What Happens If I Become Disabled?

As previously discussed, on November 19, 2009 the **Board of Trustees** adopted a Rehabilitation Plan in order to comply with the requirements imposed by Congress under PPA. Under the Rehabilitation Plan, the Disability Pension benefit as provided under the Plan was eliminated. Therefore, you will not be eligible for a Disability Pension unless you were already approved for such benefit prior to the later of: (i) November 19, 2009; or (ii) the date that your Employer's CBA with the Union expired that was in place as of November 19, 2009.

In the past a participant was eligible for a Disability Pension if he or she became "Totally and Permanently Disabled", while an active participant. In addition to being Totally and Permanently Disabled the participant must also have had 15 years of **Credited Service** as of the date of disability.

If the **Plan** decided that you are eligible for a disability benefit you will receive the amount of your **Normal Retirement Benefit** based on your **Credited Service** as of your date of disability and the applicable Benefit Level of your **Employer** on that date. No actuarial adjustment for early commencement of payments is made for a Disability Pension.

### How Do I Know if I am "Totally and Permanently Disabled" According to the Plan?

The **Plan** will consider you to be Totally and Permanently Disabled if it is determined by the **Board of Trustees** that you cannot perform your normal job functions because of physical or mental impairment, disease, loss of limb(s), or any combination of these. It also must conclude that this inability to do your job is likely to be permanent during your lifetime and that your condition will not improve.

**How Does The Plan Make This Determination?**

After the condition(s) causing your disability have persisted for at least six months from your date of disability, the **Board of Trustees** will make this determination based on competent medical evidence. Eligibility for Social Security disability payments will be considered but will not guarantee that you are eligible for a Disability Pension under the Plan. You may be asked to provide additional proof that you are still disabled after payments have started.

Additionally the **Board of Trustees** may enlist the aid of an independent medical professional to assist them in making this decision.

**Are Any Conditions Automatically Considered To Be The Cause Of "Total And Permanent" Disability?**

Yes, if you lose sight in both eyes, severe both hands above the wrist, both feet above the ankle, or one hand above the wrist and one foot above the ankle.

**Are Any Situations Automatically Excluded?**

Yes. If your disability is the result of your participation in a felonious criminal act, is the result of your habitual drunkenness, addiction to narcotics, a self-inflicted injury, or military service for which a governmental disability pension is payable.

**Does The Credited Service Used To Determine My Benefit Include The Six Month Waiting Period?**

No **Credited Service** is counted only through your date of disability, the first day you are unable to perform your job. However, once a determination has been made that you are eligible for benefits; benefits will be paid retroactively beginning with the day of the first month following your date of disability.

**How Long Can I Receive Disability Payments?**

Disability payments continue as long as the **Plan** believes you are Totally and Permanently Disabled, until you die.

**What Happens If I Die While I Am Receiving Disability Benefits?**

If you are married your disability benefits will be paid under the **50% QJ&S Annuity** form of payment, unless both you and your spouse agree in writing that you do not want this. Remember under the QJ&S form your disability payments will be reduced slightly. If you die, your spouse will receive **50% QJ&S Annuity** of this amount for as long as she lives.

If you are not married or if you both elect away from the **50% QJ&S Annuity**, your **Beneficiary or Beneficiaries** will receive the **Plan** will finish paying any of the remaining 60 payments that are guaranteed. However, the 60 payment guarantee applies only if you retired with this benefit. If you retired after effective date of the rehabilitation plan, please call Fund Office to determine if this benefit is available to you.

**What Happens If I Live To 65?**

Your Disability Pension will continue without interruption.

## LEAVING THE PLAN AND RETURNING

### LEAVING THE PLAN

**If I Leave The Union, The Plan, and/or My Employer Can I Ever Receive Benefits From The Plan?**

It depends. If you are **Vested** when you leave you will be entitled to a pension benefit under the Plan. If you have at least five years of **Eligibility Service** and are **Vested**, you cannot lose any benefits you earned while you were in the **Plan**. If you aren't **Vested** when you leave the **Plan** you may eventually lose your **Credited Service** and associated benefits. However, you will not lose your **Credited Service** immediately when you quit working. You have up to five years to return to **Covered Employment** before you will forfeit the Credited Service you previously accrued under the Plan.

Technically after you are **Vested (**and even if you are not Vested but have not been gone for five years) you are still a participant in the **Plan** even if you aren't working for an **Employe**r, aren't paying dues, etc.

The five year limbo period is explained more fully below in the question regarding **One Year Breaks in Service**. The important point is that once you are **Vested** you cannot lose anything, but if you are not Vested your accrued benefits are potentially subject to forfeiture.

### VESTING AND ONE YEAR BREAKS IN SERVICE

**What Does The Term "Vested" Mean?**

"**Vested**" and all terms like it (Vesting, Vested Benefits, etc.) simply indicate complete ownership of your future benefits. You start earning benefits the moment you join the **Plan**. However, you don't own them until you become "**Vested**." This happens when you have earned at least five (5) years of **Eligibility Service**. After you are **Vested** you cannot lose benefits or credit for any hours you have worked in **Covered Service**.

**Eligibility Service** is one of the two types of service that are defined in the **Plan** (the other is **Credited Service** which was discussed on page 9). For each calendar year beginning with 1976, you earn 1 year of **Eligibility Service** if you work at least 870 hours. If you work less, you will receive a partial year credit equal to whatever **Credited Service** you earned for that year.

**What is a One Year Break in Service?**

If you left work before January 1, 1999 you must have 10 years of **Eligibility Service** to be **Vested**. If you have worked at least one hour after January 1, 1999, you only need to have 5 years of **Eligibility Service** to be **Vested.**

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If you are not **Vested** you need to be aware of the so-called “Break in Service” rules. Effective as of January 1, 1976, if you don’t work at least 435 hours in a given calendar year you will incur a **One Year Break in Service** for that year.

If you do not work 435 hours or leave **Covered Service** before you are **Vested**, i.e. before you have 10 years of **Eligibility Service**, and then incur five consecutive **One Year Breaks in Service** your previously accrued benefits under the Plan will be forfeited.

Therefore, if you incur 4 or fewer One Year Breaks, when you return to **Covered Service** with an **Employer**, your **Eligibility Service** (and your **Credited Service**) will be restored and you will not lose or forfeit anything.

However, if you return after you have five or more consecutive **One Year Breaks in Service** it will be deemed a Permanent Break in Service and you will lose both your past **Eligibility Service** and your **Credited Service**. You will be treated like a new participant upon your return to work.

**What If I Leave The Union and/or My Employer? How Do I Get My Contributions Back?”**

You can’t. Your **Employer**(s) make contributions to the **Plan** based on the hours you work and their negotiated contribution rate under the CBA. However, these amounts are not “your contributions.” They are made on your behalf for the purpose of funding the **Plan** for all participants. There is no individual account in your name or in any other member’s name.

If you leave employment you may be entitled to receive a benefit immediately or at some point in the future, if you are **Vested**. Your spouse will also be eligible to receive certain benefits if you die before you begin to receive benefit payments under the Plan. Receiving benefit payments is the only way you can receive the contributions that were made on your behalf.

**How Do I Apply for Benefits if I Am Not Working For an Employer?**

Just like if you were still working. Contact the Fund Office and requested a pension application. Of course, if you die, your surviving spouse or other **Beneficiary** will need to contact the Fund Office.

RETURNING TO THE PLAN

## What Happens if Leave Covered Service and Return?

You are treated just like a new participant. The only issue is whether you are **Vested** and/or have not incurred five consecutive **One Year Breaks in Service**. As addressed above, if you have incurred five consecutive **One Year Breaks in Service** this will be deemed a Permanent Break in Service and you will forfeit and lose all of the **Eligibility Service and Credited Service** previously earned under the Plan. If you have not experienced five consecutive **One Year Breaks in Service** then your past **Credited Service** is re-instated and added to any new service you earn.

RECIPROCITY

## What Happens if I Have Participated in Another Teamsters Pension Plan?

The **Board of Trustees** has mutual agreements, called **Reciprocal Agreements**, with a number of other Teamster Pension Plans to try to prevent you from being hurt if you worked for different Unions in various geographical locations and participate in multiple pension plans. The **Reciprocity Agreements** between plans may allow you to qualify for benefits you would not otherwise qualify for if each plan was looked at separately and it may also increase the pension benefits you are entitled to receive. Further, it will keep you from incurring one or more One Year Breaks in Service that would otherwise occur without reciprocity.

For example, you need 15 years of **Credited Service** to be eligible for **Early Retirement.** If you have 10 years in our **Plan** and 10 years in another plan with a **Reciprocal Agreement** with us, you would qualify for **Early Retirement** based on your combined service.

Without a **Reciprocal Agreement**, you would not qualify for these benefits. In general a **Reciprocal Agreement** tries to treat you as having worked continuously for **Employers** in our **Plan** instead of having your service split between our **Plan** and one or more other plans.

## What is Related Service Credit and Combined Service Credit?

When you work in our **Plan** you earn **Credited Service.** When you work in another plan with a **Reciprocal Agreement,** the **Credited Service** you earn in that **Plan** under its terms is called Related Service Credit**.** Of course, you can't earn more than one year of service for any given calendar year.

When you add your **Credited Service** from our **Plan** to your Related Service Credit the total is your Combined Service Credit**.** When each plan is trying to determine your eligibility for various benefits, if you don't have enough **Credited Service** both will then check to see if you have enough Combined Service Credit to qualify**.** Combined Service Credit is also used to determine the amount of your **Partial Pension.**

**What is a Partial Pension?**

**Partial Pension** is just the term used when the benefit you are eligible for from our **Plan** depends upon one or more Reciprocal Agreements. Your **Partial Pension** is determined in three steps:

1. Calculate a benefit from our **Plan** based on your Combined Service Credit and based upon the benefit level of the last **Employer** you worked for in our **Plan** when you leave it.

2. Divide your **Credited Service** from our **Plan** by your ***Combined Service Credit.***

3. Multiply these two amounts.

**Are There Any Other Eligibility Requirements To Receive A Partial Pension**?

In general you have to meet any requirements that are in our **Plan** for specific benefits (like 15 years for **Early Retirement**) but you get to use Combined Service Credit not just your **Credited Service** in our **Plan** to meet these requirements. In addition:

1. You have to have at least two years of **Credited Service** in our **Plan** **based on actual employment and contribuions**;

2. You have to be eligible for a **Partial Pension** from a related plan, that is a plan with which we have a **Reciprocal Agreement**; and

3. You cannot be entitled to a benefit from the related plan, other than a **Partial Pension**. If you are entitled to a separate retirement benefit from the related plan you may elect to waive that benefit in favor of a **Partial Pension** from both plans.

# GENERAL INFORMATION ABOUT THE PLAN

THE BOARD OF TRUSTEES

**Who Runs the Plan?**

All decisions regarding the operation of the **Plan** are made by the **Plan's Board of Trustees.** The **Board of Trustees** is composed of an equal number of representatives of the Union and representatives of the **Employer**s who employ individuals who a represented by the **Union** and covered under the **Plan**. The current list of Trustees is set forth on **Table A** that is attached to the SPD

**What Kind Of Decisions Do the Board of Trustees Make?**

The **Board of Trustees** is responsible for maintaining records of members, receiving claims for benefits, determining eligibility for benefits, making determinations on appeals of claim denials, authorizing payment of benefits, interpreting and administering the Plan document, maintaining accounting records and filing government reports. **The Board of Trustees** employs an accountant, attorney or other specialists to assist in the proper administration of the Plan, and may amend or terminate the **Plan**.

Additionally, the **Board of Trustees** receives and deposits contributions, determines investment policy, invests plan assets, and makes payment of benefits. The **Board of Trustees** operates solely on behalf of the participants and their beneficiaries.

**What Happens to All the Contributions That Are Made to the Plan?**

They are used to pay benefits and to pay the expenses of administering the **Plan**. The **Board of Trustees** is required by law to invest the **Plan**'s assets prudently so that reasonable investment returns are achieved without undue investment risk. Therefore, the Board hires several professional money managers to invest portions of the total assets. Each of these money managers has different areas investment expertise. The intent is for the **Plan**'s assets to be broadly invested in all phases of the economy balancing investment opportunities against their associated risk.

The **Board** also hires an investment consultant to help maintain a prudent invest policy and to select the appropriate money managers to implement that policy. The investment consultant also monitors the performance of each money manager to make sure they are achieving the results that are expected from them.

CHANGING AND TERMINATING THE PLAN

**Can the Plan Be Changed?**

Yes. The **Board of Trustees** has the authority to change the **Plan**. It can be changed in the future and it has been changed in the past. Sometimes Federal law requires such changes. The change from 10 year to 5 year **Vesting** is an example of this. Other times, the changes were made solely because the **Board of Trustees** thought it was appropriate. The numerous improvements that started in 1992 are examples of these kinds of changes. The current changes to the definition of **Normal Retirement Date** and **Credited Service** are other examples.

Most importantly, in most cases the terms of the **Plan** can only be changed going forward. They cannot be changed retroactively. Among other things, this means that once you have earned a benefit and become **Vested**, it cannot be reduced and the age at which you can start receiving it on an unreduced basis cannot be increased.

**Can the Plan be Terminated?**

Yes. There are two different ways that they Plan can be terminated. One way is that the **Board of Trustees** could amend the **Plan** to terminate it. The other way is that all participating employers could decide they no longer want to participate and withdraw from the plan. This is called a mass withdrawal.

**What Happens?**

In either case, the **Board of Trustees** continues to operate the Plan and **Employers** are required to make contributions. The **Board** of Trustees continues to be responsible for collecting contributions, making benefit payments, investing assets, and otherwise operating the **Plan**. This responsibility continues until the **Plan** fulfills all of its obligations for future benefits usually by purchasing annuities or by making lump sum payments.

THE PENSION BENEFITS GUARANTY CORPORATION

**I Keep Reading About The Pension Benefits Guaranty Corporation (The PBGC), What Relationship Does The PBGC Have To My Plan?**

The PBGC is quasi-governmental body that insures certain pension benefits.

**Are My Benefits Protected by the PBGC?**

Sort of. The PBGC has gotten a lot of publicity recently because of the severely under-funded pension plan from the steel, airline, and automobile industry that have literally been dumped upon the PBGC and which have threatened its financial stability.

However, the insurance coverage and protection provided by the PBGC differs based upon whether the plan is a single employer arrangement or a multiemployer arrangement.

The PBGC protection program for participants of multiemployer plans is significantly different than what it provided for the participants of single employer plans. Generally, the PBGC provides much less coverage for multiemployer plans than it does for the participants of single employer plans.

**What is a Multiemployer Plan?**

There are a few distinguishing features of multiemployer plans. First, of all as the name suggests these plans are sponsored by a group employers, not one single employer, and their sponsorship and affiliation with the plan is the result of collective bargaining. The plan itself is independent of the employers and union that are involved. Instead it is run by a separate **Board of Trustees**. **The Board of Trustees** is composed of equal numbers of representatives of the union and of the participating **Employers**.

**How Does the PBGC's Multiemployer Coverage Work?**

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

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

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

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of: (i) the date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call PBGC toll-free at 1-800-400-7242. TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to1-800-400-7242. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

## COMMENCING BENEFITS

### Do My Benefits Start Automatically When I Reach Normal Retirement Age, Die, or in Any Other Way Become Eligible For Plan Benefits?

No. You, your spouse, or other **Beneficiary** has to contact the Fund Office and inform them of your situation. You must complete an application for retirement and supply the necessary documents to apply for your benefits. The Fund Office will provide you, your spouse, or your **Beneficiary** with the necessary forms and information to process your benefits.

### Can My Benefits Be Lowered, Stopped, Or In Changed In Any Way After I Start Receiving Payments?

Assuming that the **Plan** is financially able, once you start receiving benefits Federal law currently forbids your benefits from being reduced or stopped as long as you and your surviving **Beneficiary** are alive and otherwise meet any applicable eligibility requirements. Furthermore, most of the important features of Plan benefits cannot be changed after you have earned them even if you are not receiving payments and even if you have left the union and the industry. For example, the benefits earned at the highest level cannot be changed to something less.

Similarly, once payments start you cannot decide to change the form of payment. For example, you could not change from a **50% QJ&S Annuity** to life-time payments guaranteed for 120 months.

### Who Decides Whether I Should Receive Plan Benefits?

The ultimate decision is the **Board**'s. But all they really decide is whether the terms of the **Plan** have been followed. To make this determination they rely on the advice of the Fund Office and paid professionals like the **Plan**'s attorney.

DISPUTES

**What Happens If I, My Spouse, Or My Beneficiary Disagrees With A Decision Made By The Board?**

In accordance with the requirements established under ERISA, including the provisions set forth in set forth in Labor Regulation Section 2560.503-1, the Plan has established certain claims and appeal procedure.
The following procedures shall apply to all claims filed on or after January 1, 2002.

1. In order to establish and maintain reasonable claims procedures, the Plan will be administered in accordance with the following rules:

    a. The **Plan** will not administer the claims and appeals procedures in any way that unduly inhibits or hampers the initiation or processing of claims for benefits.

    b. The **Plan** will not require payment of a fee or costs as a condition to making a claim or appeal.

    c. The **Plan** will not preclude an authorized representative of a claimant from acting on behalf of such claimant in pursuing a benefit claim or appeal of adverse benefit determination.

    d. The **Plan** will follow administrative processes and safeguards to ensure and verify that benefit claim determinations are made in accordance with governing **Plan** documents and that the applicable provisions have been applied consistently with respect to similarly situated claimants.

    e. If you or a **Beneficiary** contacts the Fund Office and attempts to file an application for benefits, the Fund Office will inform you or a **Beneficiary** of the proper procedures for filing an application for benefits.

2. In the event a claim is initially denied, in whole or part, you, your spouse or Beneficiary (hereinafter the "Claimant") will be advised of the following:

    a. the specific reason or reasons for the adverse determination;

    b. reference to specific **Plan** provisions on which the determination was based;

    c. a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

d. a description of the **Plan's** review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring civil action under ERISA Section 502(a) following an adverse benefit determination after completion of the review.

e. If the Claimant disagrees with the denial, the Claimant or their duly authorized representative may:

(a) Request review by the Claims Review Board;
(b) Review pertinent documents; and
(c) Submit issues and comments in writing.

*THE REQUEST FOR REVIEW MUST BE IN WRITING AND MADE WITHIN SIXTY (60) CALENDAR DAYS OF YOUR RECEIPT OF THE WRITTEN NOTIFICATION OF DENIAL (OR ONE HUNDRED EIGHTY (180) CALENDAR DAYS IN THE CASE OF A DISABILITY PENSION).*

3. Review of an adverse benefit determination upon appeal will take into account all comments, documents, records and other information submitted by the Claimant, regardless of whether the information was submitted or considered in the initial benefit determination.

   You or your authorized representative will have the right to make an oral presentation to the Claims Review Board.

4. The Claims Review Board will continue to review benefit determinations upon appeal at regularly scheduled meetings that take place at least quarterly, except if otherwise required by law. The Claims Review Board shall make benefits determinations upon appeal at the meeting that immediately follows the **Plan's** receipt of a request for review, unless the request is filed within 30 days of the meeting. In such case, the Claims Review Board may make a benefit determination upon appeal at the second meeting following the **Plan's** receipt of the request for review. The Claims Review Board shall notify the Claimant of the benefit determination as soon as possible after the meeting, but not later than 5 days after the benefit determination is made.

5. Notification of an adverse benefit determination upon review will contain:

   a. the specific reason or reasons for the adverse determination;

   b. reference to specific **Plan** provisions on which the determination is based;

   c. a statement that the you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits; and

d. a statement of the claimant's right to bring civil action under ERISA Section 502(a) following an adverse benefit determination from the review.

6. If the Claims Review Board can not make a decision on the request for review, the Claims Review will give you notice that it has been unable to reach a decision and the Board of Trustees will consider the request for review at its next meeting. The Board of Trustees take into account all comments, documents, records and other information submitted, regardless of whether the information was submitted or considered in the initial benefit determination including any additional comments, documents, records and other information presented at the Claims Review Board. You or your authorized representative will have the right to make an oral presentation to the Board of Trustees. The Board of Trustees shall notify the Claimant of the benefit determination as soon as possible after the meeting, but not later than 5 days after the benefit determination is made. Notification of an adverse benefit determination upon review will contain the same information contained in paragraph 5, above.

7. The period of time within which a benefit determination is required to be made will begin at the time the claim is filed in accordance with the reasonable procedures of the **Plan**, without regard to whether all information necessary to make a benefit determination accompanies the filing. If additional information is necessary to make a benefit determination, the period of time for making the benefit determination shall be tolled from the date the notification for additional information is requested until the Claimant responds to the request for additional information. If you do not receive the decision within the time set forth herein, the claim shall be deemed denied on review.

The decision of the Claims Review Board, or Board of Trustees, is final and binding on all individuals dealing with or claiming benefits under the **Plan**, and if challenged in court, the **Plan** intends for the decision to be upheld, unless found by a court of competent jurisdiction to be arbitrary and capricious.

*You or any other Claimant must comply with these appeal procedures prior to instituting legal action on a claim for benefits. Any legal action must be filed within ninety (90) calendar days following your receipt of the Board of Trustees' decision on review.*

TAX ISSUES

## Do I Have To Pay Taxes On The Contributions That Are Made Each Year By My Employer?

Before answering this question please note that this answer and the answer to the following question are not intended to serve as tax advice. They are only intended to give you a rough sense of how the tax laws work with respect to the **Plan.**

The Plan is a tax qualified arrangement under the terms of the Internal Revenue Code. This means it qualifies for special tax treatment for you, the **Plan**, and for your **Employer(s)**. For you, this special tax treatment means that you do not pay taxes when contributions are made on your behalf. However, your Employer is still entitled to an immediate tax deduction when he makes the contribution. For the **Plan,** the special tax treatment means that earnings on Fund assets are not subject to taxation.

## So When Do I Pay Taxes?

First of all it might not be you. It might be your spouse or another **Beneficiary** who is receiving death benefits. The general rule is that Plan benefits are taxed when they are received. So, whoever is getting them should check with a tax advisor.

CREDITORS, QDRO'S

## Can Third Parties, Like Creditors, Take Over My Payments?

Not directly. The general rule is that your benefits or rights to benefits under the **Plan** may not be sold, transferred, assigned, used as collateral for a loan or pledged to another person. However, there is one exception to this general rule.

If the **Plan, Board of Trustees or Employer** receives a **Qualified Domestic Relations Order (QDRO)**, the **Plan** may be required to pay a portion of your benefits to an Alternate Payee. A **QDRO** is a judgment that satisfies certain criteria specified in the **Plan** and under federal law and assigns to an Alternate Payee (for example, your former spouse) the right to receive all or a portion of your benefits. If you are subject to a QDRO which includes provisions related to your **Plan** benefits, you or the Alternate Payee should contact the Fund Office for more information regarding the **QDRO** review process.

## RIGHTS UNDER ERISA

As a participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). ERISA provides that all plan participants shall be entitled to:

### Receive Information About Your Plan and Benefits

Examination, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5000 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

### Prudent Actions by Plan Fiduciaries

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

## Enforce Your Rights

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

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

## Assistance with Your Questions

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

## INDEX - PLAN DEFINITIONS

The definition of the following terms can be found in this SPD on the following pages:

**TABLE A**

**LOCAL 436 WELFARE AND PENSION FUNDS**
**BOARD OF TRUSTEES**
**January 14, 2014**

| ***Union*** | ***Employer*** |
|---|---|
| Gary M. Tiboni, Chairman<br>Local Union 436<br>6051 Carey Drive<br>Valley View, OH 44125-4259 | Brock P. Walls, Trustee<br>Westview Concrete Corp.<br>PO Box 38159<br>Olmsted Falls, OH 44138 |
| Jack Fortesque, Trustee<br>Local Union 436<br>6051 Carey Drive<br>Valley View, OH 44125-4259 | Jeffrey E. Nock, Trustee<br>Terrace Construction<br>3965 Pearl Road<br>Cleveland, OH 44109-3103 |
| Rosario Sara, Trustee<br>Local Union 436<br>6051 Carey Drive<br>Valley View, OH 44125-4259 | John Sarrouh, Trustee<br>Rockport Ready Mix<br>3092 Rockefeller Avenue<br>Cleveland, OH 44115 |
| Nicholas M. Magistrelli, Trustee<br>Local Union 436<br>6051 Carey Drive<br>Valley View, OH 44125-4259 | John Ziss Jr., Trustee<br>Kurtz Bros., Inc.<br>6415 Granger Road<br>Independence, OH 44131 |
| Sal Alioto, Trustee<br>Local Union 436<br>6051 Carey Drive<br>Valley View, OH 44125-4259 | |
| John G. Golish, Trustee<br>Local Union 436<br>6051 Carey Drive<br>Valley View, OH 44125 | |

**TABLE A**

| ***Union*** | ***Employer*** |
|---|---|
| **Sponsor:** | Board of Trustees, Building Material Drivers  Local 436 Pension Plan |
| Employer Identification No. (EIN): | 34-6665225 |
| Plan Number: | 001 |
| Fiscal Year End: | December 31 |
| The agent for service of legal process: | Board of Trustees, Plan Administrator |
| The address is: | 6051 Carey Drive<br>Valley View OH 44125-4259 |