

## **CARPENTERS AND MILLWRIGHTS OF HOUSTON AND VICINITY PENSION PLAN**

### Summary of Material Modifications

June 15, 2022

The Board of Trustees of the Carpenters and Millwrights of Houston and Vicinity Pension Plan (the “Plan”) has been alerted to the need for more qualified Carpenters and Millwrights during the near future. After lengthy and detailed deliberations and study, the Trustees have concluded that allowing some retired Participants to return to work would not harm the Plan and could be beneficial to the Plan and to retired Participants.

The Carpenters and Millwrights of Houston and Vicinity Pension Plan will have a temporary “window” from August 1, 2022 through December 31, 2023. If you retired BEFORE August 1, 2022, you can return to covered employment during this “window” and your pension from this Plan will NOT be suspended. In other words, you can return to work during this temporary “window” and receive your full pension while working, IF:

- a) You retired BEFORE August 1, 2022; AND
- b) You return to work in covered employment (i.e., work for which your employer contributes to this Plan).

**If you are not retired, or if your retirement benefit effective date is after August 1, 2022, you are NOT affected by these changes.**

### **Where to Get More Information:**

The principal office of the Carpenters and Millwrights of Houston and Vicinity Pension Plan is located in Goodlettsville, Tennessee. If you have any questions about this change, you may contact the Fund’s Administrative Manager at the following address and telephone number:

Southern Benefit Administrators  
P.O. Box 1449  
Goodlettsville, TN 37070-1449  
(615) 859-0131  
1-800-831-4914

**CARPENTERS AND MILLWRIGHTS OF HOUSTON AND  
VICINITY PENSION PLAN**

**SUMMARY PLAN DESCRIPTION**

**Revised 2016**

## **TO ALL PARTICIPANTS**

The Carpenters and Millwrights of Houston and Vicinity Pension Plan ("Plan") is maintained for your protection and your peace of mind. It is designed to provide a monthly lifetime income for you when your working days are over, and also contains provisions for such contingencies as disability and premature death.

The Plan was established through collective bargaining agreements between the Carpenters District Council of Houston and Vicinity and contributing employers. It is currently sponsored by the Central South Carpenters Regional Council and the Houston Chapter, Associated General Contractors of America. It is administered by a Joint Board of Trustees, which has equal representation from the Employers and the Local Unions.

The Plan is operated through a trust fund ("Trust Fund"), which was established and is maintained under the terms of a trust agreement ("Trust Agreement"). If you wish, you may read the official Plan document at the Fund Office, at the address below, between 8:00 a.m. and 4:30 p.m., Monday through Friday (except holidays). You may also receive a copy of the Plan document and Trust Agreement by requesting them in writing. A summary of the Plan's annual report will be furnished to you each year.

If you have any questions about the Plan, or if you want additional information, feel free to contact the Fund Office at the following address:

Joint Board of Trustees of the  
Carpenters and Millwrights of Houston and Vicinity Pension Plan  
9555 West Sam Houston Parkway South, Suite 400  
Houston, Texas 77099

Mailing Address: P.O. Box 722038  
Houston, Texas 77272-2038

Telephones: Local (713) 219-1200  
Fax (713) 219-1299  
WATS (800) 241-HDCC

## TABLE OF CONTENTS

ABOUT THE PLAN AND THE BOOKLET .....	1
SECTION 1 – DEFINITIONS.....	2
Association.....	2
Beneficiary.....	2
Benefit Rate .....	2
Benefit Service.....	3
Breaks in Service .....	3
Councils .....	3
Covered Employment .....	3
Effective Date .....	3
Employee .....	4
Employer.....	4
Hours of Covered Employment .....	4
Plan .....	4
Plan Year.....	4
Spouse.....	4
Trust Fund.....	4
Trustees .....	4
Vesting Service .....	5
SECTION 2 – QUESTIONS AND ANSWERS.....	5
Who’s covered by the Pension Plan? .....	5
How much do I pay into the Plan? .....	5
How much will my pension be?.....	5
What happens if I leave the Plan before retirement? .....	6
What happens if I die? .....	6
How will my pension be paid?.....	6
How do I get my pension payments started? .....	6
Where can I find out more about the Plan?.....	6
May I assign my Benefits?.....	6
SECTION 3 – RETIREMENT DATES .....	7
Normal Retirement Date .....	7
Early Retirement Date.....	7
Postponed Retirement Date.....	7

Disability Retirement Date .....	7
SECTION 4 – BENEFIT AMOUNTS .....	8
YOUR PENSION BENEFIT .....	8
Normal Retirement Benefit.....	8
Early Retirement Benefit .....	9
Postponed Retirement Benefit .....	10
Disability Retirement Benefit .....	10
Reemployment Before Normal Retirement Date.....	10
Reemployment After Normal Retirement Date .....	10
YOUR CASH BALANCE BENEFIT .....	10
Reciprocity Agreements.....	12
SECTION 5 – SOCIAL SECURITY .....	13
SECTION 6 – TERMINATION BENEFIT .....	14
Vested Deferred Pension.....	14
SECTION 7 – DEATH BENEFITS .....	14
PRIOR TO RETIREMENT .....	14
Lump Sum Death Benefit Payment .....	14
The Surviving Spouse’s Pension .....	14
Pre-Retirement Survivor Annuity .....	15
Cash Balance Death Benefit .....	15
Dependent Death Benefit.....	15
AFTER RETIREMENT.....	16
Retiree Lump Sum Death Benefit.....	16
Survivor Annuity .....	16
SECTION 8 – METHODS OF PAYMENT .....	16
TYPES OF BENEFITS.....	16
Pension Benefit .....	16
Cash Balance Benefit.....	16
NORMAL FORM OF PAYMENT .....	17
Life Annuity.....	17
Qualified Joint and 50% Survivor Annuity .....	17
OPTIONAL FORMS OF PAYMENT.....	17
Life Annuity.....	17
Joint and Survivor Annuity.....	17

Lump Sum Distribution .....	17
Benefit Suspension Notice.....	17
SECTION 9 – APPLICATION FOR PAYMENT .....	18
SECTION 10 – CONTRIBUTIONS .....	18
SECTION 11 – ADDITIONAL INFORMATION .....	18
IDENTIFYING INFORMATION .....	18
HOW YOU MAY LOSE BENEFITS .....	20
LEAVES OF ABSENCE .....	20
Continuation of Participation for Employees in the Uniformed Services .....	20
Continuation of Participation While on Family and Medical Leave .....	20
HOW BENEFITS ARE TAXED.....	21
YOUR RIGHTS UNDER ERISA .....	21
Receive Information About Your Plan and Benefits .....	21
Prudent Actions by Plan Fiduciaries.....	22
Enforce Your Rights .....	22
Assistance With Your Questions .....	22
YOUR RIGHT TO APPEAL.....	22
Time Frame for Claim Determinations.....	23
If You Receive an Adverse Benefit Determination .....	23
Procedures for Appealing an Adverse Benefit Determination .....	23
FUTURE OF THE PLAN.....	24
PENSION BENEFIT GUARANTY CORPORATION .....	25
A FINAL WORD.....	26
APPENDIX A.....	1

## **ABOUT THE PLAN AND THE BOOKLET . . .**

The Plan described herein was originally adopted July 1, 1968. The primary purpose of the Plan is to provide a retirement income to Employees covered under the collective bargaining agreement. The Plan has been amended several times since its effective date in order to update benefits and to keep the Plan in full compliance with applicable laws.

This booklet is designed to tell you about the Plan in an understandable and uncomplicated way. The first section, “Definitions,” will give you the meanings of specific terms that are used throughout the booklet. Eight of the next nine sections tell how the Plan operates, what benefits it provides and how the provisions of the Plan apply to you. Section 5 gives highlights of the federal Social Security program.

The final section, “Additional Information,” contains facts and details of the Plan’s operations. Some of the information in the Additional Information section is technical, but it is required by the Employee Retirement Income Security Act of 1974 (ERISA), as amended. Also included are subsections on your rights under ERISA and on Pension Benefit Guaranty Corporation coverage.

You are urged to read this entire booklet. When you are finished, look back at the table of contents and reread sections that particularly interest you. Review the ERISA-related material in Section 11. If you have any questions, contact the Joint Board of Trustees at the address given in the cover letter.

This booklet is considered a Summary Plan Description (“SPD”) under ERISA and it is only intended to be a general description of the requirements contained in the Plan document. The provisions of the official Plan document are controlling and if there is any conflict between the Plan document and this SPD, the Plan document controls.

## SECTION 1- DEFINITIONS

We intend to make this booklet as non-technical as possible; but, there are several words and phrases that have specific meanings in the Plan document. You will be seeing these terms in capitalized form as you read on. For a better understanding of the booklet and of the Plan, study these terms *carefully* before you go on to the next section.

1. **ASSOCIATION:** The Houston Chapter, Associated General Contractors of America, Inc., and any other employer association that is a party to a Labor Agreement requiring contributions to the Plan.
2. **BENEFICIARY:** If no person is named as your Beneficiary, payment of any earned benefit will be made to your Spouse, if any and if living, or if not, to the following living persons: First, to your children, if any, then to your parents, if any, then to your siblings, if any and then to your estate. For a Surviving Spouse's Pension, if you are married, your Spouse is automatically your Beneficiary and no other Beneficiary may be named for the Surviving Spouse Pension. A Beneficiary Designation Form should be completed and submitted to the Fund Office when you first become covered by the Plan and every time there is a change in your family (marriage, divorce, births, change in or death of a named beneficiary, etc.).
3. **BENEFIT RATE:** The Benefit Rate is used (along with Benefit Service) to determine the amount of your monthly pension payable when you retire from Covered Employment. **The Benefit Rates in effect in the last Plan Year you earn Benefit Service will be used to determine your pension, unless you have a Break-in-Service under the Plan; then, different rules may apply.** Remember, to earn Benefit Service, you must normally work at least 400 hours in Covered Employment in a Plan Year. Benefit Rates as of July 1, 2016 are as follows for active participants on that date who met the conditions noted in Appendix A and whose last year of Benefit Service was earned after June 30, 1993:

Past Service (Prior to July 1, 1968): \$7.50.

Future Service One (July 1, 1968 – June 30, 1980): \$60.00 for participants who retired on or after January 1, 2006 and who worked at least 400 hours in the Plan Year beginning July 1, 2004 or July 1, 2005. For all other participants, \$50.00.

Future Service Two (July 1, 1980 – June 30, 1990): \$60.00 for participants who retired on or after January 1, 2006 and who worked at least 400 hours in the Plan Year beginning July 1, 2004 or July 1, 2005. For all other participants, \$50.00.

Future Service Three (After July 1, 1990): \$90.00 for each year of service through June 30, 2012, reduced to \$65.00 for each year of service after June 30, 2012 for participants who retired on or after January 1, 2009 and worked at least 400 hours in the Plan Year beginning July 1, 2007 or the Plan Year beginning July 1, 2008. Otherwise, \$46.00 for Plan Years after June 30, 1990. For certain Plan Years before July 1, 2009, \$60.00 for participants who met conditions noted in Appendix A.

For a more complete history of Benefit Rates, see Appendix A.



4. **BENEFIT SERVICE:** Service that is used to determine the amount of your benefit from the Plan. There are four kinds of Benefit Services.

Past Service: For the period of time before July 1, 1968, you earned one year of Past Benefit Service for each year of Covered Employment. Part of a year of Covered Employment counts as part of a year of Past Benefit Service. *NOTE:* Past Benefit Service is limited to 25 years for purposes of the Plan.

Future Service One: For the period July 1, 1968 through June 30, 1980, you earned one year of Future Service One credit for each Plan Year in which you had at least 1,500 hours of Covered Employment. You earned a partial year of Future Service One if you worked less than 1,500 hours of Covered Employment; for example, you would earn: one-half of a year for 750 hours, or one-third of a year for 500 hours. You would not earn any Future Service One in any Plan Year during which you had less than 400 hours of Covered Employment, other than the year in which you retire or die.

Future Service Two: For the period July 1, 1980 through June 30, 1990, you earned one year of Future Service Two credit for each Plan Year in which you had at least 1,500 hours of Covered Employment. The same rules for partial year credits that applied to Future Service One also apply to Future Service Two.

Future Service Three: Beginning on July 1, 1990, you earn one year of Future Service Three credit for each Plan Year in which you have at least 1,500 hours of Covered Employment. The same rules for partial year credits that applied to Future Service One and Future Service Two also apply to Future Service Three.

5. **BREAKS IN SERVICE:** If you fail to perform at least 400 hours of Covered Employment in any Plan Year, you will be considered to have a Break-in-Service. (Time off the job because of sickness, injury, jury duty, military service or maternity/paternity leave, if recognized by the Plan, will be counted as Covered Employment for the purpose of this definition only).

If you have a Break-in-Service prior to becoming fully vested in the Plan, and the number of Break years exceeds the number of years of Vesting Service you had earned up to the time the Break began, **AND** exceeds five years, you will lose all of your accumulated service – both Vesting and Benefit Service.

**EXCEPTION:** Effective July 1, 2008, if you have at least three years of Vesting Service when your Break-in-Service begins, your accumulated service will be preserved – no matter how long the Break lasts.

6. **COUNCILS:** The Central South Carpenters Regional Council and the Southern States Millwright Regional Council.
7. **COVERED EMPLOYMENT:** Employment within a job classification covered by a labor agreement requiring contributions to this Trust Fund. Also, employment as an Employee of a Local Union making contributions to this Trust Fund.
8. **EFFECTIVE DATE:** The Plan was established on July 1, 1968, and the most recent Plan document restatement date was effective on July 1, 2014.

9. **EMPLOYEE:** Any person for whom Employer contributions have been made after July 1, 1968 to the Trust Fund, and who is (or has been) either (1) employed by an Employer and whose wage rates and working conditions have been established under a labor agreement between the Local Union and the Employer, or (2) employed by the Local Union that has agreed in writing to make contributions to the Trust Fund. Any person who, before July 1, 1968, was dependent for his employment on his trade as a carpenter, millwright, or pile-driver within the jurisdiction of a Local Union in a job classification covered by a labor agreement (as determined from Local Union records or other written evidence which is satisfactory to the Trustees). For the purpose of qualifying for death benefits prior to Retirement, you will be considered an Employee, only for the day before your death in qualified military service, with termination of employment as of the date of your death.
10. **EMPLOYER:** Any Employer who is a party to a Collective Bargaining Agreement with a participating Local Union that requires contributions under the Plan, or any Local Union that agrees in writing to make contributions to the Trust Fund.
11. **HOURS OF COVERED EMPLOYMENT:** Hours worked in Covered Employment mean any hour for which you are directly paid (or entitled to payment) by an employer that contributes to this Plan (1) for duties performed, or (2) as a result of a back pay award.
- You will also be credited with Hours of Covered Employment for any period during which you are employed by the Local Union, provided contributions are made to the Fund for your benefit.
- Finally, Hours of Covered Employment will include each hour for which you are paid or entitled to payment even though not performing duties, if such pay is due to vacation, holiday, illness, incapacity, layoff, jury duty, military duty or leave of absence.
12. **PLAN:** Carpenters and Millwrights of Houston and Vicinity Pension Plan.
13. **PLAN YEAR:** Each 12-month period beginning on July 1 and ending on the next June 30.
14. **SPOUSE:** means the person married to you, who is recognized as being married to you under the laws of the state where your marriage was established and that you have been married to the person for at least the one-year period ending on the earlier of the: (1) first day of the first period for which a monthly pension benefit is received; or (2) date of your death or retirement, except as ordered in a QDRO related to your former Spouse.
15. **TRUST FUND (OR JUST THE "FUND"):** The Fund administered by the Trustees of the Plan, which receives, holds and invests Employer contributions, and is the source of benefit payments and expenses.
16. **TRUSTEES:** A joint board composed of an equal number of people representing the Union and the Employers. The Trustees have the responsibility for administering the Trust Fund and the Plan.

17. **VESTING SERVICE:** This is the service that is used to determine your right to a benefit from the Plan. You earn one year of Vesting Service for each Plan Year in which you are credited with 1,000 or more hours of Covered Employment. You will be credited with a partial year of Vesting Service in any Plan Year that you work at least 400 hours, but less than 1,000 hours, in Covered Employment. No partial year of Vesting Service is earned for Plan Years in which you have less than 400 hours of Covered Employment except the Plan Year in which you retire or die. You will be fully vested in your accrued Pension Benefit if you have at least one hour of service on and after July 1, 2008, and you have accrued at least three years of Covered Employment. Other vesting rules apply to periods prior to July 1, 2008.

## **SECTION 2 - QUESTIONS AND ANSWERS**

This section of questions and answers has been prepared to give you a quick look at some of the major provisions of the Plan. The answers are not detailed or complete, and are not intended to be. For a fuller explanation, see the sections cited in the cross-references to each answer or request to review the Plan document at the Fund Office.

### **Who's covered by the Pension Plan?**

Basically, all Employees who are covered by the terms of the labor agreement currently in force between the Local Union and the Employer. See Definitions 6, 7, 9 and 10.

### **How much do I pay into the Plan?**

Nothing. All contributions are made by the Employer. See Section 10.

### **How much will my pension be?**

At your Normal Retirement Date, you will be entitled to a lifetime monthly pension equal to the sum of these four parts rounded to the nearest 10 cents. See Definitions 3 and 4 for more on Benefit Service and Benefit Rate. (Be sure to refer to Appendix A for broader description of the Benefit Rates in effect for your situation).

- Past Service (Prior to July 1, 1968): \$7.50.
- Future Service One (July 1, 1968 – June 30, 1980): \$60.00 for participants who retired on or after January 1, 2006 and who worked at least 400 hours in the Plan Year beginning July 1, 2004 or July 1, 2005. For all other participants, \$50.00.
- Future Service Two (July 1, 1980 – June 30, 1990): \$60.00 for participants who retired on or after January 1, 2006 and who worked at least 400 hours in the Plan Year beginning July 1, 2004 or July 1, 2005. For all other participants, \$50.00.
- Future Service Three (After July 1, 1990): \$90.00 for each year of service through June 30, 2012, reduced to \$65.00 for each year of service after June 30, 2012 for participants who retired on or after January 1, 2009 and worked at least 400 hours in the Plan Year beginning July 1, 2007 or the Plan Year beginning July 1, 2008. Otherwise, \$46.00 for Plan Years after June 30, 1990. For certain Plan Years before July 1, 2009, \$60.00 for participants who met conditions noted in Appendix A.

In addition, you will be entitled to a Cash Balance Benefit payable as a lifetime monthly pension. The Cash Balance Benefit is not calculated based on a Benefit Rate and your Benefit Service. The Cash Balance Benefit is calculated by converting your Cash Balance Account into a pension based on your age at benefit commencement. The Cash Balance Benefit may be paid as a pension or in a single lump sum payment. See Section 4 for details on your Cash Balance Benefit.

There are also provisions for Early Retirement and Disability Retirement pensions. See Definitions 3 and 4 for more on your Benefit Service and Benefit Rate and for details on when you can retire and how much pension you will receive.

**What happens if I leave the Plan before retirement?**

If you have enough years of Vesting Service, you will receive a Vested Deferred Pension at retirement time. See Definition 17 and Section 6.

**What happens if I die?**

A death benefit will be payable to your surviving Spouse or other Beneficiary, if you are qualified. See Section 7.

**How will my pension be paid?**

Normally, you will receive monthly installments over your lifetime, if you are unmarried when your benefit payments begin. If you are married when your benefit payments commence, you will receive a lifetime benefit that normally provides a 50% joint and survivor pension to provide a reduced pension to your eligible surviving Spouse. You and your Spouse can elect at the time of your retirement to have a greater percentage paid to your Spouse upon your death. See Section 8.

You may choose a lump sum payment of your Cash Balance Benefit instead of monthly installments. If you are married, your Spouse must consent to your choice of the lump sum payment.

**How do I get my pension payments started?**

When you near retirement, you must complete the Application for Pension and Cash Balance Benefit and submit it to the Fund Office. In no event may you (or your surviving Spouse, if applicable) receive benefits for any period prior to making written application, even if you would have been entitled to those benefits if you had made a timely application. See Section 9.

**Where can I find out more about the Plan?**

You can read the official Plan document and Trust Agreement. You will receive a copy upon request. A summary of the Plan's annual report will automatically be provided to you each year in the form of an Annual Funding Notice.

**May I assign my Benefits?**

Generally, benefits under this Plan may not be assigned, sold or used to borrow money. The one exception is an assignment as a result of a Qualified Domestic Relations Order against you. This order may require you to assign a portion of your pension benefits in the Plan to a qualified individual (Alternate Payee), such as an ex-Spouse. See Section 11.

### SECTION 3 - RETIREMENT DATES

The Plan is designed to provide a monthly Pension Benefit when you reach age 62, 64, 65, or your third full year of your commencement of Covered Employment, depending on your service history. But there are other possibilities. You may want to retire before your Normal Retirement Date, for example, or you might become disabled before retirement. The Plan has provisions to cover these and other circumstances, as you'll discover when you read on.

**NORMAL RETIREMENT DATE.** Normal Retirement Date is the first day after you reach Normal Retirement Age, which is determined as of the later of your 62<sup>nd</sup> birthday or the third full year of your commencement of Covered Employment. This definition of Normal Retirement Age applies to Participants who are either vested in the Plan and who worked at least 300 Hours of Service during the Plan Year ending June 30, 2008, or who are not vested and have at least one Hour of Service after June 30, 2008, and have accrued a total of three years of Vesting Service as of any date after July 1, 2008, while working in Covered Employment for an Employer. For prior periods, effective April 1, 1996, if you completed 300 hours during the Plan Year ending June 30, 1995, June 30, 1996, or June 30, 2008 or if you accrued five years of Vesting Service after July 1, 1995, your Normal Retirement Date is the first day of the month that falls on or after the later of your 62<sup>nd</sup> birthday or fifth anniversary of your commencement of Covered Employment.

Effective July 1, 1995, for participants who completed 300 hours during the Plan Year ending June 30, 1995 or accrued five years of Vesting Service after July 1, 1995, Normal Retirement Date is the first day of the month that falls on or after the later of your 64<sup>th</sup> birthday or fifth anniversary of your commencement of Covered Employment.

Prior to July 1, 1995, Normal Retirement Date means the later of your 65<sup>th</sup> birthday or the fifth anniversary of your commencement of Covered Employment.

*Note: If you incur a Permanent Break-in-Service before you are entitled to a Vested Deferred Pension, your reemployment date after your Break-in-Service will be your date of commencement of Covered Employment for purposes of determining your Normal Retirement Date. In other words, if your benefits have not yet vested at the time you incur a Permanent Break-in-Service, your prior employment, including Benefit and Vesting Service, will be disregarded.*

**EARLY RETIREMENT DATE.** You can choose to retire at any time if you have 10 years or more of Vesting Service and if the sum of your age plus your years of Vesting Service equals 70 or more at that time. The first day of the month on or after the date you actually retire before your Normal Retirement Date is called your Early Retirement Date.

**POSTPONED RETIREMENT DATE.** Your Postponed Retirement Date is the first day of any month after your Normal Retirement Date on or after your actual retirement.

**DISABILITY RETIREMENT DATE.** If you become totally disabled because of bodily injury or disease and you have at least five years of Vesting Service (at least three of which must be under this Plan), you may qualify for Disability Retirement. To qualify, you must have at least 600 hours in Covered Employment within the nine calendar quarters prior to (and including) the calendar quarter in which you became disabled. In addition, you must qualify for

disability insurance benefits under Title II of the Federal Social Security Act. The existence and continuation of disability may require certification by one or more doctors who will be selected by the Fund Office, and the Fund Office may require periodic recertification as often as every six months.

No Disability Retirement Benefit will be paid if disability results from an intentionally self-inflicted injury or attempted suicide, participation in the commission of a felony, or from service in the Armed Forces of any country.

Your Disability Retirement Date will be the first day of the month following six months after your date of disability, provided you apply for disability benefits from the Pension Plan before that date and Federal Social Security disability benefits are awarded. Otherwise, your Disability Retirement Date will be the first day of the month on or after the date you apply to the Fund Office in writing for Disability Payments to commence or, if later, the first day of the month Federal Social Security disability benefits are awarded.

In addition to these four specific types of retirement incomes, the Plan also provides for a Vested Deferred Pension (if you leave the Plan before qualifying for one of the other retirement benefits above) and a Death Benefit in some circumstances. More about these in Sections 6 and 7.

## **SECTION 4 - BENEFIT AMOUNTS**

The primary purpose of a retirement program is to replace a part of the income that stops when you stop working; and, for a qualified, long-service Employee, this Plan can do just that. The Plan provides two benefits: a Pension Benefit and a Cash Balance Benefit. This Section explains how the various benefit amounts are determined.

### **YOUR PENSION BENEFIT**

**NORMAL RETIREMENT BENEFIT.** To calculate your Normal Pension Benefit, you'll need to know your Benefit Service and the Benefit Rate in effect in the last year that you earn Benefit Service. Your Benefit Service includes your Past Service (PS), Future Service One (FS1), Future Service Two (FS2), and Future Service 3 (FS3). Then all you do is follow this five-step procedure. (The example below uses Benefit Rates in effect July 1, 2014 and assumes that you worked at least 400 hours in all Plan Years. Be sure to refer to Appendix A for Benefit Rates in effect for your situation).

1. Multiply your years of Past Service (Prior to July 1, 1968) by \$7.50.
2. Multiply Future Service One (July 1, 1968 – June 30, 1980) by \$60.00 for participants who retired on or after January 1, 2006 and who worked at least 400 hours in the Plan Year beginning July 1, 2004 or July 1, 2005. For all other participants, \$50.00.
3. Multiply Future Service Two (July 1, 1980 – June 30, 1990) by \$60.00 for participants who retired on or after January 1, 2006 and who worked at least 400 hours in the Plan Year beginning July 1, 2004 or July 1, 2005. For all other participants, \$50.00.
4. Multiply Future Service Three (After July 1, 1990) by \$90.00 for each year of service through June 30, 2012, reduced to \$65.00 for each year of service after June 30, 2012 for

participants who retired on or after January 1, 2009 and worked at least 400 hours in the Plan Year beginning July 1, 2007 or the Plan Year beginning July 1, 2008. Otherwise, \$46.00 for Plan Years after June 30, 1990. For certain Plan Years before July 1, 2009, \$60.00 for participants who met conditions noted in Appendix A.

5. Add the four numbers together and round to the nearest ten cents.

**EXAMPLE:** Let's look at an example. We'll say that Rusty Nail is going to celebrate his 62<sup>nd</sup> birthday in June 2010 after 32 years of service and he plans to take Normal Retirement at that time. He will have zero years of Past Service, two years of Future Service One, 10 years of Future Service Two, and 20 years of Future Service Three at that time. How much will his monthly Pension be, beginning just after his 62<sup>nd</sup> birthday?

1. Multiply \$7.50 by years of PS (not more than 25 years) .....\$7.50 x 0 = \$0.00
2. Multiply \$60.00 by years of FS1 (not more than 12 years).....\$60.00 x 2 = \$120.00
3. Multiply \$60.00 by years of FS2 (not more than 10 years).....\$60.00 x 10 = \$600.00
4. Multiply \$90.00 by years of FS3.....\$90.00 x 20 = \$1,800.00
5. Add the four numbers together, and round to the nearest 10 cents.....\$2,520.00

That would be the amount of Rusty's Normal Pension Benefit from the Plan in this example: \$2,520.00 a month, every month, for the rest of his life. This is only the Pension Benefit. In addition to the Pension Benefit, Rusty would be entitled to his Cash Balance Benefit and any benefits paid from Social Security (which is not part of this Plan). If he is married for at least one year at the time he retires, his Pension Benefit will be adjusted for the 50% Joint and Survivor Benefit that will provide a Pension Benefit to his Spouse after he dies.

**EARLY RETIREMENT BENEFIT.** The Early Retirement Benefit is calculated by applying the same formula used to determine a Normal Retirement Benefit. Then the result is *reduced* to reflect the payment and a longer period. The reduction is 5% each year (5/12 of 1% for each month) between Early Retirement Date and Normal Retirement Date. This reduction will not apply if you have attained age 55 and have at least 30 years of Benefit Service when you retire. The following are sample annual reduction factors:

Number of Years Retiring Early	Reduction
1 Year	5%
3 Years	15%
5 Years	25%
7 Years	35%
10 Years	50%

Let's look at an example. We'll say that Rusty's friend, Mike, became a member of the Pension Plan on the same day as Rusty – but he's exactly three years younger than Rusty and he left Covered Employment for three years from July 1, 2001 to June 30, 2004. So when Rusty turns 62, Mike will turn 59. Now let's say that Mike wants to retire at the same time, so the friends can start a business together. Can Mike do it? Yes, he has met the Plan's requirements for Early Retirement, and can retire if he chooses. Mike will have a slightly smaller pension because he

was gone for 3 years and he only has 29 years of Vesting Service. Mike's Pension Benefit will be \$2,250.00 (2 years at \$60, 10 years at \$60, and 17 years at \$90). The Early Retirement Reduction factor also applies – 5/12 of 1% for each month until his Normal Retirement Date. Mike has three years left (age 59 to age 62) to Normal Retirement Age. If we multiply those three years by 5%, we get 15%. So Mike's \$2,250.00 formula benefit has to be reduced by 15%, or \$337.50. This would leave Mike with an actual Early Retirement Benefit from the Plan of \$1,912.50 (\$2,250.00 minus \$337.50, rounded to the nearest \$.10) a month, beginning at his age of 59. For a full description of why this reduction is applicable please contact the Fund Office.

**POSTPONED RETIREMENT BENEFIT.** Your Postponed Pension Benefit is calculated by applying the Normal Pension Benefit formula using your Benefit Service and the Benefit Rate at your Postponed Retirement Date.

**DISABILITY RETIREMENT BENEFIT.** The Disability Pension Benefit is also calculated by applying the Normal Pension Benefit formula using your Benefit Service and the Benefit Rate at your Disability Retirement Date.

**REEMPLOYMENT BEFORE NORMAL RETIREMENT DATE.** If you are reemployed following your early retirement and commencement of benefits, your monthly retirement benefits will stop while you are re-employed. When you again retire, your benefits will start again and an adjustment will be made to reflect the period you were reemployed and the value of the monthly benefits you were previously paid.

**REEMPLOYMENT AFTER NORMAL RETIREMENT DATE.** If you are reemployed following your Normal Retirement Date and commencement of benefits, your monthly Pension Benefits will continue to be paid. Each July 1, an adjustment will be made to increase your monthly benefit if you earned any additional accruals.

## **YOUR CASH BALANCE BENEFIT**

The Cash Balance Benefit is a monthly benefit payable in the same form of payment as your standard pension benefit. You will receive one monthly check which will include both benefit amounts. However, you may elect a single lump sum payment of your Cash Balance Benefit instead of monthly retirement payments. **You cannot elect a lump sum or monthly benefit before the date you qualify for an Early, Normal, Disability or Postponed Pension Benefit.**

The calculation of your Cash Balance Benefit is different from your Pension Benefit. The cash value in an account established and maintained for you is converted into a monthly benefit based on your age at benefit commencement. If you leave the Plan after earning 3 years or more of Vesting Service, you will be entitled to a Cash Balance Benefit at retirement.

The Cash Balance Benefit was established effective July 1, 1997 for all active participants who:

- Had not retired prior to February 1, 1997 and who worked at least 400 hours in Covered Employment from July 1, 1994 to June 30, 1995 or from July 1, 1995 to June 30, 1996.
- Had not retired prior to July 1, 1997 and who worked at least 400 hours in Covered Employment from July 1, 1996 to June 30, 1997.



- Had previously retired in accordance with the disability provisions but returned to work prior to July 1, 1997.

Your initial Cash Balance Account as of July 1, 1997 was determined as the sum of the following:

- The sum of the product of your Future Service 3 hours in excess of 1,500 hours for each Plan Year (July 1, 1990 – June 30, 1997 only) multiplied by the applicable contribution rate in effect as of June 30 of each Plan Year; plus
- The product of \$1.15 times your hours for the period from February 1, 1994 through January 31, 1995.

If you were not eligible July 1, 1997 for a Cash Balance Benefit, your initial Cash Balance Account will be the amount credited in the first Plan Year that you are eligible for a contribution credit.

Your Cash Balance Account will be increased each year with contribution credits and interest. Interest will be credited as of the last day of each Plan Year. The rate credited for each Plan Year will be based on the yield rate of the 1-year Treasury Constant Maturities as of the beginning of the Plan Year, plus 1%. Effective June 30, 1998, as of the end of each Plan Year, your Cash Balance Account shall be credited with an amount equal to the product of your hours in Covered Employment in excess of 1,500 for the respective Plan Year multiplied by the Contribution Rate in effect as of the last day of the Plan Year. The Contribution Rate in effect for 2008 was \$2.83. Changes in the Contribution Rate after this date are shown in the table below. These rates remain in effect unless changed by your collective bargaining agreement.

<u>Effective Date</u>	<u>Contribution Rate</u>
October 1, 2010	\$2.83 (Carpenters)
	\$3.08 (Millwrights)
	\$2.83 (Tradeshow)
April 1, 2012	\$3.05 (Carpenters)
	\$3.08 (Millwrights)
	\$2.83 (Tradeshow)
September 1, 2012	\$3.05 (Carpenters)
	\$3.08 (Millwrights)
	\$3.05 (Tradeshow)
April 1, 2013	\$3.07 (Carpenters)
	\$3.08 (Millwrights)
	\$3.05 (Tradeshow)
April 1, 2014	\$3.08 (Carpenters)
	\$3.08 (Millwrights)
	\$3.05 (Tradeshow)

September 1, 2014    \$3.08 (Carpenters)  
                              \$3.08 (Millwrights)  
                              \$3.08 (Tradeshow)

**Example 1:** If you are covered by the Millwrights collective bargaining agreement and you worked 1,800 hours in the Plan Year ending June 30, 2013, your Cash Balance Credit for that Plan Year would be determined as follows:

Hours Worked minus 1,500 hours multiplied by \$3.08 = Cash Balance Credit in a Plan Year.

$$1,800 - 1,500 = 300 \text{ hours. } 300 \text{ hours multiplied by } \$3.08 = \$924.$$

**Example 2:** If you worked as a Carpenter for 1,800 hours in the Plan Year ending June 30, 2013, there was a change in the Contribution Rate from \$3.05 to \$3.07 effective April 1, 2013. Your Cash Balance Credit for that Plan Year would be determined as follows:

The changed Contribution Rate doesn't affect your Normal Retirement benefit, but it does affect your Cash Balance benefit calculation. You first take your total Hours Worked in the Plan Year (1,800) minus 1,500 hours. A separate calculation must be made for each period where the Contribution Rate was different. The remaining 300 hours is multiplied by \$3.05 and then by the number of applicable months and that is added to the calculation of the 300 hours multiplied by \$3.07 and then by the number of applicable months. The calculation is as follows:

$1,800 - 1,500 = 300$  hours. Then, 300 hours is multiplied by  $\$3.05 = \$915$ , and  $\$915$  is multiplied by  $9/12$  (July-March) =  $\$686.25$ . Then 300 hours is multiplied by  $\$3.07 = \$921$ , and  $\$921$  is multiplied by  $3/12$  (April-June) =  $\$230.25$ . Then add  $\$686.25$  and  $\$230.25 = \$916.50$ . This is your total Cash Balance contribution for the Plan Year ending June 30, 2013.

## RECIPROCITY AGREEMENTS

The Trustees have joined in an agreement with the Central South Carpenters Regional Council and the Southern States Millwright Regional Council of the United Brotherhood of Carpenters and Joiners of America, and their respective Local Unions, to provide you with additional eligibility and/or benefit accrual if you work as a carpenter or millwright under a pension plan sponsored by another participating carpenter or millwright local union. The Plan participates in both of the reciprocal programs that provide different benefit protections when you perform work in the jurisdiction of one of these other participating locals, as follows:

**Pro-Rata Program:** you will receive Pro-Rata Vesting Service credit for all hours of work you perform under any of the participating pension programs. This means, if you have one year of service under another participating plan, that year of service will be recognized by the Plan for purposes of your Vesting Service credit under this Plan. The additional vesting service from the other plan will not be credited toward Benefit Service under this Plan and will not affect the amount of your pension or the Benefit Rate for calculating your pension. The Pro-Rata Vesting Service you earn while working under the other plan can also increase your Vesting Service credit for establishing your right to certain benefits under the Plan (like the Age 55 and 30 Years of Service unreduced Early Retirement benefit). This program combines your Vesting Service accrued under each participating plan and gives you credit under all such plans for your full, accrued Vesting Credit regardless of which participating plan the credit was earned. For

example: If you earn five years of Vesting Credit under this Plan, an additional three years under Pro-Rata plan A, and an additional two years under Pro-Rata plan B. You would have a total of 10 years of Vesting Credit under all three plans under the Pro-Rata reciprocity agreement. Whether or not you earn any benefit credit (Benefit Service under this Plan) under the other two plans in the example is determined under the provisions of those plans.

**Contribution Transfer Program:** you may also work under other participating pension plans and have your contributions that were made to other plans transferred to this Plan and credited under this Plan as though the reciprocal contributions were made to this Plan originally. This program gives you full credit for reciprocal contributions toward your benefit accrual under the Plan in addition to the Pro-Rata Vesting Credit earned under the above program. The reciprocal contributions may also apply to the Plan's Cash Balance Benefits in the same manner as Plan contributions under this Plan (if applicable).

For employer contributions received by the Plan under a reciprocity agreement, related to work you performed under another plan, the total amount of the Contribution Transfer will be credited at the then-applicable Plan Contribution Rate, with a proportional adjustment of Hours of Work related to the amount credited at the Contribution Rate. The Plan Contribution Rate is as described herein. For example:

If you elect to utilize the Contribution Transfer Program and are a millwright that worked a total of 1,000 hours of work under another participating reciprocal plan from July 1, 2012 through June 30, 2013, and the other pension plan contribution rate was \$6.16 per hour, your hours worked in Covered Employment will be prorated as follows:  $\$6.16/\$3.08 = 2$  times 1,000 hours = 2,000 hours of Covered Employment credited under this Plan for the 2012-2013 Plan Year. As a result of the 2,000 hours credited to you, you would receive a full year of Vesting and Benefit Credit under this Plan for the 2012-2013 Plan Year. You would also receive a Cash Balance Contribution of \$1,540 for the 2012-2013 Plan Year (2,000 hours credit – 1,500 = 500, times the Cash Balance Contribution Rate of \$3.08 = \$1,540).

Contact the Fund Office if you have any questions about any reciprocity credits (Vesting or Benefit) from any other participating pension plan.

## SECTION 5 - SOCIAL SECURITY

Any benefits you earn under the federally-sponsored Social Security system will be paid to you *in addition* to your benefit from the Plan. That will give you two sources of retirement income. These two sources together should replace a substantial percentage of your after-tax working earnings.

Under current law, Social Security unreduced retirement benefits are available to you at age 65 (to be raised gradually to age 67 by the year 2027) or in a reduced amount at your age 62. Social Security also pays spousal, medical, disability, and survivors' benefits to qualified persons.

When you near retirement, check into your Social Security benefits. The Administrator's Office can give you general information; for specific figures, call or visit your local Social Security office.

Social Security benefits are not paid automatically: You have to apply for them through a Social Security office.

And keep in mind, too, that it is “the bottom line” that counts – the total amount of your combined retirement income from the Pension Plan and Social Security.

## **SECTION 6 - TERMINATION BENEFIT**

If you leave the Pension Plan before your Early Retirement Date, a termination benefit may be payable. Here’s how it works:

**VESTED DEFERRED PENSION.** If you leave the Plan after earning three years or more of Vesting Service, you will be entitled to a Vested Deferred Pension – a benefit that’s payable to you when you reach Normal Retirement Age, no matter where you are working then. This pension is payable beginning on your Normal Retirement Date; but, you can begin payments if and when you are eligible for Early Retirement (if you are willing to take a reduction for each month between the date benefits begin and your Normal Retirement Date). The amount of your benefit is determined based on the Benefit Rate in effect in the last year that you earned Benefit Service.

**AND NOTE:** You must apply for this benefit, in writing, on a form prescribed for that purpose. . Forms are available from the Fund Office.

## **SECTION 7 - DEATH BENEFITS**

### **PRIOR TO RETIREMENT**

**LUMP SUM DEATH BENEFIT PAYMENT.** If you should die before retirement, a lump sum death benefit will be payable to your Beneficiary if you have met the following eligibility requirements:

- Worked at least 600 hours of Covered Employment in the nine consecutive calendar quarters prior to and including the quarter in which death occurs. Covered Employment after you have reached your Normal Retirement Age and begun to receive pension payments will not be recognized for the purpose of meeting this 600-hour requirement.

If you have met this requirement, the death benefit will be the sum of (1) \$11,000, (2) an additional benefit equal to \$1,000, plus (3) \$200 times the number of years (and fractions thereof) by which your death precedes your 60<sup>th</sup> birthday. The maximum lump sum death benefit is \$16,000.

**THE SURVIVING SPOUSE’S PENSION.** In addition to the Lump Sum Death Benefit Payment, if you have been married to your Spouse at your date of death for at least one year, you die before your retirement benefit payments begin and you have earned at least three years (five years of Vesting Service with respect to a Participant with an Hour of Service after June 30, 1996 through June 30, 2008; or 10 years of Vesting Service with respect to a Participant for the period before July 1, 1996) of Vesting Service, a Surviving Spouse’s Pension may be paid to your surviving Spouse. The additional requirements are that you must have:

- Worked at least 600 hours of Covered Employment in the nine consecutive calendar quarters prior to and including the quarter in which death occurs, or

- Met the requirements for Normal, Early, Disability or Postponed Retirement at the date of your death.

The Surviving Spouse's Pension will take the form of a monthly income payable to your surviving Spouse, and will continue until your Spouse dies. The amount of the monthly benefit is equal to 50% of the amount of your benefit earned at the date of death. The Surviving Spouse's Pension is not reduced for commencement prior to your Normal Retirement Date. However, if your Spouse is more than fifteen years younger than you are, there is a reduction to reflect the anticipated longer period of payment.

Satisfactory proof of your marriage, your death and your and your Spouse's ages must be furnished to the Fund Office before a Spouse's benefit will be paid.

**Note:** If you are not married or have not been married to your Spouse at your date of death for at least one year, no Surviving Spouse's Pension is payable.

**PRE-RETIREMENT SURVIVOR ANNUITY.** In addition to the Lump Sum Death Benefit Payment, if you have three years (five years of Vesting Service with respect to a Participant with an Hour of Service after June 30, 1996 through June 30, 2008; or 10 years of Vesting Service with respect to a Participant for the period before July 1, 1996), of Vesting Service, you have been married to your Spouse for at least one year on your date of death, and you die before your retirement benefit payments begin, a death benefit will be paid to your surviving Spouse. The Pre-Retirement Survivor Annuity is reduced in accordance with the Plan's early retirement reduction factors if your Spouse commences the benefit before your Normal Retirement Date. Also, if your Spouse is more than fifteen years younger than you are, there is a reduction to reflect the anticipated longer period of payment.

Satisfactory proof of your marriage, your death, and you and your Spouse's ages must be furnished to the Fund Office before a Pre-Retirement Survivor Annuity benefit will be paid.

**However, under no circumstances shall your Spouse be entitled to both the Surviving Spouse's Pension and the Pre-Retirement Survivor Annuity.**

**CASH BALANCE DEATH BENEFIT.** If you should die while in Covered Employment before completing three years of Vesting Service, your Beneficiary will be entitled to a benefit equal to your Cash Balance Account. Your beneficiary may be able to roll over this benefit payment to an IRA if applicable.

**DEPENDENT DEATH BENEFIT.** If you have earned at least 600 hours of Covered Employment during the nine consecutive calendar quarters prior to and including the quarter in which death occurs, a death benefit will be paid to you on the death of your Spouse equal to \$6,000 and on the death of your Dependent Child equal to \$3,000.

You must have been married for at least one year at the date of your Spouse's death to be eligible for this benefit. Dependent Children are defined as your unmarried children who are under 19 years of age. Any other unmarried child under age 24 who attends school regularly and depends solely on you for support will also be considered dependent. Dependent children include adopted children, step children, or any child for whom you are legally appointed guardian, if they are living in your household and are dependent upon you for support.

Satisfactory proof of your Spouse's death or Dependent Child's death must be submitted to the Fund Office before a benefit will be paid.

## **AFTER RETIREMENT**

**RETIREE LUMP SUM DEATH BENEFIT.** A lump sum death benefit equal to \$5,000 is payable to the Beneficiary of a participant who retires with sufficient Vesting Service under the Plan to be 100% vested at the time of retirement and dies after July 1, 1999.

**SURVIVOR ANNUITY.** If you were married at the time your benefit payments began and you have been married to the same person for at least one year prior to your death, and if you and your Spouse did not waive the normal form of Pension Benefit under the Plan, your Spouse will receive a percentage of the amount that you were receiving continuing for your Spouse's lifetime based on the form of payment you elected. If you are not married, no further benefits will be payable. See Section 8.

## **SECTION 8 - METHODS OF PAYMENT**

The way your Pension Benefit will be paid depends on whether or not you have been married for at least one year at the time your monthly payments begin. Here's how it works:

### **TYPES OF BENEFITS**

**PENSION BENEFIT.** This benefit is based on benefit rates and your years of service. This portion of your Pension Benefit may only be paid as an annuity. You may choose when the annuity will commence, and if you have been married for at least one year when benefits commence you may also choose the type of annuity (see the description of forms of benefits below).

**CASH BALANCE BENEFIT.** This benefit is based on Cash Balance Contribution Rates and interest rates in effect each year that you have a Cash Balance Account. You may elect a single lump sum payment of your Cash Balance Benefit instead of monthly annuity payments when you reach your Early or Normal Retirement Date and elect to retire.

If you choose to receive this portion of your benefit as an annuity, it must be paid in the same form of payment as your Pension Benefit. You must commence this portion of your benefit at the same time as your Pension Benefit.

If you choose to receive your Cash Balance Benefit in the form of a lump sum distribution, you may be able to roll over this distribution into an IRA or other qualified retirement plan. Your designated Beneficiary may be able to roll over any lump sum distribution from your Cash Balance Benefit in a similar manner. Please contact the Fund Office if you have any questions about this option.

## NORMAL FORM OF PAYMENT

**LIFE ANNUITY.** A monthly income payable during your lifetime, with payments to stop at your death. *(This is the default form of payment if you are unmarried and if you have been married for less than one year when benefits commence).*

**QUALIFIED JOINT AND 50% SURVIVOR ANNUITY.** A monthly income payable for your lifetime. At your death, 50% of such amount will be payable to your Spouse for life. If your Spouse dies before you do, payments will stop at your death regardless of whether or not you remarry. *(This is the default form of payment if you who have been married for at least one year when benefits commence).*

## OPTIONAL FORMS OF PAYMENT

**LIFE ANNUITY.** An alternative monthly income for you if you are married for more than one year at the time of your retirement payable during your lifetime, with payments to stop at your death. In order for you to elect this form of payment, you must have your Spouse sign a written agreement (provided by the Plan) to waive the Qualified Joint and 50% Survivor Annuity above.

**JOINT AND SURVIVOR ANNUITY.** A modified monthly income for you if you are married for more than one year at the time of your retirement payable for your lifetime. At your death, a percentage (75% or 100%) of such amount will be payable to your Spouse for life. If your Spouse dies before you do, payments will stop at your death regardless of whether or not you remarry.

**LUMP SUM DISTRIBUTION.** A single lump sum payment of the Cash Balance Benefit instead of monthly annuity payments at retirement. Only the Cash Balance Benefit is payable in a lump sum. Your Pension Benefit must be paid as an annuity. If you elect lump-sum form of payment for your Cash Balance Benefit, your Spouse (if married for more than one year at benefit commencement) must consent in writing to your election. Also, your Spouse's consent must be witnessed by a plan representative or a Notary Public. If you, including an applicable Beneficiary, elect to receive a lump-sum distribution, you may be eligible to roll over the distribution to another pension plan or an IRA. Check with the Fund Office to discuss the limitations and requirements for this optional method of distribution. Distributions from other pension plans or IRAs cannot be rolled over into this Plan.

**BENEFIT SUSPENSION NOTICE.** If you continue to work in Covered Employment with an Employer past your Normal Retirement Date, or if you return to work after retiring, and such service constitutes suspendible service under the Department of Labor Regulations and the Plan document, then Pension Benefit payments to you shall not begin, or will be discontinued, until you no longer work in Covered Employment. The Trustees shall notify you by first-class mail if your benefits have been suspended pursuant to this requirement. Such notice shall contain the following:

- A. A description of the specific reasons why benefit payments are being suspended;
- B. A general description of the Plan provisions relating to the suspension of payments;

- C. A copy of the suspension provisions in the Plan;
- D. A statement to the effect of the applicable Department of Labor Regulations; and
- E. The Plan procedures available to you for review of this suspension of benefits determination.

The suspension of your benefits under this requirement will end after you have ceased to work in Covered Employment.

## **SECTION 9 - APPLICATION FOR PAYMENT**

At least 90 days prior to the date you want to retire, you must make written application for benefit.

As soon as administratively feasible, benefits will be calculated and you will be given an election form, which will describe your benefit options. This form must be completed and filed with the Fund Office at least 30 days, but no more than 90 days before benefit payments may start. You may revoke a previous election and make a new election at any time prior to benefit commencement.

You should provide the Fund Office with your current address and notify it of any change in address.

If you do not apply for benefits in a timely manner or fail to provide information requested by the Fund Office, your benefits could be delayed.

## **SECTION 10 - CONTRIBUTIONS**

You are not required or allowed to make any personal contributions to the Plan. All contributions to the Plan are negotiated and paid by your Employers. Contributions are deposited in the Fund to accumulate and provide retirement benefits for eligible Participants and their Beneficiaries and to defray reasonable expenses of the Plan.

## **SECTION 11 - ADDITIONAL INFORMATION**

One of the main goals of the Employee Retirement Income Security Act of 1974 (ERISA) is expanded reporting and disclosure of benefit plan operations and provisions, reporting to the Department of Labor and the Internal Revenue Service, and disclosure to Plan Participants and their Beneficiaries.

It is the intention of the Trustees to comply fully with all aspects of ERISA. Thus, the required information in this section has been reported to the appropriate federal agencies and is hereby "disclosed" to you.

## **IDENTIFYING INFORMATION**

1. The full formal name of the Pension Plan is the Carpenters and Millwrights of Houston and Vicinity Pension Plan. It is a defined benefit, multiemployer, employee pension benefit plan, which provides Pension Benefits at Normal, Early, Postponed and Disability



Retirement, as well as death benefits and a deferred vested termination benefit for eligible Employees who meet specified age, service and hours-of-employment requirements.

2. The Plan is funded through contributions made by the Employer under the terms of a collective bargaining agreement entered into by the Employer and participating Local Unions. Benefits and expenses are paid through the Carpenters and Millwrights of Houston and Vicinity Pension Fund.
3. The Plan administrator of the Pension Plan is the Joint Board of Trustees. The Fund Office for the Plan is located at 9555 West Sam Houston Parkway South, Suite 400, Houston, Texas 77099. The mailing address is P. O. Box 722038, Houston, Texas 77272-2038. The local telephone number is (713) 219-1200.
4. The Sponsor of the Plan is the Joint Board of Trustees of the Carpenters and Millwrights of Houston and Vicinity Pension Fund. The address and telephone number are given in item 3 above. The Employer identification number (EIN) is 74-6134999. The Plan number (PN) is 001. A complete list of the Employers and unions sponsoring the Plan may be obtained upon written request.
5. The Trustees of the Plan are as follows:

<b>Labor Trustees</b>	<b>Employer Trustees</b>
Jason B. Engels Central South Carpenters Regional Council 2850 Massachusetts Avenue Metairie, LA 70003	Patrick J. Kiley Kiley Advisors, Inc. 99 Detering, Suite 104 Houston, TX 77007
Donnie Hooper Carpenters Local Union #551 8441 Gulf Freeway, Suite 101 Houston, TX 77017	Paul T. Oliver W.S. Bellows Construction Corp. P. O. Box 2132 Houston, TX 77252-2132
Kenneth K. Fontenot Carpenters Local Union #551 8441 Gulf Freeway, Suite 101 Houston, TX 77017	William J. Warren Total Industrial Services Specialists Inc. 12711 Fuqua, Suite 103 Houston, TX 77034
Kenneth M. Hines Millwright Local Union No. 2232 2151 Alabama Street Pasadena, TX 77503	

You may write to the Joint Board of Trustees, in care of Zenith American Solutions, P. O. Box 722038, Houston, Texas 77272-2038.

6. The end of the Plan's fiscal year is each June 30<sup>th</sup>.
7. The agent for service of legal process is Douglas M. Selwyn, Conner & Winters, LLP, 1001 McKinney Street, Suite 550, Houston, Texas 77002.

## HOW YOU MAY LOSE BENEFITS

The Plan exists specifically to provide retirement benefits. However, under certain circumstances, those benefits may be delayed, reduced, or lost. For example:

- If your employment terminates for any reason before you are vested, no benefits are payable to you or anyone else on your behalf.
- If your employment status changes such that you no longer work enough to earn a benefit, you may stop accruing benefits; for example, if you work less than 400 hours in Covered Employment in any Plan Year.
- If you do not notify the Fund Office of a change in your address, your benefits could be delayed or lost.
- If a court order concerning child support, alimony, or marital property rights so decrees, part of your benefit may be payable to someone other than you or your designated Beneficiary.
- If you continue to work past your Normal Retirement Date, you will continue to accrue benefits, but your benefits accrued through your Normal Retirement Date will not be paid at your Normal Retirement Date. That benefit, plus benefits earned after your Normal Retirement Date, will be paid to you when you retire. Your postponed retirement benefit is the benefit earned to your date of retirement, figured using the benefit formula for Normal Retirement, but using your Benefit Service and Benefit Rate on your Postponed Retirement Date.

## LEAVES OF ABSENCE

You may be able to continue your participation during leaves of absence under this Plan under certain conditions.

**Continuation of Participation for Employees in the Uniformed Services.** The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), as amended, guarantees certain rights to eligible employees who enter military service. Upon reinstatement, eligible employees may be entitled to the seniority, rights and benefits associated with the position held at the time employment was interrupted, plus additional seniority, rights and benefits that would have been attained if employment had not been interrupted. These rights include service credit under the Plan for the purposes of Benefit Service and Vesting Service. Such qualifying military leave will not constitute a Break-in-Service. If you think you may be eligible for these special rights under USERRA, please contact the Fund Office.

**Continuation of Participation While on Family and Medical Leave.** Under the federal Family and Medical Leave Act (FMLA), if you meet eligible service requirements, you are entitled to take up to 12 weeks of leave for certain family and medical situations. An absence under the Family and Medical Leave Act will not constitute a Break-in-Service for purposes of this Plan. In general, your FMLA leave is treated like any other paid or unpaid leave under the Plan. If your FMLA leave is paid, your leave will be treated like other paid leaves; if your FMLA leave is unpaid, it will be treated like other unpaid leaves.

## HOW BENEFITS ARE TAXED

Here is some general information on how current federal income tax law affects your benefits, based on the Plan's understanding of that law. These are intended only as guidelines. You should consult a tax specialist for special advice about your personal situation.

Taxes are delayed on your benefit until such time as you begin to receive a benefit payment.

- If you are paid a single lump sum, generally you may – within 60 days – “roll over” all or part of your lump-sum distribution to an Individual Retirement Account (IRA) or another employer's qualified plan. If you choose a direct rollover, no federal income tax withholding will be required. All of your distribution will be paid directly to your IRA or your new employer's qualified plan from this Plan.
- If you choose to have a lump sum paid directly to you, you will receive only 80% of the payment, because the IRS requires the Plan to withhold 20% and send it to the IRS for credit against your taxes.
- If you receive your lump sum before age 59½ and do not roll it over, you will be subject to an additional 10% excise tax (unless you terminated employment during or after the year of your 55<sup>th</sup> birthday).

## YOUR 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 (ERISA). ERISA provides that all plan participants shall be entitled to:

### Receive Information About Your Plan and Benefits

- Examine, without charge, at the Fund Office, all documents governing the plan including a copy of any collective bargaining agreement pursuant to which the Plan is maintained, 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 Fund Office, copies of documents governing the operation of the Plan, including copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Fund Office may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Fund Office 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 Benefit at your Normal Retirement Age, and if so, what your Pension Benefit would be at Normal Retirement Age under the Plan if you stop working 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 12 months. The Plan must provide the statement free of charge.

Any year in which you are provided with an annual benefit statement, the requirements of this paragraph have been met.

**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 or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Pension Benefit or exercising your rights under ERISA.

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file a lawsuit in a federal court within 12 months thereafter. In such a case, the court may require the Fund Office 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 Fund Office. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file a lawsuit in a state or a federal court within 12 months of denial of your appeal. In addition, if you disagree with the Trustees’ decision or lack thereof concerning the qualified status of a domestic relations order, you may file a lawsuit in federal court within 18 months after submission of the domestic relations order for qualification.

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 a lawsuit 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 Fund Office. If you have any questions about the statement or about your rights under ERISA or if you need assistance in obtaining documents from the Fund Office, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## **YOUR RIGHT TO APPEAL**

If you have any questions about the Plan or if you wish to make a claim for benefits, you should contact the Fund Office. If you feel you have a right to a benefit under the Plan that you have not received, you may file a claim for the benefit with the Fund Office.

**Time Frame for Claim Determinations.** If you receive an adverse benefit determination (i.e., any denial, reduction, or termination of a benefit, or a failure to provide or make a payment), the Fund Office will notify you of the adverse determination within a reasonable period of time, but not later than 90 days after receiving the claim. This 90-day period may be extended for up to an additional 90 days, if the Fund Office both determines that special circumstances require an extension of time for processing the claim, and notifies you, before the initial 90-day period expires, of the special circumstances requiring the extension of time and the date by which the Plan expects to render a determination.

In the event an extension is necessary due to your failure to submit necessary information, the Plan's time frame for making a benefit determination on review is tolled (i.e., stopped) from the date the Fund Office sends you the extension notification until the date you respond to the request for additional information.

**If You Receive an Adverse Benefit Determination.** The Fund Office will provide you with a notification of any adverse benefit determination, which will set forth:

- The specific reason(s) for the adverse benefit determination;
- Reference to the specific Plan provisions on which the benefit determination is based;
- A description of any additional material or information necessary for you to perfect the claim and an explanation of why that material or information is necessary; and
- A description of the Plan's appeal procedures and time limits applicable to such procedures, including a statement of your right to bring a civil action under ERISA after an adverse determination on appeal.

**Procedures for Appealing an Adverse Benefit Determination.** You, or your authorized representative, have 60 days following the receipt of a notification of an adverse benefit determination within which to appeal the determination by filing a written appeal with the Trustees at the Fund Office (within 90 days if no action, positive or negative, has been taken by the Fund Office). You have the right to:

- Submit written comments, documents, records and other information relating to your claim for benefits and within 20 days of submitting the appeal notice you may submit arguments and comments in support of your claim;
- Request, free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim for benefits. For this purpose, a document, record, or other information is treated as "relevant" to your claim if it:
  - Was relied upon in making benefit determinations
  - Was submitted, considered, or generated in the course of making the benefit determination regardless of whether such document, record or other information was relied upon in making the benefit determination
  - Demonstrates compliance with the administrative processes and safeguards required in making the benefit determination; and
- A review that takes into account all comments, documents, records, and other information submitted by you relating to the claim, regardless of whether such information was submitted or considered in the initial benefit determination, and the

Trustees can request a hearing on your appeal if they determine it is warranted in your case.

The Fund Office will notify you of the Trustee's benefit determination on review within a reasonable period of time, but not later than 60 days after receipt of your request for review by the Trustees. This 60-day period may be extended for up to an additional 60 days, if the Trustees both determine that special circumstances require an extension of time for processing the claim, and notifies you, before the initial 60-day period expires, of the special circumstances requiring the extension of time and the date by which the Trustees expect to render a determination on review.

In the event an extension is necessary due to your failure to submit necessary information, the Plan's time frame for making a benefit determination on review is tolled (i.e., stopped) from the date the Fund Office sends you the extension notification until the date you respond to the request for additional information.

The Fund Office's notice of an adverse benefit determination on appeal will contain all of the following information:

- The specific reason(s) for the adverse benefit determination;
- Reference to the specific plan provisions on which the benefit determination is based;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and
- A statement describing any voluntary appeal procedure offered by the Plan and your right to obtain the information about such procedures, and a statement of your right to bring an action under ERISA §502.

## **FUTURE OF THE PLAN**

It is the intent that the Trustees of the Carpenters and Millwrights of Houston and Vicinity Pension Plan to continue the Plan indefinitely; however, the Trustees reserve the right to amend, modify, suspend or terminate the Plan, in whole or in part, in accordance with Plan provisions. Plan amendment, modification, suspension or termination may be made for any reason, and at any time allowed by law, and may, in certain circumstances, result in the reduction or elimination of benefits to the extent permitted by law. If the Plan is terminated, you will become fully vested in the benefits you have accrued to that point (to the extent they are funded).

Upon termination or partial termination of the Plan, your accrued benefit will become fully vested and non-forfeitable; however, Plan assets or the Pension Benefit Guaranty Corporation will be your only recourse toward satisfaction of your non-forfeitable benefits.

The assets of the Trust Fund will be liquidated by first making provisions for the expenses of liquidation and then making payment or provisions for the payment of benefits in accordance with ERISA §4044 to the extent the assets are available to provide benefits to you and your Beneficiaries.

Any distribution after termination of the Plan may be made, in whole or in part, to the extent that no discrimination in value results, in cash, in securities, or in other assets in kind, or in non-transferable annuity contracts, as the Trustees in their discretion determine. To the extent that any distribution is made in property other than cash, such property shall be valued at fair market value as of the date of distribution.

In the event of any merger or consolidation of the Plan with any other plan, or the transfer of assets or liabilities by the Plan to another plan, each Participant, Beneficiary or Alternate Payee must be entitled to receive (assuming that the Plan then terminated) a benefit immediately after the merger, consolidation, or transfer that is equal to or greater than the benefit such individual would have been entitled to receive immediately before the merger, consolidation, or transfer (assuming that the Plan had then terminated). In addition, any such merger, consolidation or transfer of assets and/or liabilities shall be subject to the requirements set forth in ERISA §4231 or §4232 (regarding advanced notice to the PBGC) and any other required provisions.

## **PENSION BENEFIT GUARANTY CORPORATION**

Your Pension Benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan runs out of money, the PBGC will step in to pay the guaranteed pension benefits, at the reduced accrual rates described below.

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. As of the date of the Summary Plan Description, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

The PBGC guarantees generally cover:

- Normal and Early retirement benefits;
- Disability benefits if you become permanently and totally disabled before the Plan runs out of money; and
- Certain benefits for your survivors.

The PBGC guarantees generally do **NOT** cover:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan runs out of money;
- Some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan runs out of money;

- Benefits that are not vested;
- Benefits for which you have not met all the requirements at the time the Plan runs out of money;
- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's Normal Retirement Age;
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay; and
- Lump sum payments in excess of \$5,000.

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

## **A FINAL WORD.....**

This booklet has been prepared very carefully, but errors can occur. If there should be any conflict between the material presented in the booklet and the actual terms and provisions of the Plan document, the Plan document necessarily will govern. In other words, when the time comes for you to receive a benefit from this Plan, you will get the amount to which you are fairly and equitably entitled under its formal terms and conditions of the Plan document.



## APPENDIX A

BENEFIT RATES					
Last Year Benefit Service Earned	Past Service	Future Service One	Future Service Two	Future Service Three	Description
1/1/89 to 6/30/89	7.50	32.50 <sup>(1)</sup>	35.00	N/A	
7/1/89 to 6/30/90	7.50	40.00 <sup>(2)</sup>	40.00 <sup>(3)</sup>	N/A	
7/1/90 to 6/30/92	7.50	40.00 <sup>(2)</sup>	40.00 <sup>(3)</sup>	46.00 <sup>(4)</sup>	
7/1/92 to 6/30/93	7.50	40.00 <sup>(2)</sup>	40.00 <sup>(3)</sup>	46.00 <sup>(4)</sup>	
7/1/93 Forward	7.50	50.00 <sup>(5)</sup> / 60.00 <sup>(8)</sup>	50.00 <sup>(6)</sup> / 60.00 <sup>(8)</sup>	46.00 <sup>(7)</sup> 60.00 <sup>(7)</sup> 90.00 <sup>(9)</sup>	for Benefit Service earned prior to July 1, 2012
				46.00 <sup>(7)</sup> 65.00 <sup>(9)</sup>	for Benefit Service earned on after July 1, 2012

- (1) \$30 with respect to Retired Participants who commence benefits prior to January 1, 1989.
- (2) \$32.50 with respect to Retired Participants with less than 400 hours during 88/89 and 89/90 Plan Year.
- (3) \$35.00 with respect to Retired Participants with less than 400 hours during 88/89 and 89/90 Plan Year.
- (4) Originally, \$35.00 with respect to Retired Participants who commence benefits on or after July 1, 1990 and prior to January 1, 1993; and \$40.00 with respect to Retired Participants who commence benefits on or after January 1, 1993 and prior to July 1, 1993. Retroactive increase to \$46.00 effective July 1, 1993.
- (5) \$40.00 for Retired Participants who commence benefits before July 1, 2000.  
\$40.00 for Retired Participants who commence benefits on July 1, 2000 or after, but worked less than 400 hours during 94/95 and 95/96 Plan Year and credited with less than five (5) years vesting service after June 30, 1996.  
\$50.00 for Retired Participants who commence benefits on July 1, 2000 or after, and either worked at least 400 hours during either 94/95 or 95/96 Plan Year, or credited with five (5) years of vesting service after June 30, 1996.
- (6) \$40.00 for Retired Participants who commence benefits before January 1, 1999.  
\$40.00 for Retired Participants who commence benefits on January 1, 1999 or after, but worked less than 400 hours during 94/95 and 95/96 Plan Year and credited with less than five (5) years vesting service after July 1, 1996.  
\$50.00 for Retired Participants who commence benefits on January 1, 1999 or after, and either worked at least 400 hours during either 94/95 or 95/96 Plan Year, or credited with five (5) years of vesting service after June 30, 1996.
- (7) \$46.00 for Retired Participants who commence benefits prior to February 1, 1997.

\$46.00 for Retired Participants who commence benefits on or after February 1, 1997 but worked less than 400 hours during 94/95 and 95/96 Plan Year.

\$50.00 for Retired Participants who commence benefits on or after February 1, 1997 but before January 1, 1999 and worked at least 400 hours during either 94/95 or 95/96 Plan Year.

\$60.00 through June 30, 2009 for Retired Participants who commence benefits on or after January 1, 1999, and either worked at least 400 hours during either 94/95 or 95/96 Plan Year, or credited with five (5) years of vesting service after June 30, 1996 and \$46 for Benefit Service after June 30, 2009.

If Participant worked less than 400 hours during 94/95 and 95/96 Plan Years and is credited with less than five (5) years of vesting service after July 1, 1996, \$46.00 for Benefit Service earned from July 1, 1990 through June 30, 1996, and \$60.00 for Benefit Service earned after July 1, 1996 through June 30, 2009 and \$46 for Benefit Service after June 30, 2009.

- (8) The Benefit Rates for years between 7/1/68 and 6/30/80 under Future Service One and between 7/1/80 and 6/30/90 under Future Service Two, shall be \$60.00 for each year of service during those periods if both of the following conditions are met: (a) the participant retired on or after January 1, 2006; and (b) the participant worked at least 400 hours in the plan year beginning July 1, 2004 or the plan year beginning July 1, 2005.
- (9) The Benefit Rates for years from 7/1/90 to 6/30/12 under Future Service Three shall be \$90.00 for each year of Benefit Service during those periods, if both of the following conditions are met: (a) the participant retired on or after January 1, 2009; and (b) the participant worked at least four hundred (400) hours in the Plan Year beginning July 1, 2007 or the Plan Year beginning July 1, 2008. This Benefit Rate will be reduced to \$65 for each year of service after June 30, 2012.