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PENSION PLAN
SUMMARY PLAN DESCRIPTION

SHEET METAL WORKERS' PENSION PLAN OF SOUTHERN CALIFORNIA, ARIZONA AND NEVADA

Effective

April 1, 2019

THE HARMAN PRESS
ALLIED PRINTING TRADES UNION LABEL COUNCIL SOUTHERN CALIF. 28
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International Association of

SMART

Sheet Metal | Air | Rail | Transportation Workers

If you have any questions call:

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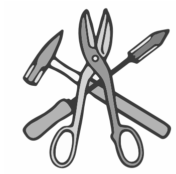

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SHEET METAL WORKERS' PENSION PLAN OF
SOUTHERN CALIFORNIA, ARIZONA AND NEVADA

111 North Sepulveda Boulevard, Suite 200
Manhattan Beach, California 90266-6849
Telephone: (310) 798-6572 or (800) 947-4338
Website: www.smbpac.org

Dear Pension Plan Participant:

We are pleased to present your new Pension Plan summary plan description ("SPD"), or plan booklet, describing the benefits available as of April 1, 2019.

The Internal Revenue Service has determined that the Plan continues to meet the requirements for tax-qualified status. This means that income taxes on contributions made to the Plan are deferred until your benefit payments begin.

Numerous changes have been made to the Plan since the last printing of the SPD in 2012, as announced in previous correspondence to you.

Some notable changes since the last SPD, which are reflected in this SPD, include the following:

- Benefit changes made by the 2012 Rehabilitation Plan and the 2016 Funding Improvement Plan, which was updated effective January 1, 2019.

- Implementation of same-sex marriage rights.

- A new one-year deadline for filing suit under ERISA following denial of a claim for benefits and exhaustion of the Plan's internal claims and appeal procedures, and a new requirement that suits must be brought in the federal district court in which the administrative offices of the Plan are located (the United States District Court for the Central District of California).

- Limiting eligibility for the lump-sum post-retirement death benefit to surviving spouses only, and increasing the amount of the benefit from $1,000 to $1,500.

We urge you to read this booklet carefully so that you understand the valuable benefits provided to you under this Plan.

It is important to remember when reading and interpreting the Plan that if the facts and circumstances of a particular situation occurred prior to the printing of this booklet the provisions of the Plan in effect at the relevant date may be applied. Those provisions may be different from the Plan presently in effect and summarized in this booklet.

This booklet is merely a summary of the rules and regulations of the Pension Plan. Your benefits will be determined under the official Pension Plan Document, as amended by the Board of Trustees of the Plan from time to time. In the event of any inconsistency between the Plan Document and this booklet, the Plan Document will control.

April 1, 2019

The Board of Trustees has full discretion and authority to interpret the rules and regulations and to decide any question regarding the nature and extent of benefits provided under the Pension Plan. The Board of Trustees also has full discretion and authority to decide any factual question related to eligibility for and the extent of benefits provided by the Pension Plan. A copy of the Plan Document can be obtained from the Administrative Office (Sheet Metal Benefit Plans Administrative Corporation); see item 16 of Section W, "Information Required by ERISA," at page 68.

For your protection, only the Board of Trustees is authorized to interpret the Pension Plan. While a great effort is made by the Local Unions and Employers to help you obtain the correct information about your Pension Plan, information you receive from a Local Union or Employer, or from a contractor's representative such as a local Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) representative, should be regarded as unofficial. In order to be official, any information or opinion about your rights under the Pension Plan must be communicated to you by the Administrative Office in writing, and signed on behalf of the Board of Trustees.

It is important for you to keep the Administrative Office informed of any change in your mailing address, to ensure that you receive all communications and benefits timely. To protect your rights, all such changes should be communicated in writing. You should also keep a copy, for your records, of any notices you send to the Administrative Office.

Any questions about your benefits or your rights and responsibilities should be addressed to the Administrative Office at: Sheet Metal Workers' Pension Plan of Southern California, Arizona and Nevada, c/o Sheet Metal Benefit Plans Administrative Corporation (SMBPAC), P.O. Box 10067, Manhattan Beach, California 90267-7567.

Foreign Language Assistance / Asistencia Lengua Extranjera: This Summary Plan Description contains a summary in English of your plan rights and benefits under the Plan. If you have difficulty understanding any part of this booklet, contact the Administrative Office either in person or by telephone.

AVISO A LOS PARTICIPANTES QUE HABLAN ESPAÑOL: Si tiene alguna pregunta tocante este folleto, o requiere alguna otra información tocante a su cobertura de salud, por favor no dude en comunicarse con la Oficina Administrativa al (800) 947-4338, donde habrá varios representantes bilingües que con gusto le ayudarán.

Sincerely,

THE BOARD OF TRUSTEES

A.
KEY TERMS

The Pension Plan provides retirement benefits for eligible Participants who work for Employers who contribute to the Plan. Before describing these benefits and the requirements that must be met in order to be eligible, there are certain terms used in the Plan which should be explained.

2012 REHABILITATION PLAN: The "2012 Rehabilitation Plan" was adopted by the Board of Trustees in 2012, in accordance with the Pension Protection Act of 2006, as amended (PPA), a federal law.

2016 FUNDING IMPROVEMENT PLAN, AS UPDATED: The "2016 Funding Improvement Plan" was adopted by the Board of Trustees in 2016, in accordance with the PPA. The 2016 Funding Improvement Plan reduced or eliminated benefits, and included a "Non-Preferred Default Schedule" and a "Preferred Contribution Schedule" which reduced or eliminated benefits and provided for different contribution rates to the Plan depending on which schedule was adopted by the collective bargaining parties (or imposed on them by law). In 2018, the 2016 Funding Improvement Plan was updated, effective January 1, 2019. The updated 2016 Funding Improvement Plan provides the same benefits as the 2016 Funding Improvement Plan, but revised the implementation of the required contribution increases. For more information about the updated 2016 Funding Improvement Plan, and which schedule or schedules may apply to you, please contact the Pension Department.

As a general rule, benefits of Participants are determined according to a schedule in the updated 2016 Funding Improvement Plan when they earn at least one Hour of Service under a collective bargaining agreement (or other agreement pursuant to which the Employer contributes) that is adopted by (or imposed on) the collective bargaining parties, with terms consistent with the schedule and the updated 2016 Funding Improvement Plan.

ACTIVE PARTICIPANT: The term "Active Participant" refers to an individual who has not incurred a One-Year Break in Covered Employment (see pages 35-36) since the most recent calendar year or computation period in which he or she completed 1,000 or more Hours of Service. The term "Active Participant" also means a Participant who is not an Inactive Vested Participant or a Terminated Participant.

ANNUITY STARTING DATE: The date on which a pension becomes effective under Plan rules (see Section T, "Annuity Starting Dates," at page 54). See also "Pension Effective Date," below.

BENEFICIARY: The term "Beneficiary" refers to a person (other than a Pensioner) who is receiving benefits or is entitled to receive benefits in the future because of his or her designation for such benefits by an Active Participant, Inactive Vested Participant, or Pensioner, or because of his or her status as a legal beneficiary under Plan rules, or by operation of law.

CONTRIBUTION DATE: The date corresponding to the Local Union, as shown in the following chart, in whose jurisdiction a Participant was employed when the first contribution to the Plan was made on his or her behalf.

Local Union No.	Contribution Date
105 (formerly 108, 102, 420, and 509)	January 1, 1958
104 District 3 (formerly 273)	July 1, 1959
206	July 1, 1959
152 (now part of 105)	January 1, 1961
88	July 1, 1965
26	January 1, 1967
359 (formerly 426)	June 1, 1967

COVERED EMPLOYMENT: Work for which an Employer is required to contribute to this Plan.

EMPLOYEE: The term "Employee" means an employee of an Employer who performs one or more hours of work covered by any of the Collective Bargaining Agreements.

The term "Employee" also includes employees of Local Unions, Joint Apprentice Committees, and the Administrative Office on whose behalf contributions are made to the Pension Plan pursuant to regulations adopted by the Board of Trustees.

The term "Employee" also includes individuals who are shareholders in an Employer which is incorporated pursuant to the Internal Revenue Code or who are members of an Employer which is a limited liability company (LLC), provided that such individuals are working in the bargaining unit as evidenced by being members of a Local Union in accordance with applicable Collective Bargaining Agreements and the Constitution and Bylaws of that Local Union and the International Association of Sheet Metal, Air, Rail and Transportation Workers ("SMART"), formerly the Sheet Metal Workers International Association ("SMWIA"), and that contributions on such individuals are made on all hours worked subject to a minimum of 155 hours per month (130 hours per month for the first six months for newly-organized bargaining units).

EMPLOYER: The term "Employer" means a person or entity required by a Collective Bargaining Agreement to make payments (contributions) into this Pension Plan or who does in fact make such payments. As permitted by law or regulation, the term "Employer" also includes a Local Union, or a joint apprentice committee, or a trust fund, or a corporation whose purpose is to provide administrative services to the Pension Plan (or a Related Plan), that makes contributions to the Pension Plan on behalf of its Employees.

GRACE PERIODS: "Grace Periods" are periods of time a Participant is not working in Covered Employment which are not counted in determining a Break in Covered Employment or a Separation in Service. Grace Periods are recognized for periods of ownership or management interest in a contributing Employer to this Plan, full-time employment as an International Representative of SMART or as an elected or appointed official of a labor organization affiliated with the AFL-CIO, certain sheet metal employment with a public agency pursuant to a collective bargaining agreement, and periods of disability or involuntary unemployment. Further details concerning Grace Periods can be found at pages 38-40.

Parental leave under the Family and Medical Leave Act of 1993 (FMLA) also constitutes a Grace Period. Parental leave is defined as a Participant's absence from work due to the Participant's pregnancy, or to the birth of the Participant's child (and newborn care after the birth), or to placement of a child in connection with an adoption by the Participant (including a trial period). The Plan complies with the FMLA and regulations under that law in determining if certain leaves of absence would cause a Break in Covered Employment.

HOUR OF SERVICE: The term "Hour of Service" includes each hour of work in Covered Employment as well as hours for which no work is performed but for which a participant is entitled to be paid due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, family or medical leave of absence but excluding any time compensated under a workers' compensation law or pursuant to a mandatory disability benefits law and excluding any hours of non-work time in excess of 300 in a calendar year (375 before 1992).

INACTIVE VESTED PARTICIPANT: An "Inactive Vested" Participant is a Vested Participant (see page 7) who has at least a One-Year Break in Covered Employment (see page 5) after application of any Waivers (see page 7) and Grace Periods (see page 4), and is not in pay status under the Plan.

Inactive Vested Participants are not eligible for certain pension benefits, including the Disability Pension. Also, Inactive Vested Participants who elect or are only eligible for the Single Life Annuity form of pension benefits are not eligible for the pension benefit guarantee period that is available to active Vested Participants (generally 54 months, but see page 40), and joint and survivor monthly benefits of Inactive Vested Participants are reduced because they are calculated to be equivalent in value to benefits taken in the Single Life Annuity form without a guarantee period. In addition, Inactive Vested Participants are not eligible for the $1,500 post-retirement lump sum death benefit (see pages 47-48).

NON-COVERED SHEET METAL SERVICE: Sheet Metal work in the geographical jurisdiction of this Plan or a Related Plan (see page 28) on or after February 1, 1986 for an employer which does not have, or self-employment which is not covered by, a collective bargaining agreement with a SMART local union requiring contributions to this Plan or a related pension plan. It includes all work or service of the kind performed by any contributing Employer to the Plan which relates in any way to any work of the kind performed by participating Employees covered by the Plan. It includes such jobs as management, ownership, sales, estimating, or consulting positions for Sheet Metal Employers or in the Sheet Metal Industry (see definition at page 49), as well as work of the type done by bargaining unit members and related work.

NORMAL RETIREMENT AGE: "Normal Retirement Age" under the Plan is the later of age 65 or, if later, the earlier of the age of the Participant on the fifth anniversary of his or her participation in the Plan since April 1, 1988 or the tenth anniversary of his or her participation. For this purpose, the Plan does not count participation before a Permanent Break in Covered Employment. Nor does the Plan count participation before a One-Year Break in Covered Employment in the case of a former Participant who has not returned to Covered Employment. However, if a former Participant reestablishes his or her status as an Active Participant before incurring a Permanent Break in Covered Employment, his or her participation prior to the One-Year Break will be counted. Active Participation is restored when a former Participant returns to Covered Employment and earns 1,000 Hours of Service in a twelve-month period following his or her break-in-service, or subsequently earns a year of Vesting Service (1,000 Hours of Service in a calendar year).

ONE-YEAR BREAK IN COVERED EMPLOYMENT: If a Participant who is not Vested (see page 7) does not complete at least 300 Hours of Service in a calendar year (375 Hours of Service before 1992), he incurs a One-Year Break in Covered Employment and his previous years of Vesting Service (see page 7) and his previously earned Pension Credits are canceled. For more information, see pages 35-37 of this booklet. Breaks in Covered Employment can be repaired with Waivers and Grace Periods (see pages 38-40 for more information).

If a Participant with one or more One-Year Breaks in Covered Employment becomes Vested before incurring a Permanent Break in Covered Employment (see page 6), his years of Vesting Service and Pension Credit earned before the One-Year Break or Breaks are restored.

PARTICIPANT: The term "Participant" includes an Active Participant (see page 3), a Pensioner (see page 6), a Beneficiary (see page 3), a Vested Participant (see page 7), an Inactive Vested Participant (see page 5), or a Terminated Participant (see page 7).

PENSION CREDIT: Years of service which are earned by Participants and which are used to determine eligibility for benefits. Pension Credits are of two types: PAST SERVICE CREDIT earned for periods prior to the Contribution Date; FUTURE SERVICE CREDIT for periods on and after the Contribution Date. How these are earned is described in detail later in this booklet.

PENSION EFFECTIVE DATE: Prior to Required Beginning Date (see page 49), Pensions are effective, at the earliest, on the first day of the second month after the pension application is filed. For example, if a Participant wants to receive his first pension payment on July 1, his application must be received at the Administrative Office (or postmarked, if mailed) by May 31.

In addition, if you have not reached Normal Retirement Age (generally age 65, but see page 5) and you meet all other eligibility requirements, but you work one hour in the Sheet Metal Industry (see pages 49-50) during any month, your earliest pension effective date will be the first of the following month. For example, if you work one hour (or more) on July 1, your earliest Pension Effective Date will be August 1, providing that your pension application was received no later than June 30.

If you have reached Normal Retirement Age (generally age 65, but see page 5) but have not reached your Required Beginning Date (see page 49), and you meet all other eligibility requirements, you must also refrain from Covered Employment and from Suspendable Employment (see Section R, at pages 48-52) during the calendar month that includes your pension effective date.

Disability Pensions become effective, at the earliest, with the sixth month of disability, provided the Participant has made timely application and has been awarded a Disability Benefit from Social Security. In no event can the effective date of his or her Disability Pension be prior to the effective date of his or her Social Security Disability award or prior to the first day of the second month after his or her application for pension benefits is received by the Administrative Office.

Please refer to the section on Annuity Starting Dates at pages 54-55 for more information.

PENSIONER: The term "Pensioner" refers to a Participant who retired and is receiving Pension benefits under this Plan.

PERMANENT BREAK IN COVERED EMPLOYMENT: If a Participant has a sufficient number of consecutive One-Year Breaks in Covered Employment (see page 5), after application of any Waivers (see page 7) and Grace Periods (see page 4), the Participant incurs a Permanent Break in Covered Employment.

Prior to 1975, a Participant had a Permanent Break in Covered Employment if he had two consecutive One-Year Breaks in Covered Employment. Between January 1, 1976 and January 1, 1987, a Participant had a Permanent Break in Covered Employment if the number of consecutive One-Year Breaks in Covered Employment equaled the number of years of Vesting Service the Participant had earned.

Beginning January 1, 1987, a Participant has a Permanent Break in Covered Employment if the number of consecutive One-Year Breaks in Covered Employment is at least five and equals the number of years of Vesting Service the Participant had earned.

Permanent Breaks in Covered Employment can be repaired with Waivers and Grace Periods (see pages 38-40 for more information).

If, at the time a Participant applies for a pension under the Plan, he has a Permanent Break in Covered Employment after application of any Waivers and Grace Periods, his years of Vesting Service and Pension Credit earned before the Permanent Break in Covered Employment do not apply for purposes of determining the Participant's Vested status, eligibility for benefits, and benefits under the Plan.

RECIPROCAL CREDIT: Pension credit earned under a Related Plan (see page28), which does not earn benefits under this Plan but which may be used to establish eligibility for benefits under this plan or to repair a Separation in Service or a Break in Covered Employment.

SEPARATION IN SERVICE: If a Participant does not earn at least 300 Hours of Service in each of two consecutive calendar years (375 hours before 1992), the Participant will have a Separation in Service. This means that future benefit increases will not apply to the Pension Credit earned before the Separation in Service and also means that the Participant will not be eligible for a Service Pension unless the Participant had at least 25 years of Pension Credit prior to the Separation or earns 25 years of Pension Credit after the Separation in Service. For information on Grace Periods and Waivers, which can be used to repair Separations in Service, see pages 4, 7, and 38-40.

SPOUSE: Your Spouse is the person to whom you are lawfully married.

TERMINATED PARTICIPANT: A "Terminated Participant" is a Participant who incurred a One-Year Break in Covered Employment after application of any Waivers (see page 7) and Grace Periods (see page 4), is not in pay status under the Plan, and does not have a non-forfeitable right to benefits under the Plan.

VESTED PARTICIPANT: A "Vested Participant," or a Participant who is "Vested," is a Participant who has a non-forfeitable right to benefits under the Plan.

VESTING SERVICE: Years of service which are earned by Participants after the Contribution Date which are used to determine eligibility for a Vested Pension.

WAIVERS: Breaks in Covered Employment and Separations in Service may be repaired with a Waiver, if a Participant returns to Covered Employment for as long as he or she was out of Covered Employment. The Plan rules for Waivers are summarized at pages 38-39.

B.
TYPES OF PENSIONS

The Plan provides the following basic types of pension benefits for eligible Plan Participants. The rules for these pension benefits are summarized in the following pages.

- Regular Pension (Section C, pages 8-16)
- Service Pension (Section D, pages 16-19)
- Early Retirement Pension (Section E, pages 19-21)
- Disability Pension (Section F, pages 21-26)
- Special Early Pension Section G, (page 27)
- Vested Pension (Section H, pages 27-28)
- Pro Rata Regular or Early Retirement Pension (Section I, pages 28-29)

C.
REGULAR PENSION

Eligibility for a Regular Pension

A Participant is eligible for a Regular Pension when he or she has retired, filed a completed application, and met all of the following requirements:

1. He or she has attained age 65.
2. He or she has at least 15 years of Pension Credit (Past and Future) or 10 years of Future Service Credit without a Permanent Break in Covered Employment.
3. He or she has accumulated at least two quarters of Pension Credit since his or her Contribution Date or has worked at least 750 hours within the eighteen-month period immediately following his or her Contribution Date.

Amount of a Regular Pension; Benefit Accruals

You must earn at least one-quarter of Future Service Credit (300 Hours of Service; 375 before 1992) in a given calendar year in order to earn any benefit accrual that year. Additional conditions, if any, will be explained in the detailed discussion, in the following pages, of the particular segment or segments of the benefit formula to which such conditions may apply.

Generally, the monthly amount of the benefit will be calculated using the terms of the Plan in effect on the retiree's Annuity Starting Date. However, if you have had a Separation in Service (see page 7), and do not qualify for a Grace Period (see pages 39-40) or a Waiver (see pages 38-39) under the terms of the Plan, then some or all of your benefits may be subject to the terms of the Plan in effect at a time earlier than your Annuity Starting Date.

The monthly amount of the Regular Pension—prior to any applicable adjustment for age or for form of payment—is the sum of the respective amounts accrued in each Plan Year (which is the same as the calendar year). The total accrued benefit is determined in this manner because the benefit has changed as of various effective dates and the accrual method is not the same for all years.

The Regular Pension payable to a married Participant will be reduced as described under the Joint and Survivor Pension, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of a Joint and Survivor Pension.

Although, as noted above, your accrued monthly benefit is calculated as the sum of each calendar year's accrual, the benefit formula, for relative ease of understanding, can be broken down into the following nine segments, with the same rules generally applying to each calendar year within a segment (except as noted in the detailed explanations in the following pages). Thus, the benefit formula consists of the following nine segments:

Segment 1. Accrual, if any, in calendar years prior to 1981, plus

Segment 2. Accrual, if any, in the 1981 through 1990 calendar years, plus

Segment 3. Accrual, if any, in the 1991 through 1994 calendar years, plus

Segment 4. Accrual, if any, in the 1995 through 2005 calendar years, plus

Segment 5. Accrual, if any, in the 2006 and 2007 calendar years, plus

Segment 6. Accrual, if any, in the 2008 through 2010 calendar years, plus

Segment 7. Accrual, if any, in the 2011 through 2013 calendar years, plus

Segment 8. Accrual, if any, in the 2014 through 2016 calendar years, plus

Segment 9. Accrual, if any, in calendar years beginning on and after January 1, 2017.

Following is a detailed discussion of each of the nine "segments" in the benefit formula:

Segment 1. Accruals Prior to 1981:

A Participant who has earned at least one-quarter of Pension Credit on or after January 1996 will earn a monthly benefit of $35.00 for each full year (and proportionately less for fractional years) of Pension Credit earned before January 1, 1981, up to a maximum of $875.00.

Segment 2. Accruals in 1981 through 1990:

For the years 1981 through 1990, the monthly benefit amount is determined by multiplying the Participant's Benefit Accrual Percentage times the total of all contributions required on the Participant's behalf during each calendar year in which the Participant earned Pension Credit for at least 375 hours of work in Covered Employment. The Benefit Accrual Percentage is the percentage which corresponds to the Average Hourly Contribution Rate as follows:

Average Hourly Contribution Rate	Benefit Accrual Percentage
At Least - But Less Than	
Less than $1.75	1.6871%
$1.75 - $1.80	1.8123
$1.80 - $1.85	1.8903
$1.85 - $1.90	1.9640
$1.90 - $1.95	2.0339
$1.95 - $2.00	2.1002
$2.00 - $2.05	2.1633
$2.05 - $2.10	2.2233
$2.10 - $2.15	2.2804
$2.15 - $2.20	2.3351
$2.20 - $2.25	2.3872
$2.25 - $2.30	2.4370
$2.30 - $2.35	2.4847
$2.35 - $2.40	2.5304
$2.40 - $2.45	2.5742
$2.45 - $2.50	2.6163
$2.50 - $2.55	2.6566
$2.55 - $2.60	2.6953
$2.60 - $2.65	2.7367
$2.65 - $2.70	2.7686
$2.70 - $2.75	2.8032
$2.75 - $2.80	2.8365
$2.80 - $2.85	2.8688
$2.85 - $2.90	2.8998
$2.90 - $2.95	2.9298
$2.95 - $3.00	2.9588
$3.00 - $3.05	2.9867
$3.05 - $3.10	3.0139
$3.10 - $3.15	3.0403
$3.15 - $3.20	3.0657
$3.20 - $3.25	3.0903
$3.25 - $3.30	3.1141
$3.30 - $3.35	3.1373
$3.35 - $3.40	3.1598
$3.40 - $3.45	3.1815
$3.45 or more	3.2028

The Average Hourly Contribution Rate is determined by dividing the total of the contributions required on the Participant's behalf for each calendar year by the total number of hours for which such contributions were required during such calendar year.

Segment 3. Accruals in 1991 through 1994:

For the years 1991 through 1994, the monthly benefit amount is determined by multiplying the Participant's Benefit Accrual Percentage times the total of all contributions required on the Participant's behalf during each calendar year in which the Participant earned Pension Credit for at least 375 hours of work in Covered Employment. The Benefit Accrual Percentage is the percentage which corresponds to the Average Hourly Contribution Rate as follows:

Average Hourly Contribution Rate	Benefit Accrual Percentage
At Least - But Less Than	
Less than $1.75	2.0244%
$1.75 - $1.80	2.1749
$1.80 - $1.85	2.2684
$1.85 - $1.90	2.3568
$1.90 - $1.95	2.4406
$1.95 - $2.00	2.5203
$2.00 - $2.05	2.5959
$2.05 - $2.10	2.6679
$2.10 - $2.15	2.7366
$2.15 - $2.20	2.8021
$2.20 - $2.25	2.8646
$2.25 - $2.30	2.9245
$2.30 - $2.35	2.9816
$2.35 - $2.40	3.0364
$2.40 - $2.45	3.0891
$2.45 - $2.50	3.1395
$2.50 - $2.55	3.1879
$2.55 - $2.60	3.2345
$2.60 - $2.65	3.2793
$2.65 - $2.70	3.3223
$2.70 - $2.75	3.3638
$2.75 - $2.80	3.4039
$2.80 - $2.85	3.4425
$2.85 - $2.90	3.4798
$2.90 - $2.95	3.5157
$2.95 - $3.00	3.5505
$3.00 - $3.05	3.5842
$3.05 - $3.10	3.6168
$3.10 - $3.15	3.6482
$3.15 - $3.20	3.6788
$3.20 - $3.25	3.7082
$3.25 - $3.30	3.7370
$3.30 - $3.35	3.7648
$3.35 - $3.40	3.7917
$3.40 - $3.45	3.8179
$3.45 or more	3.8433

The Average Hourly Contribution Rate is determined by dividing the total of the contributions required on the Participant's behalf for each calendar year a by the total number of hours for which such contributions were required.

Segment 4. Accruals in 1995 through 2005:

For the years 1995 through 2005, the monthly benefit amount is determined by multiplying the Participant's Benefit Accrual Percentage times the total of all contributions required on the Participant's behalf during each calendar year in which the Participant earned at least one-quarter of Pension Credit. The Benefit Accrual Percentage is the sum of (a) the Participant's Average Hourly Contribution Rate multiplied by 0.85848%, plus (b) 1.2264%. The Average Hourly Contribution Rate is determined by dividing the total contributions required on the Participant's behalf for each calendar year by the total number of hours for which such contributions were required.

Segment 5. Accruals in 2006 and 2007:

For the years 2006 and 2007, the monthly benefit amount is determined by multiplying the Participant's Benefit Accrual Percentage times the total of all contributions required on the Participant's behalf during each calendar year in which the Participant earned at least one-quarter of Pension Credit. The Benefit Accrual Percentage is the sum of (a) the Participant's Average Hourly Contribution Rate multiplied by 0.600936%, plus (b) 0.85848%, with a cap of 3.148046%. The Average Hourly Contribution Rate is determined by dividing the total of the contributions required on the Participant's behalf for each calendar year by the total number of hours for which such contributions were required.

Segment 6. Accruals in 2008 through 2010:

For the years 2008 through 2010, the monthly benefit amount is determined as the product of the following three terms:

(1) The eligible Participant's Benefit Accrual Percentage; multiplied by

(2) The total of all contributions required (and permitted by the Plan) on the eligible Participant's behalf during that calendar year; multiplied by

(3) The applicable Accrual Factor for the calendar year (as shown in the table below).

For purposes of this calculation, the Benefit Accrual Percentage is the sum of (a) the Participant's Average Hourly Contribution Rate multiplied by 0.497173%, and (b) 0.85848%, with a cap of 2.35%.

The Average Hourly Contribution Rate for a year is determined by dividing the total of the contributions required (and permitted by the Plan) on the Participant's behalf for that year by the total number of hours for which such contributions were required for him during that year.

For calendar years 2008 through 2010, the Plan will neither permit nor accept any contributions in excess of the Maximum Allowable Hourly Contribution Rate as shown in the table below.

Calendar Year	Accrual Factor	Maximum Allowable Hourly Contribution Rate
2008	1.0000	No Maximum
2009	0.8000	$4.50
2010	0.7273	$4.95

Segment 7. Accruals in 2011 through 2013:

Effective January 1, 2011, contributions are divided into the following three types:

(a) Basic Contributions, which earn benefits based on the formula or formulas described below in this booklet; and

(b) Supplemental Contributions, which ***do not*** earn benefit accruals; and

(c) Tier 3 Contributions, which earn monthly benefits of 1.5% of required Tier 3 contributions (without Accrual Factors).

For the years 2011 through 2013, the monthly benefit amount of the Regular Pension accrued during a calendar year is determined as the sum of two separate components, the Basic Contributions benefit and the Tier 3 Contributions benefit.

The Basic Contributions benefit is the product of the following three terms:

(1) The eligible Participant's Benefit Accrual Percentage; multiplied by

(2) The total dollar amount of all Basic Contributions required on the eligible Participant's behalf during that calendar year; multiplied by

(3) The applicable Accrual Factor for the calendar year, which is 0.6612 for 2011 and 0.6011 for 2012 and 2013.

For purposes of this calculation, the Benefit Accrual Percentage is the sum of (a) the Participant's Basic Average Hourly Contribution Rate multiplied by 0.497173%, and (b) 0.85848%., with a cap of 2.35%.

The Average Hourly Contribution Rate is determined by dividing the total of the Basic Contributions required on the Employee's behalf for each calendar year after December 31, 2010 by the total number of hours for which such contributions were required for him during such calendar year.

The Tier 3 Contributions benefit is determined by multiplying all Tier 3 Contributions required on the Employee's behalf during the calendar year by 1.5%.

As explained above, the final step in determining the total monthly benefit accrued during the calendar year is to add the Basic Contributions benefit and the Tier 3 Contributions benefit together.

Segment 8. Accruals in 2014 through 2016:

For the years 2014 through 2016, the monthly benefit amount of the Regular Pension accrued during a calendar year is determined as follows:

(1) First, determine the Basic Contributions benefit accrual by multiplying the total of all Basic Contributions required on the Participant's behalf during the calendar year (up to $6.00 per hour) times the benefit accrual rate for the calendar year. The benefit accrual rate is 1.1% of Basic Contributions, adjusted for each year retroactive to the first day of the year, based on the net investment rate of return on market value of Plan assets for the prior year, as

determined by the Plan actuary based on the audited financial statements for the Plan provided by the Plan's independent auditor. The benefit accrual rate and adjustment will be as follows:

(A) If the net investment rate of return for a year is less than 5.5%, there is no adjustment for the following year. The benefit accrual rate for the next year only is 1.1%.

(B) If the net investment rate of return for a year is at least 5.5% but not more than 9.0%, the benefit accrual rate for the next year only is increased by 0.15%, to 1.25%.

(C) If the net investment rate of return for a year is more than 9.0% but not more than 10.5%, the benefit accrual rate for the next year only is increased by 0.40%, to 1.5%.

(D) If the net investment rate of return for a year is more than 10.5%, the benefit accrual rate for the next year only is increased by 0.65%, to 1.75%.

(2) Second, determine the Tier 3 Contributions benefit accrual by multiplying all Tier 3 Contributions required (and allowed) on the Participant's behalf during the calendar year times 1.5%.

(3) Third, add the Basic Contributions benefit accrual to the Tier 3 Contributions benefit accrual to determine the total benefit accrual – the monthly benefit amount earned during the calendar year.

Segment 9. Accruals in 2017 and Later Years:

For each calendar year beginning on or after January 1, 2017, for benefits determined in accordance with the Preferred Contribution Schedule in the updated 2016 Funding Improvement Plan, the monthly benefit amount of the Regular Pension accrued during a calendar year is determined as follows:

(1) First, determine the Basic Contributions benefit accrual by multiplying the total of all Basic Contributions required on the Participant's behalf during the calendar year (up to $6.00 per hour) times the benefit accrual rate for the calendar year. The benefit accrual rate is 1.1% of Basic Contributions, adjusted for each year retroactive to the first day of the year, based on the net investment rate of return on market value of Plan assets for the prior year, as determined by the Plan actuary based on the audited financial statements for the Plan provided by the Plan's independent auditor. The benefit accrual rate and adjustment will be as follows:

(A) If the net investment rate of return for a year is less than 5.5%, there is no adjustment for the following year. The benefit accrual rate for the next year only is 1.1%.

(B) If the net investment rate of return for a year is at least 5.5% but not more than 9.0%, the benefit accrual rate for the next year only is increased by 0.15%, to 1.25%.

(C) If the net investment rate of return for a year is more than 9.0% but not more than 10.5%, the benefit accrual rate for the next year only is increased by 0.40%, to 1.5%.

(D) If the net investment rate of return for a year is more than 10.5%, the benefit accrual rate for the next year only is increased by 0.65%, to 1.75%.

(2) Second, determine the Tier 3 Contributions benefit accrual by multiplying all Tier 3 Contributions required (and allowed) on the Participant's behalf during the calendar year times 1.5%.

(3) Third, add the Basic Contributions benefit accrual to the Tier 3 Contributions benefit accrual to determine the total benefit accrual – the monthly benefit amount earned during the calendar year.

There is one additional Schedule under the updated 2016 Funding Improvement Plan, called the "Non-Preferred Default Schedule." At the time of the preparation and distribution of this SPD, no bargaining units have approved that Schedule.

Reminder Regarding Structure of Benefit Formula

The nine "segments" described on the preceding pages represent a consolidated or streamlined approach to describing the benefit formula. The total accrued monthly benefit (prior to adjustment for age and form of payment) is the sum of the accrual, if any, in each calendar year during your work history. Calendar years with the same structure in the benefit formula have been grouped together in "segments" for purposes of this explanatory summary.

If you have any questions regarding prior benefit amounts and rates, please call the Administrative Office. Administrative Office personnel will be happy to provide you with additional information.

The actual monthly amount of a Pensioner's Regular Pension is subject to adjustment for age, status (whether or not an Inactive Vested Participant under Plan rules), and form of payment, as applicable. For a full description of these adjustments, review pages 29-30 regarding Delayed Retirement and pages 40-45 regarding Forms of Taking Benefits.

Accrual Example – 2021 Plan Year

Using the current provisions of the Plan (see the description of "Segment 9" of the benefit formula at pages 14-15 of this booklet), here is an accrual example for the 2021 Plan Year. For purposes of this example, assume the following:

- A Participant works 1,600 hours in Covered Employment in 2021;
- The Participant's Employer has a total hourly contribution rate of $12.32 in 2021;
- The total hourly contribution rate consists of a Basic Contribution rate of $6.00 per hour, a Supplemental Contribution rate of $5.82 per hour, and a Tier 3 Contribution rate of $0.50 per hour; and
- The net investment rate of return for the prior Plan Year (2020 in this example) was 7.5%.

The Basic Contributions benefit accrual rate that corresponds to a net investment rate of return of at least 5.5% but not more than 9.0% is 1.25% of such contributions. A 7.5% return falls into that range, so 1.25% is the applicable Basic Contributions benefit accrual rate.

The Supplemental Contributions do not earn any benefit accrual. Supplemental Contributions are used to improve the funding status of the Plan.

The Tier 3 benefit accrual rate is 1.50% of such contributions. It is not affected by the prior Plan Year's net investment rate of return.

Using the applicable accrual rates, here is the 2021 accrual calculation for this Participant:

Basic Contributions = 1,600 x $6.00 = $9,600
$9,600 x 1.25% = $120.00
Tier 3 Contributions = 1,600 x $0.50 = $800
$800 x 1.50% = $12.00
$120.00 + $12.00 = $132.00

As shown above, the Participant in this example earns, in the 2021 Plan Year, a monthly pension of $132.00 (prior to any applicable adjustments for early retirement, delayed retirement, or form of payment).

If there had been no Tier 3 Contributions, the Participant in this example would have earned, in the 2021 Plan Year, a monthly pension of $120.00 (prior to any applicable adjustments for early retirement, delayed retirement, or form of payment).

D.
SERVICE PENSION

Eligibility for a Service Pension

A Participant is eligible for a Service Pension when he or she has retired, filed a completed pension application, and met all of the following applicable requirements:

1. He or she has attained age 50 but not yet attained age 65.

   - If the Participant worked in Non-Covered Sheet Metal Service after February 1, 1986 his or her eligibility date may be delayed (see pages 52-54).

2. He or she has at least 25 years of Pension Credit under this Plan (Past and Future) without a Permanent Break in Covered Employment or Separation in Service.

   - For pensions with an Annuity Starting Date on or after July 1, 2017, up to 10 years of full time employment as an International Representative or elected or appointed official of the International Association of Sheet Metal, Air, Rail and Transportation Workers ("SMART"), as determined by the Board of Trustees, may be recognized for purposes of satisfying this eligibility requirement. A Participant will accrue no additional Pension Credit or Service Pension benefits for his or her recognized work with SMART; only his or her eligibility for the Service Pension may be affected.

3. He or she has accumulated at least two quarters of Pension Credit since his or her Contribution Date or has worked at least 750 hours within the eighteen-month period immediately following his or her Contribution Date.

4. For Annuity Starting Dates on or after January 1, 2011, the Participant is not an Inactive Vested Participant or a Terminated Participant.

Amount of the Service Pension

The monthly amount of the Service Pension for a Participant who is not an Inactive Vested Participant will be determined as follows:

1. The monthly amount of the Service Pension will be determined in the same manner as the Regular Pension, for Participants whose benefits are not determined in accordance with a Schedule under the updated 2016 Funding Improvement Plan.

2. Subject to the exceptions and limitations set forth in the highlighted sections below, the monthly amount of the Service Pension will be determined in the same manner as the Regular Pension for benefits that accrued before January 1, 2012. The monthly amount of the Service Pension for benefits accrued on and after January 1, 2012 is explained in the sections below.

➢ **For Service Pensions with an Annuity Starting Date on or after January 1, 2012, but prior to January 1, 2014**

For Service Pensions with an Annuity Starting Date on or after January 1, 2012, but prior to January 1, 2014, retirees will be subject to an Early Commencement Factor. The Early Commencement Factor will be based on the Participant's age at the Annuity Starting Date, and will be used to reduce the monthly amount of the benefits earned on and after January 1, 2012 (but not before that date). The portion of the Service Pension the retiree accrued before January 1, 2012 will be calculated in the same manner as the Regular Pension—it will not be subject to the Early Commencement Factor.

The Early Commencement Factor reduction is 5/6 of 1% for each month by which the retiree is younger than 53, but not younger than 52; plus 5/12 of 1% for each month by which the Participant is younger than 52 but not younger than 50. The table below shows the Early Commencement Factor that would be applicable at selected ages, based on the Participant's age in years and months on the Annuity Starting Date:

Age	Early Commencement Factor
53 and Older	100%
52 and 6 months	95%
52	90%
51 and 6 months	87.5%
51	85%
50 and 6 months	82.5%
50	80%

Therefore, the monthly amount of the Service Pension—before adjustment for form of payment, if applicable—is the sum of (A) the Accrued Benefit as of December 31, 2011 without adjustment for Early Commencement, and (B) the Accrued Benefit earned after December 31, 2011 with the new Early Commencement Factors applied to it.

The Service Pension payable to a married Participant will be reduced as described under the Joint and Survivor Pension, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of a Joint and Survivor Pension.

- **For Service Pensions with an Annuity Starting Date on or after January 1, 2014, for Participants with <u>15 or more</u> Pension Credits Earned Under this Plan as of January 1, 2014 (not including Reciprocal Credit)**

For Service Pensions with an Annuity Starting Date on or after January 1, 2014, retirees with 15 or more Pension Credits earned under this Plan as of January 1, 2014 (not including Reciprocal Credit) will be subject to an Early Commencement Factor. The Early Commencement Factor will be based on the Participant's age at the Annuity Starting Date, and will be used to reduce the monthly amount of the benefits earned on and after January 1, 2014 (but not before that date). The portion of the Service Pension the retiree accrued before January 1, 2014 will be calculated according to the rules described in the preceding section of this Summary Plan Description (see page 17).

The Early Commencement Factor reduction is 5/12 of 1% for each month by which the retiree is younger than 55 but not younger than 50. The table below shows the Early Commencement Factor that would be applicable at selected ages, based on the Participant's age in years on the Annuity Starting Date:

Age	Early Commencement Factor For Benefits Accrued on or after Jan. 1, 2014
55 and Older	100%
54	95%
53	90%
52	85%
51	80%
50	75%

The Service Pension payable to a married Participant will be reduced as described under the Joint and Survivor Pension, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of a Joint and Survivor Pension.

- **For Service Pensions with an Annuity Starting Date on or after January 1, 2014, for Participants with <u>Fewer than 15</u> Pension Credits Earned under this Plan as of January 1, 2014 (not including Reciprocal Credit)**

For Service Pensions with an Annuity Starting Date on or after January 1, 2014, retirees with fewer than 15 Pension Credits earned under this Plan as of January 1, 2014 (not including Reciprocal Credit) will be subject to an Early Commencement Factor. The Early Commencement Factor will be based on the Participant's age at the Annuity Starting Date, and will be used to reduce the monthly amount of the Participant's **entire accrued benefit**.

The Early Commencement Factor reduction is 5/12 of 1% for each month by which the retiree is younger than 55 but not younger than 50. The table below shows the Early Commencement Factor that would be applicable at selected ages, based on the Participant's age in years on the Annuity Starting Date:

Age	Early Commencement Factor For the Participant's Entire Accrued Benefit
55 and Older	100%
54	95%
53	90%
52	85%
51	80%
50	75%

The Service Pension payable to a married Participant will be reduced as described under the Joint and Survivor Pension, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of a Joint and Survivor Pension.

E.
EARLY RETIREMENT PENSION

Eligibility for an Early Retirement Pension

A Participant is eligible for an Early Retirement Pension when he or she has retired, filed a completed pension application, and met all of the following requirements:

1. He or she is at least 55 years of age, but is not yet 65 years of age.

   - If the Participant worked in Non-Covered Sheet Metal Service after February 1, 1986 his or her eligibility date may be delayed (see pages 52-54).

2. He or she has at least 15 years of Pension Credit (Past and Future) or 10 years of Future Service Credit without a Permanent Break in Covered Employment.

3. He or she has accumulated at least two quarters of Pension Credit since his or her Contribution Date or has worked at least 750 hours within the eighteen-month period immediately following his or her Contribution Date.

Amount of the Early Retirement Pension

- **For Active Participants whose Benefits are Not Subject to a Funding Improvement Plan Schedule, or whose Benefits are Subject to the Preferred Contribution Schedule in the Updated 2016 Funding Improvement Plan**

The monthly amount of the Early Retirement Pension for an Active Participant whose benefits are not determined in accordance with a Schedule under the updated 2016 Funding Improvement Plan, or whose benefits are subject to the Preferred Contribution Schedule in the updated 2016 Funding Improvement Plan, will be determined as follows:

1. Determine the amount of the Regular Pension which would be paid to the Active Participant if he or she were age 65.

2. Reduce this amount based on when benefits were accrued as follows:

a. For benefits accrued prior to January 1, 2006, by ¼ of 1% for each month the Participant is younger than age 65, but not younger than age 60, and ½ of 1% for each month he or she is younger than age 60 on the Annuity Starting Date.

b. For benefits accrued on and after January 1, 2006, by ½ of 1% for each month that the Participant is younger than 65 but not younger than age 55 on the Annuity Starting Date.

The following table shows the reduction percentages for Active Participants as described above at various ages at retirement. If the Participant were to retire at some point between these ages, such as at age 63 and 2 months, the reduction factor would be slightly different based on the reduction described above.

	Reduction for benefits accrued through 12/31/2005			Reduction for benefits accrued on or after 1/1/2006	
Age at Retirement	**Months younger than age 65 but not younger than age 60**	**Months younger than age 60**	**Reduction Percentage**	**Months younger than age 65**	**Reduction Percentage**
64	12	0	3.0%	12	6.0%
63	24	0	6.0%	24	12.0%
62	36	0	9.0%	36	18.0%
61	48	0	12.0%	48	24.0%
60	60	0	15.0%	60	30.0%
59	60	12	21.0%	72	36.0%
58	60	24	27.0%	84	42.0%
57	60	36	33.0%	96	48.0%
56	60	48	39.0%	108	54.0%
55	60	60	45.0%	120	60.0%

The Early Retirement Pension payable to a married Participant will be reduced as described under the Joint and Survivor Pension, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of a Joint and Survivor Pension.

➢ **For Early Retirement Pensions with an Annuity Starting Date On or After January 1, 2011, for Inactive Vested Participants**

For Inactive Vested Participants who retire under the Plan with an Annuity Starting Date on or after January 1, 2011, the monthly amount of the Early Retirement Pension benefit will be actuarially equivalent to the retiree's Regular Pension benefit at Normal Retirement Age (without a guaranteed payment period).

This means that the participant will not receive any subsidized early retirement benefits. Instead, reduced monthly benefits are designed to pay approximately the same value during the lifetime of the Early Retirement Pensioner as would have been paid to him over the remainder of his or her lifetime if he or she retired at age 65 (without a guaranteed payment period).

The Early Retirement Pension payable to a married Participant will be reduced as described under the Joint and Survivor Pension, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of a Joint and Survivor Pension.

F.
DISABILITY PENSION

Applying for a Disability Pension

Important: Whether or not you are eligible for a pension under the Pension Plan at the time you believe you may have become disabled, the Board of Trustees urges you not to delay the filing of your application for a Disability Pension until you receive a Notice of Award from Social Security. By waiting, you may delay the effective date of your Pension from this Plan once the Pension is granted. Also, by waiting, you may incur a one-year (or longer) break in covered employment or separation in service under Plan rules, which may cause you to be ineligible for benefits (due to Inactive Vested Participant status) or cause your benefits to be reduced.

You should send in your application for a Disability Pension from this Plan when you apply for a Social Security Disability Benefit indicating on the application that you have applied for a Social Security Disability Benefit. However, in order to qualify for a Disability Pension, you must have been approved for a Social Security Disability Benefit and must submit a copy of the Notice of Award of a Social Security Disability Benefit from the Social Security Administration. Your Notice of Award of a Social Security Disability Benefit should be sent to the Administrative Office as soon as you receive it.

Also, please see the explanation of the Auxiliary Disability Benefit on pages 24-25.

Eligibility for a Disability Pension

For pensions with an Annuity Starting Date on or after January 1, 2011, the Disability Pension is eliminated for Inactive Vested Participants and Terminated Participants.

A Participant who is not an Inactive Vested Participant or a Terminated Participant will be eligible for a Disability Pension upon filing a completed application and meeting all of the following applicable requirements:

1. Regardless of age he or she is totally disabled **(meaning that he or she has received a Notice of Award for a Social Security Disability Pension)** and has been for at least five full calendar months.

2. For Participants who retire under the Plan with an Annuity Starting Date **before** July 1, 2017, he or she has either:

   (a) 15 years of Pension Credit (Past and Future) without a Permanent Break in Employment, or

   (b) 10 years of Future Service Credit without a Permanent Break in Employment, or

(c) 5 years of Vesting Service or 5 years of Future Service Credit without a Permanent Break in Employment, provided the effective date of the Disability Pension is on or after March 1, 1991 and the Social Security Disability Award is dated after February 1, 1986.

3. For Participants who retire under the Plan with an Annuity Starting Date **on or after** July 1, 2017, he or she has at least 15 years of Pension Credit, all earned under this Plan (including credit earned in this Plan under Money Follows the Worker reciprocity, but not including credit earned in another plan under Pro Rata reciprocity), without a Permanent Break in Covered Employment.

4. He or she has accumulated at least two quarters of Pension Credit since his or her Contribution Date or has worked at least 750 hours within the eighteen-month period immediately following his or her Contribution Date.

5. If the Participant works in Non-Covered Sheet Metal Service after February 1, 1986 during any part of a calendar year and becomes disabled in that calendar year or in either of the following two calendar years, he or she will not be eligible for a Disability Pension.

6. Effective July 1, 1998, the Participant has accumulated at least one quarter of Pension Credit (including disability credit or Related Credit, see page 28) in the calendar year in which the Participant becomes disabled as determined by the Social Security Administration, or in any one of the five preceding calendar years. This condition is waived for calendar years in which a Grace Period is granted. However, this condition will not be applied to a Participant who has accumulated at least twenty years of Pension Credit all earned under this Plan.

Amount of the Disability Pension

The monthly amount of the Disability Pension will be determined in the same manner as the Regular Pension, for the following eligible applicants:

(1) for Participants who retire under the Plan with an Annuity Starting Date prior to January 1, 2011; and

(2) for Participants who retire under the Plan on or after January 1, 2011 and whose disability retirement under the Plan is based on a Social Security Disability Award determining the Participant to have become disabled prior to January 1, 2012.

- **Disability Pensions for Participants whose Recognized Disability Began on or after January 1, 2012 but before January 1, 2014, and have an Annuity Starting Date on or after January 1, 2012 but before July 1, 2017**

For Participants whose disability retirement is based on a Social Security Disability Award determining the Participant to have become disabled on or after January 1, 2012 but before January 1, 2014, and who have an Annuity Starting Date on or after January 1, 2012 but before July 1, 2017, the monthly Disability Pension benefit will be reduced by an Early Commencement Factor based on the Participant's age at the Annuity Starting Date. The Early Commencement Factor will apply to the Participant's entire accrued benefit.

The Early Commencement Factor reduction will be 5/6 of 1% for each month the Participant is younger than 53, but not younger than 52; plus 5/12 of 1% for each month (up to 24 months) that the Participant is younger than 52 but not younger than 50. Application of the Early Commencement Factor is summarized in the table below, based on the Participant's age in years and months on the Annuity Starting Date.

Age	Early Commencement Factor
53 and Older	100%
52 and 6 months	95%
52	90%
51 and 6 months	87.5%
51	85%
50 and 6 months	82.5%
50 and Younger	80%

The Disability Pension payable to a married Participant will be reduced as described under the Joint and Survivor Pension, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of a Joint and Survivor Pension.

➢ **Disability Pensions for Participants whose Recognized Disability Began on or after January 1, 2014 and have an Annuity Starting Date on or after January 1, 2014 but before July 1, 2017**

For Participants whose disability retirement is based on a Social Security Disability Award determining the Participant to have become disabled on or after January 1, 2014, and who have an Annuity Starting Date on or after January 1, 2014 but before July 1, 2017, the monthly Disability Pension benefit will be reduced by an Early Commencement Factor based on the Participant's age at the Annuity Starting Date. The Early Commencement Factor will apply to the Participant's entire accrued benefit.

The Early Commencement Factor reduction is 5/12 of 1% for each month the Participant is younger than age 55 at his or her Annuity Starting Date, to a maximum Early Commencement Factor reduction of 25% at age 50 or younger. The table below shows the Early Commencement Factor that would be applicable at selected ages, based on the Participant's age in years on the Annuity Starting Date:

Age at Annuity Starting Date	Early Commencement Factor For the Participant's Entire Accrued Benefit
55 or Older	100%
54	95%
53	90%
52	85%
51	80%
50 or Younger	75%

The Disability Pension payable to a married Participant will be reduced as described under the Joint and Survivor Pension, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of a Joint and Survivor Pension.

- **Disability Pensions for Participants with an Annuity Starting Date on or after July 1, 2017**

For all Disability Pensions with an Annuity Starting Date on or after July 1, 2017, the monthly Disability Pension benefit is determined as follows:

(a) first, determine the amount of the Regular Pension that would be payable to the Participant at age 65;

(b) then, reduce this amount by ½ of 1% for each month the Participant is younger than age 65 at his or her or her Annuity Starting Date, not to exceed a 60% reduction for Participants who are under age 55 on their Annuity Starting Date.

(c) The age-based factors will be based on the Participant's age at the Annuity Starting Date, and will be multiplied by the monthly amount of the Participant's entire accrued benefit.

These age-based factors are summarized in the following table.

Age at Annuity Starting Date	**Disability Pension – Age-Based Factor***
65	100%
64	94%
63	88%
62	82%
61	76%
60	70%
59	64%
58	58%
57	52%
56	46%
55 or Younger	40%

*Actual factor will be adjusted for months between ages in whole years.

The Disability Pension payable to a married Participant will be reduced as described under the Joint and Survivor Pension, unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of a Joint and Survivor Pension.

<u>Auxiliary Disability Benefits</u>

Once you have obtained a notice of entitlement to disability benefits from the Social Security Administration, and the Annuity Starting Date for the applicant's Disability Pension has been established, then, if the Plan's requirements are met, auxiliary disability benefits may be payable for certain months prior to the Annuity Starting Date.

Auxiliary disability benefits are a lump sum equal to the total of the monthly payments that would have been made if a Disability Pension had been payable for the period between the date of entitlement to Social Security Disability benefits and the Annuity Starting Date of the Disability Pension.

In order to qualify for auxiliary disability benefits, the applicant must meet all of the following requirements:

(1) The applicant must have a date of entitlement to Social Security Disability benefits that is prior to the Annuity Starting Date of his or her Disability Pension; and

(2) The applicant must file both his or her application for a Disability Pension **and** his or her notice of entitlement to Social Security Disability benefits with the Administrative Office within 90 days after the date on which the Social Security Administration mailed the notice; and

(3) On the date the applicant became disabled, as determined by the Social Security Administration, the applicant must not have met the eligibility requirements (excluding the filing of an application) for any benefits from this Plan other than a Disability Pension.

If either the notice of entitlement or the application for a Disability Pension is filed after the end of this 90-day period, then auxiliary disability benefits will not be payable.

Upon receiving the notice of entitlement from the Social Security Administration, a disabled Participant should **promptly** submit it to the Administrative Office. This will ensure that disability benefits from the Plan become payable as early as possible.

<u>Converting a Service Pension or Early Retirement Pension to a Disability Pension</u>

A Participant who is totally disabled but has not yet received a Social Security Disability Benefit and applies for and receives a Service Pension or Early Retirement Pension, may convert his or her pension to a Disability Pension when he or she becomes entitled to Social Security Disability benefits if he or she meets ALL of the following requirements:

1. He or she has filed an application for pension benefits on or after January 1, 1980.

2. He or she has filed for Social Security Disability benefits before filing his or her application for pension benefits and so indicates on his or her application, or he or she indicates on his or her application that he or she will file for Social Security Disability benefits within 30 days of his or her application and, in fact, does so.

3. He or she was totally disabled on the date of filing of his or her pension application for a Service or Early Retirement Pension.

4. On the date of conversion of his or her Service or Early Retirement Pension to a Disability Pension the Pensioner meets all the requirements for a Disability Pension.

5. Effective for Annuity Starting Dates on or after January 1, 2011, the Participant is not a Terminated Participant or an Inactive Vested Participant.

Once Social Security Disability benefits have been awarded, if the Participant meets these requirements he or she may convert his or her Service or Early Retirement Pension to a Disability Pension. The effective date of the converted Disability Pension will be the entitlement date of his or her Social Security Disability benefits as shown on the Social Security Notice of Award or the effective date of his or her Pension benefits, whichever is later.

Upon conversion to a Disability Pension, the monthly benefit under the Service or Early Retirement Pension will be recalculated using the age-based reduction factors applicable to the Disability Pension.

If the benefit is paid in the Joint and Survivor form, it is also recalculated using the reduction factors for a Disability Pension (see pages 22-24). Since the reduction factors for the Joint and Survivor form are greater for Disability Pensions, the monthly benefit payable as a Service or Early Retirement may be greater than the benefit payable as a Disability Pension.

The Administrative Office will advise the Participant of the monthly amount payable under each type of pension before the conversion. The Participant may then elect not to convert to a Disability Pension if his or her benefits would be reduced. If the benefit is converted to a Disability Pension, it cannot be changed back to either the Early Retirement or Service Pension, unless the Participant recovers from his or her disability.

If a Participant retired on an Early Retirement Pension with a Level Income Option, *which is no longer available under the Plan*, the Plan will offset the Participant's Disability Pension payments until it has made a full recovery of the Level Income Option amounts the Participant previously received.

NOTE: Some Participants may be eligible to convert a Pro Rata Early Retirement Pension to a Disability Pension or a Pro Rata Disability Pension, provided the participant is able to satisfy all of the requirements for a Disability Pension under Plan rules. For information about Pro Rata Pensions see Section I of this booklet, at pages 28-29. **Please note that, effective for Participants who retire under the Plan with an Annuity Starting Date on or after July 1, 2017, the Pro Rata Disability Pension is eliminated.**

Loss of Social Security Benefits

Because people sometimes have their disability benefits terminated by Social Security, the Board of Trustees has adopted provisions regarding continuance of benefits. If a Disability Pensioner's Social Security Disability benefits are terminated, his or her Disability Pension from this Plan will be discontinued ***unless*** the Pensioner:

1. Timely filed an appeal of the termination with the Social Security Administration;

2. Notifies the Plan within 30 days of his or her termination that he or she has appealed and provides the Plan with a copy of the appeal; and

3. Notifies the Plan at least every 90 days as to the status of the appeal.

If the Pensioner wins his or her appeal and retains Social Security Disability benefits, his or her Disability Pension from the Plan will remain unchanged. If his or her Social Security Disability benefits are finally terminated, or if the Pensioner does not provide the notices to the Plan noted above concerning his or her appeal, the Pensioner will no longer be eligible for a Disability Pension from the Plan and must refund any Disability Pension payments erroneously paid. If he or she would have been eligible for other benefits at the time of his or her application and/or is eligible for other benefits at the time of his or her termination of disability benefits from Social Security, he or she will receive the greater of those pension benefits from the Plan.

G.
SPECIAL EARLY PENSION

Eligibility for a Special Early Pension

The Special Early Pension permits Participants who have been diagnosed as terminally ill to receive some benefits from the Plan prior to death. A Participant is eligible for a Special Early Pension if he or she has stopped working and meets the following conditions:

1. He or she has obtained certification from his or her attending physician stating that he or she has been diagnosed with a medical condition expected to be terminal within 12 months. If the Participant survives such 12-month period, and has not qualified for a Disability Pension, he or she must obtain a new certification that his or her medical condition continues and is expected to be terminal within 12 months. Such certification or continued certification will be subject to review by the Plan.

2. He or she has earned 5 years of Vesting Service or 5 years of Future Service Credit without a Permanent Break in Employment.

3. He or she has accumulated at least one quarter of Pension Credit within the twelve-month period prior to being diagnosed as terminally ill.

4. If the Participant works in Non-Covered Sheet Metal Service during any part of a calendar year and becomes disabled in that calendar year or in either of the following two calendar years, he or she will not be eligible for a Special Early Pension.

Amount of the Special Early Pension

The monthly amount of Special Early Pension benefits is calculated in the same manner as the Early Retirement Pension (see pages 19-21) with no additional reduction below age 55. If the Participant receives a Social Security Disability Award before submitting an application for benefits, the Special Early Pension will be calculated in the same manner as the Disability Pension. Also, if the Participant receives a Social Security Disability Award, the Special Early Pension can be converted to a Disability Pension in the same manner as an Early Retirement Pension is converted to a Disability Pension.

The Special Early Pension payable to a married Participant will be reduced as described under the Joint and Survivor Pension rules (see pages 40-45), unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of a Joint and Survivor Pension.

H.
VESTED PENSION

The Vested Pension is used ONLY if a Participant does not qualify for another type of pension or if the Vested Pension would give the Participant a greater benefit amount. Eligibility for the Vested Pension is based upon Vesting Service, NOT Pension Credit.

Eligibility for a Vested Pension

A Participant is eligible for a Vested Pension when he or she has retired and met **either** of the following requirements (a) or (b):

(a) 1. He or she is at least 65 years of age, and

2. He or she has 10 years of Vesting Service without a Permanent Break in Covered Employment. Effective January 1, 1999, he or she has 5 years of Vesting Service without a Permanent Break in Covered Employment and has at least one Hour of Service on or after January 1, 1999. If he or she had a Separation in Service prior to January 1, 1999, he or she has at least one quarter of Pension Credit on or after January 1, 1999 before he or she has a Permanent Break in Covered Employment; or

(b) He or she has existing Pension Credit and has reached Normal Retirement Age before incurring a Permanent Break in Covered Employment.

Amount of the Vested Pension

The amount of the Vested Pension is calculated in the same way that a Regular Pension is calculated.

Unlike Regular Pension benefits (in certain cases), however, Vested Pension benefits are ***not*** payable for a guaranteed period of months if paid in the Single Life Annuity form, and Vested Pension benefits paid in a Joint and Survivor form are calculated to be actuarially equivalent to Single Life Annuity benefits without a guarantee period. For more information about pension benefit guarantee periods and Joint and Survivor forms, see Section O below at pages 40-45

I.
PRO RATA REGULAR OR EARLY RETIREMENT PENSION

Eligibility for a Pro Rata Regular or Early Retirement Pension

A Pro Rata Regular Pension or a Pro Rata Regular Pension is provided for certain Participants who would not otherwise qualify for pensions, or whose pensions would be less than the full amount, because their years of employment have been divided between the jurisdiction of this Pension Plan and a Related Plan with similar provisions for a Pro Rata Pension so that years of Pension Credit earned under this Pension Plan can be used toward eligibility for a Pro Rata Pension under that Plan.

Effective for hours worked prior to January 1, 2012, the Plan adopted the (superseded) Sheet Metal National Reciprocal Agreement which provided additional reciprocity with other pension plans around the country (also considered **Related Plans**) which also adopted it. Credits earned under the Sheet Metal Workers' National Pension Fund will also be treated as Related Credit under this Plan with respect to hours worked prior to January 1, 2012.

Upon retirement a Participant who is not a Terminated Participant is eligible to receive a Pro Rata Pension if he or she would be entitled to a Regular or Early Retirement Pension if his or her Combined Pension Credits (credits earned under this Plan added to those earned under a Related Plan) were treated as credits earned under this Plan.

A Pro Rata Disability Pension is no longer available, for Participants who retire under the Plan with an Annuity Starting Date on or after July 1, 2017.

There is no Service Pension available under the Pro Rata Pension provisions.

Amount of a Pro Rata Regular or Early Retirement Pension

The amount of the Pro Rata Regular or Early Retirement Pension payable by this Pension Plan is determined in the same manner as the Regular or Early Retirement Pension based on the Pension Credit accumulated in this Pension Plan and the contributions made to this Pension Plan, except that only the most recent 25 years of Combined Pension Credit earned prior to January 1, 1981 is considered in determining the monthly benefit amount for the period prior to January 1, 1981.

For purposes of the Separation in Service and Break in Covered Employment rules (see pages 35-40), work under a Related Plan is considered the same as work under this Plan.

The Pro Rata Pension payable to a married Participant will be reduced as described under the Joint and Survivor Pension provisions (see pages 40-45), unless the Participant and Spouse agree that they do not wish to receive the pension benefits in the form of a Joint and Survivor Pension.

"Money Follows the Worker" Reciprocity

NOTE: The Pension Plan adopted "Money Follows the Worker" reciprocity rules effective for hours worked in 2012 and after. For a discussion of Money Follows the Worker reciprocity, see Section K below at pages 30-32.

J.
DELAYED RETIREMENT

The Plan's "Delayed Retirement" provisions apply if a retiree's Annuity Starting Date is after Normal Retirement Age. Normal Retirement Age is generally age 65, but see page 5 of this booklet for the definition of Normal Retirement Age.

When a Delayed Retirement Pension becomes effective, the retiree will receive ***the greater of:***

1. The monthly benefit otherwise payable as of the Annuity Starting Date, calculated as shown in this booklet without taking delayed retirement into account; ***or***

2. The benefit the retiree would have received if he or she had retired at Normal Retirement Age (based on the benefit factors in effect at that time and using the Pension Credit he or she had as of that date), increased for each month between Normal Retirement Age and his or her Annuity Starting Date for which benefits were not suspended. The increase, if applicable, will be 1% per month for the first 60 months after Normal Retirement Age, and 1.5% per month for each month thereafter. A participant's Annuity Starting Date cannot be later than his or her Required Beginning Date, which is April 1st of the calendar year following the year the participant turns age 70-1/2 (see page 49).

Participants who reach age 65 (or Normal Retirement Age, if later) and do not apply for benefits will receive a suspension notice advising them that the Plan assumes they are working and will continue to work in sheet metal employment more than 40 hours per month in the geographical jurisdiction of the Plan or a related plan; that their benefits will remain "suspended" while they perform such work; that their monthly benefit amount will not be increased for the period of time their benefits are suspended, and that when they cease working they should contact the Pension Department and apply for benefits so their pension can be made effective without delay.

This notice means that when you do eventually retire, the Plan's definition of Suspendable Employment for a pensioner older than Normal Retirement Age (see pages 48-49 of this booklet) will be applied in determining the months for which you are, or are not, entitled to an increase in your monthly benefit for delayed retirement.

Benefits will be considered suspended, and the increase, as described above, will ***not*** be applicable for months after Normal Retirement Age in which a Participant works in Suspendable Employment.

K.
"MONEY FOLLOWS THE WORKER" RECIPROCITY

Beginning in 2012, if a Participant works as a "traveler" outside the jurisdiction of this Pension Plan (his "Home Local Fund"), under a collective bargaining agreement which requires contributions to the Sheet Metal Workers' National Pension Fund or a local sheet metal workers' pension plan, the Participant may have his or her pension plan contributions transferred back to this Pension Plan. This will occur if the traveler works in a local jurisdiction that also recognizes "Money Follows the Worker" reciprocity. Most local sheet metal workers' pension plans, as well as the National Pension Fund, are signatory to the current Master Reciprocal Agreement of the International Association of Sheet Metal, Air, Rail and Transportation Workers ("SMART") and do provide for "Money Follows the Worker" reciprocity between local sheet metal workers' pension plans.

Under "Money Follows the Worker," the traveler's reciprocated contributions (the contributions transferred back to this local fund) will be treated like regular (non-reciprocal) Pension Plan contributions for purposes of benefit accrual, and the traveler's hours worked outside the jurisdiction of the Plan will be treated like hours worked locally for purposes of eligibility for benefits and vesting.

Some important things to know about "Money Follows the Worker" reciprocity rules include:

- The rules apply to hours worked on or after January 1, 2012. For work performed through the end of 2011, the Plan's "pro rata" reciprocity rules remain in effect for purposes of eligibility and benefits under the Plan.

- For Participants whose "Home Local Fund" is this Pension Plan, pension benefits earned under the Plan before January 1, 2012 will be combined with pension benefits earned under the Plan after January 1, 2012. For Participants whose "Home Local Fund" is another local pension plan, or the National Pension Fund, pension benefits earned under this Pension Plan before January 1, 2012 will remain with this Pension Plan for the Participant, but hours and contributions earned in this jurisdiction after January 1, 2012 will be "reciprocated" (transferred back) to the Participant's Home Local Fund, and the Participant will not earn benefits or credit under this Pension Plan on the basis of such employment.

- Individuals who are working as travelers outside the jurisdiction of their Home Local Fund should make sure the local union in whose jurisdiction they are working, and the visited local pension plan, are advised that the Participant is a traveler and has a different home local union and Home Local Fund, so hours, benefits and credit can be applied correctly on the individual's behalf to the proper pension plan or plans.

- The Pension Plan's "pro rata" reciprocity rules remain in effect for hours worked on or after January 1, 2012 for travelers working in this jurisdiction whose Home Local Fund is a local sheet metal workers' pension plan that follows only "pro rata" reciprocity rules and has not adopted the "Money Follows the Worker" reciprocity provisions of the new SMART Master Reciprocal Agreement.

- Individuals can change their Home Local Fund. If a Participant transfers or otherwise changes his or her membership from one local sheet metal workers' union to another, his or her new Home Local Fund will be the local pension plan (or in some cases the National Pension Fund) to which contributions are required under the applicable collective bargaining agreement in the jurisdiction of the Participant's new home local union. However, if a Participant changes his or her Home Local Fund, benefits and credit earned by the Participant before the change will not transfer from the Participant's former Home Local Fund to his or her new one. The change will apply only *prospectively* for future hours.

- Under "Money Follows the Worker" reciprocity rules, the visited local pension plan (the "Cooperating Local Fund") will transfer reciprocated contributions to the National Pension Fund and/or the Home Local Fund. For a traveler from this jurisdiction, if the hourly pension contribution rate in the visited fund is greater than the traveler's hourly pension contribution rate under this Pension Plan, the difference between the two rates will be applied to the National Pension Fund and treated as additional contributions to the National Pension Fund on behalf of the traveler. If the collective bargaining agreement in the visited local union jurisdiction does not require National Pension Fund contributions for the traveler, then all reciprocated contributions will be transferred back to this Pension Plan.

- For travelers from the jurisdiction of this Pension Plan, reciprocated contributions that are transferred back to this Pension Plan under "Money Follows the Worker" will be allocated to Basic Contributions (which earn benefit accruals at various prescribed rates), Supplemental Contributions (which earn no benefit accrual), and Tier 3 Contributions (which earn benefits at the rate of one and one-half percent [1.5%] of contributions), according to the following rules:

  <u>Basic Contributions</u>. The hourly rate of reciprocated contributions to be allocated to Basic Contributions will be determined by multiplying the reciprocated hourly contribution rate times the ratio of the Basic Contributions rate to the sum of the Basic Contributions rate and the Supplemental Contributions rate for the participant's classification in his or her local union. In no event will the reciprocated hourly contribution rate allocated to Basic Contributions exceed the hourly contribution rate allocated to Basic Contributions for the Participant's classification in his or her local union.

  <u>Supplemental Contributions</u>. The hourly rate of reciprocated contributions to be allocated to Supplemental Contributions will initially be determined by multiplying the reciprocated hourly contribution rate times the ratio of the Supplemental Contributions rate to the sum of the Basic Contributions rate and the Supplemental Contributions rate for the Participant's classification in his or her local union. In no event will the reciprocated hourly contribution rate allocated to

Supplemental Contributions in this initial allocation exceed the hourly contribution rate allocated to Supplemental Contributions for the Participant's classification in his or her local union.

Tier 3 Contributions. If the sum of the reciprocated hourly contribution rates allocated to Basic Contributions and Supplemental Contributions is less than the total reciprocated hourly contribution rate, the remaining reciprocated hourly contribution rate will be allocated to Tier 3 Contributions.

- The provisions of this Pension Plan, not the provisions of any other local pension plan or the National Pension Fund, will be used when counting any vesting service or pension credits under this Plan. In other words, service under any other pension plan may or may not count under this Pension Plan. Only this Pension Plan's rules are used to determine benefits and eligibility under the Plan.

L.
ANNUAL DECEMBER BONUS CHECK

Pensioners with an effective date for pension benefits under this Plan prior to January 1, 1997 will receive an annual bonus check on or about December 2nd of each subsequent year if they are entitled to a pension benefit at that time. The amount of such bonus check will be equal to $65 multiplied by the number of years of Pension Credit earned under this Plan, but not less than their monthly pension check.

Bonus checks will continue to be paid to the Surviving Spouse of a deceased Pensioner whose pension benefits were effective prior to December 31, 1996, if monthly pension benefits are being paid to a Surviving Spouse at that time. Bonus checks will continue for as long as the Surviving Spouse is entitled to receive a monthly benefit under the Joint and Survivor Pension.

M.
PENSION CREDITS AND VESTING SERVICE

How Pension Credit is Earned

Pension Credit is divided into two categories: Past Service Credit for years prior to the Contribution Date, and Future Service Credit for years after the Contribution Date. Pension Credit is used to determine eligibility for all types of pension except the Vested Pension.

- **PAST SERVICE CREDIT** – Pension Credits earned for work before the Contribution Date when no Employer contributions were being made to the Pension Plan on behalf of Participants.

A Participant receives one year of Pension Credit for each calendar year in which he or she worked as a sheet metal worker for at least 40 weeks in the geographical area of the Plan at a job of the kind now covered by a Collective Bargaining Agreement with a Local Union which participates in the Plan. However, a Participant with a Contribution Date of January 1, 1967, (Local 26) or June 1, 1967 (Local 426 or Local 359 Tucson branch) may not receive more than 13 years of Past Service Credit for work in Covered Employment in the geographical jurisdiction of either Local.

In order to be eligible to receive any Past Service Credit, a Participant must have accumulated at least two quarters of Pension Credit or 750 hours within the eighteen-month period immediately following his or her Contribution Date.

The Board of Trustees realizes that it may be difficult for any individual to establish past years of service because of changing employment. For that reason Pension Credit will be granted for allowable periods of membership in any of the Local Unions in the plan prior to the Contribution Date.

Employment prior to the Contribution Date does not have to be continuous in order to be counted as Pension Credit. Past Service Credit is granted for all verified allowable periods of employment even though some periods may have been separated by a number of years.

- **FUTURE SERVICE CREDIT –** Pension Credits earned for work after the Contribution Date.

A Participant will be given credit for Future Service for periods after the Contribution Date based on the number of hours he or she works in Covered Employment.

Schedules for calculating Future Service credit vary for different periods as shown below:

From Contribution Date to January 1, 1981:

Hours worked in Calendar Year	Future Service Credit
Less than 375	None
375 - 562	One Quarter
563 - 937	Two Quarters
938 - 1,499	Three Quarters
1,500 or more	One Year

Between January 1, 1981 and January 1, 1986:

Hours worked in Calendar Year	Future Service Credit
Less than 600	None
600 - 899	One Quarter
900 - 1,199	Two Quarters
1,200 - 1,499	Three Quarters
1,500 or more	One Year

Between January 1, 1986 and January 1, 1992:

Hours worked in Calendar Year	Future Service Credit
Less than 375	None
375 - 562	One Quarter
563 - 937	Two Quarters
938 - 1,499	Three Quarters
1,500 or more	One Year

Between January 1, 1992 and January 1, 1997:

Hours worked in Calendar Year	Future Service Credit
Less than 300	None
300 - 599	One Quarter
600 - 899	Two Quarters
900 - 1199	Three Quarters
1,200 or more	One Year

On and After January 1, 1997:

Hours worked in Calendar Year	Future Service Credit
Less than 300	None
300 - 649	One Quarter
650 - 999	Two Quarters
1,000 - 1,349	Three Quarters
1,350 or more	One Year

How Vesting Service is Earned

As required by federal law, the Plan uses Vesting Service rules to measure years of service to determine if a Participant should be eligible for a pension. ONLY FUTURE SERVICE counts towards Vesting Service. Past Service does not count towards Vesting Service or towards a Vested Pension. A Participant earns one year of Vesting Service for each year in which he or she earns at least 1,000 Hours of Service. Partial years of less than 1,000 hours do not count towards years of Vesting Service.

Employment that Counts for Pension Credit and Vesting Service

Beginning on January 1, 1976, all Hours of Service in Covered Employment are counted in determining Pension Credit and Vesting Service. In addition, all hours for which a Participant is paid or entitled to be paid by an Employer, are counted in determining Vesting Service but not Pension Credit. This includes all direct payments by the Employer for periods of disability, vacation, holidays, etc., but does not include indirect payments such as workers' compensation, unemployment compensation, State disability insurance payments, or fringe benefit payments for vacation or holiday.

The number of hours for which a Participant may receive credit for time he or she is not actually working is limited to 375 (300 effective January 1, 1992) in any one continuous period. Two periods of paid non-work time are continuous if they are compensated for the same reason (for example, disability) and are not separated by 90 days or more.

Vesting Service for Periods of Non-Covered Employment for a Contributing Employer

Beginning on January 1, 1976, if a Participant is working for an Employer in a job which is not covered by the Plan and for which no contributions are required to this Plan, while the Employer is making contributions on behalf of other Participants who are covered by a Collective Bargaining Agreement requiring contributions to this Plan, any hours in such non-covered employment will count toward Vesting Service, if the Participant worked in Covered Employment for the same Employer immediately before or after the non-covered work. This non-covered employment, however, does not entitle the Participant to any additional pension benefit amount; it counts only towards years of Vesting Service in determining the Participant's eligibility for a Vested Pension. Only Vesting Service earned in Covered Employment for which contributions are required is used in calculating a Participant's pension benefit amount.

If you think you may be eligible for Vesting Service credit for any period of non-covered employment, please provide the Administrative Office with accurate records of your employment.

Pension Credit and Vesting Service for Periods of Military Service

You may be entitled to Pension Credit and Vesting Service credit for periods that you were absent from Covered Employment due to active military service if you have reemployment rights under federal law and satisfy the other conditions of the Plan. Effective December 12, 1994, benefit levels for periods of military service are determined by the average of your hours in Covered Employment during the three years prior to entry into the military or the average hours for all Participants in the Plan for the same three years, whichever is greater.

To receive credit for military service, you must have been employed in Covered Employment or be on the out-of-work list of the Union immediately before joining the military. The maximum length of time away from Covered Employment by reason of military service cannot exceed five (5) years except as required by federal law. After discharge, you must return to Covered Employment or make yourself available for Covered Employment within ninety (90) days of release from duty or, if you are disabled at that time, within ninety (90) days from recovery from disability. However, you will not be given credit for your military service if your period of recovery from a disability exceeds two (2) years.

For deaths that occur on and after January 1, 2007 during qualified military service, the "return to Covered Employment" requirement in the preceding paragraph is deemed satisfied for purposes of establishing the deceased Participant's Vested status, and for purposes of determining the survivor benefits, if any, payable on the Participant's behalf.

If you think you may be eligible for Pension Credit and Vesting Service credit for a period of military service, please provide the Administrative Office with accurate records of your service.

N.
BREAKS IN COVERED EMPLOYMENT, VESTING, SEPARATIONS IN SERVICE, WAIVERS, AND GRACE PERIODS

Permanent Break in Covered Employment before January 1, 1976

Prior to January 1, 1976, if a Participant who was not Vested failed to earn at least one quarter of Future Service Credit in a period of two consecutive calendar years, he or she had a Permanent Break in Covered Employment and all previous Pension Credit (Past and Future) was cancelled.

Breaks and Permanent Breaks in Covered Employment between 1976 and 1987

During this period, a One-Year Break in Covered Employment occurs when a Participant does not complete at least 375 hours of Service in a calendar year following December 31, 1975. A One-Year Break in Covered Employment cancels an individual's Participant status, which can be reinstated if he or she again works 1,000 hours in a calendar year.

A Break in Covered Employment becomes permanent if the Participant has consecutive One-Year Breaks and the number of consecutive One-Year Breaks equals the number of years of Vesting Service he or she has accumulated and if he or she is not Vested.

EXAMPLE: A Participant has earned four years of Vesting Service (four years of at least 1,000 hours each). She then has three years (the fifth through the seventh year) in each of which she has less than 375 hours of service. Whether or not this Participant will suffer a Permanent Break in Covered Employment depends on what happens during the next year (eighth year). If, in the eighth year, she completes at least 375 hours of Service, she will not suffer a Permanent Break in Covered Employment and will retain her four years of Vesting Service. If she does not earn at least 375 hours of Service she will suffer a Permanent Break in Covered Employment because the number of consecutive One-Year Breaks equals the number of years of Vesting Service.

Breaks and Permanent Breaks in Covered Employment after January 1, 1987

During this period, a One-Year Break in Covered Employment is the same as a One-Year Break prior to January 1, 1987 except that hours a Participant is absent from Covered Employment due to maternity or paternity leave will count in determining whether the Participant failed to complete 375 hours in a calendar year. Also, for calendar years 1992 and after, a Participant incurs a One-Year Break in Covered Employment if he or she fails to complete 300 hours of Service.

A Break in Covered Employment becomes permanent after January 1, 1987 if a Participant who is not Vested has at least five consecutive One-Year Breaks and the number of consecutive One-Year Breaks equals the number of years of Vesting Service he or she has accumulated.

For example, if a Participant has four years of Vesting Service, she will not have a Permanent Break until she has five consecutive One-Year Breaks. However, if a Participant has six years of Vesting Service she will not have a Permanent Break until she has six consecutive One-Year Breaks.

Effects of a Break or Permanent Break in Covered Employment

If a non-Vested Participant has a One-Year Break in Covered Employment, after application of any Waivers and Grace Periods, it has the effect of ***canceling*** his previous years of Pension Credit and his previous years of Vesting Service credit. If the Participant becomes Vested before incurring a Permanent Break in Covered Employment, his years of Vesting Service and Pension Credit earned before the Break are restored.

If, at the time a Participant applies for a pension under the Plan, he or she has an unrepaired Permanent Break in Covered Employment (after application of any Waivers and Grace Periods), the Participant's years of Vesting Service and Pension Credit earned before the Permanent Break in Covered Employment do not apply for purposes of determining the Participant's Vested status, eligibility for benefits, and benefits under the Plan.

If a Vested Participant has a Break in Covered Employment of one year or more that is not repaired by a Waiver and Grace Period (see below), he or she will be considered an Inactive Vested Participant. Inactive Vested Participants are ineligible for certain benefits or their benefits may be reduced under Plan rules.

For purposes of the Break in Covered Employment rules, hours earned in a Related Plan will be treated the same as hours earned in this Plan.

IMPORTANT: Breaks in Covered Employment may be "repaired" by Waivers and Grace Periods, as described below at pages 38-40.

When a Participant Becomes Vested

When a Participant becomes "Vested," the break rules described above will not operate to cancel his or her Pension Credits or Vesting Service. If a Participant is Vested, it does not necessarily mean that he or she is entitled to a pension benefit. The Participant must still qualify under the terms of the Plan for the type of pension for which the Participant is applying.

The rules on vesting have changed over the years since the Plan began. The following is a list of the vesting requirements for the various periods including the current period (since 2006):

Time Period	Requirements to Vest
Jan. 1, 1958 – Dec. 31, 1963	15 Pension Credits AND age 55
Jan. 1, 1964 – June 30, 1968	15 Pension Credits AND age 55 (or age plus Pension Credit equals 70 or more)
July 1, 1968 – Dec. 31, 1970	15 Pension Credits
Jan. 1, 1971 – Dec. 31, 1971	15 Pension Credits; or 10 Future Service Credits
Jan. 1, 1972 – Dec. 31, 1975	10 Pension Credits
Jan. 1, 1976 – Dec. 31, 1998	10 Pension Credits; or 10 years of Vesting Service
Jan. 1, 1999 – June 21, 2006	10 Pension Credits; or 5 years of Vesting Service AND one Hour of Service on or after January 1, 1999 (or one quarter of Pension Credit, if following a Separation in Service)
June 22, 2006 and after	10 Pension Credits; or 5 years of Vesting Service AND one Hour of Service on or after January 1, 1999 (or one quarter of Pension Credit, if following a Separation in Service); or Reaching Normal Retirement Age with existing Pension Credit before incurring a Permanent Break in Covered Employment

Effects of a Separation in Service: Freezing of Benefit Level

A Separation in Service occurs when a Participant fails to earn 300 Hours of Service (375 Hours of Service before 1992) in each of two consecutive calendar years. A Separation in Service has relevance for purposes of determining benefit amounts for a Participant who eventually qualifies for a pension.

A Separation in Service means that future benefit increases do not apply to Pension Credits or Vesting Service or contributions earned prior to the Separation. It freezes the monthly benefit value or benefit percentage at the rate in effect:

(a) At the time of the Separation in Service for each Separation in Service occurring prior to January 1, 1978.

(b) At the time the last contribution was required to be made by an Employer on behalf of the Participant for each Separation in Service occurring after January 1, 1978. For credit earned prior to January 1, 1981, the monthly benefit values per year of Pension Credit or Vesting Service referred to above are as follows (except for Locals not maintaining the uniform contribution rate):

Effective Date	Benefit value	Maximum Pension
January 1959	$ 2.00	$ 70.00
January 1963	3.80	95.00
January 1965	4.50	112.50
April 1966	6.00	150.00
July 1967	7.20	180.00
July 1969	10.00	250.00
January 1971	20.00	500.00
January 1975	22.71	567.75
April 1978	24.00	600.00
January 1987	24.72	618.00
January 1992	25.00	625.00
January 1996	35.00	875.00

If the Separation in Service occurs after 1980, the rates listed above will not be applicable but you will receive the rate in effect at the time contributions were last made on your behalf. Please contact the Administrative Office to determine the applicable rate.

If any Participant whose benefits are frozen because of a Separation in Service returns to Covered Employment, whether before or after receiving retirement benefits, additional Pension Credit or Vesting Service may be earned (subject to the maximum of 25 years of Pension Credit or its equivalent in Vesting Service for employment prior to January 1, 1981). However, because of a Separation in Service, the Participant's pension would be based upon different benefit rates, one for his or her Pension Credits prior to the Separation in Service, and a different rate for the period of his or her reemployment. Also, because of the Separation in Service, that Participant will not be eligible for a Service Pension.

For purposes of the Separation in Service rules, hours earned in a Related Plan will be treated the same as hours earned in this Plan.

IMPORTANT: Separations in Service may be "repaired" by Waivers and Grace Periods, as described immediately below.

Waivers of Breaks in Covered Employment and Separations in Service

For retirements on and after January 1, 1995, Participants who have suffered a Break in Covered Employment or a Separation in Service may have that Break or Separation waived, if they have returned to Covered Employment (including employment under a Related Plan, see page 28) and earned at least 300 Hours of Service per calendar year for at least as long a period of consecutive calendar years as they had been out of Covered Employment (not counting years for which a Grace Period is granted, see below). If the Break or Separation was caused by the Participant's work in Non-

Covered Sheet Metal Service, the Waiver must be earned in Covered Employment for an Employer required to contribute to the Plan and there will be only one Waiver of such Break or Separation. Any subsequent Breaks or Separations during which the Participant worked in Non-Covered Sheet Metal Service will not be waived. A Waiver cannot waive a period of less than one calendar year.

Effective January 1, 1976, if a Participant works for an Employer in a job which is not covered by the Plan and for which no contributions are required to this Plan, while the Employer is making contributions on behalf of other Participants who are covered by a Collective Bargaining Agreement requiring contributions to this Plan, any hours in such non-covered employment will be counted as if they were Covered Employment for purposes of determining whether a Break in Covered Employment or Separation in Service has been incurred, provided the Participant worked in Covered Employment for the same Employer immediately before or after the non-covered work.

Grace Periods

The Plan provides Grace Periods for Participants whose failure to earn 300 Hours of Service in the year (375 Hours of Service before 1992) was due to certain reasons. Grace Periods do not add to a Participant's Pension Credit or Vesting Service. Rather, they are periods which are ignored in determining Breaks in Covered Employment or Separations in Service. Grace Periods (and Waivers) can be used to repair existing breaks in service for certain years. Also see page 4.

Grace Periods will be allowed ***for an indefinite number of years*** for the following:

1. Full time employment as an International Representative of SMART.

2. Full time employment as an elected or appointed official of a labor organization affiliated with the AFL-CIO.

3. Periods of ownership or management interest in a contributing Employer to this Plan, provided they are contiguous with periods of Covered Employment without a Separation in Service or work in Non-Covered Sheet Metal Service.

4. Employment by a public agency under a Collective Bargaining Agreement with a Local Union or a Building Trades Council in which the Local Union participates.

Grace Periods will be allowed ***for up to three consecutive calendar years*** for the following:

1. Disability which lasts for at least six months during a calendar year. (**Exception**: For pensions effective on or after January 1, 2012, the years from 2009 through 2014 may be approved as the fourth or fifth consecutive year of a disability Grace Period.)

2. Involuntary Unemployment provided the individual is on the out of work list, is living in the jurisdiction of the Plan, is available for work, and has not turned down any available employment. (**Exception**: For pensions effective on or after January 1, 2012, the years from 2009 through 2014 may be approved as the fourth or fifth consecutive year of an involuntary unemployment Grace Period.)

Participants may apply to the Eligibility Committee of the Board of Trustees of the Plan (see pages 62-65) for ***preliminary approval*** of a Grace Period or Grace Periods. Participants should understand, however, that the Eligibility Committee's preliminary determination to grant a request for Grace

Periods is not final. As is the case for all Plan participants, eligibility for benefits, approved number of credits, and approved pension benefit amount, will be finally decided by the Eligibility Committee when the participant applies for retirement and pension benefits under the Plan, when the participant's file and all relevant records will be reviewed.

O.
FORMS OF TAKING PENSION BENEFITS – SINGLE LIFE ANNUITY BENEFITS; JOINT AND SURVIVOR ANNUITY FORMS; LUMP SUM OPTION; LEVEL INCOME OPTION (ELIMINATED)

Single Life Annuity Pension Benefits

Single Life Annuity pension benefits are paid monthly during the life of the Pensioner (or Beneficiary, see page 3, or alternate payee under a qualified domestic relations order, or "QDRO," see page 60). Under Plan rules, in some cases pension benefits that are paid in the Single Life Annuity form are guaranteed for a period of months, so that if the Pensioner dies before the end of the guarantee period his or her monthly benefits will be paid to his or her surviving Spouse, or if there is no surviving Spouse, to his or her designated beneficiary, for the remaining months of the guarantee period. If there is no surviving Spouse or designated beneficiary, remaining guaranteed benefits will be payable to the Pensioner's legal beneficiary or beneficiaries according to the order of succession and rules provided for in Section 5.5 of the Plan Document.

- For Active Participants who retire under the Plan with an Annuity Starting Date ***prior to January 1, 2012***, and for Inactive Vested Participants who retire under the Plan with an Annuity Starting Date prior to January 1, 2011, who are receiving any type of pension other than a Vested Pension, and who die within the 84-month period beginning with the effective date of the pension, monthly pension payments will be continued to the Pensioner's surviving Spouse or, if there is no surviving Spouse, to the Pensioner's designated beneficiary or legal beneficiary for the remainder of the 84-month period. This 84-month guarantee is not payable if payments are due under a Joint and Survivor Pension, in which case payments will be made according to the applicable Joint and Survivor option.

- For Inactive Vested Participants who retire under the Plan with an Annuity Starting Date on or after January 1, 2011, the pensioner's benefit guarantee period is ***eliminated*** (and Joint and Survivor forms of benefit are reduced to be actuarially equivalent to the Single Life Annuity benefit with no guarantee period).

- For Active Participants who retire under the Plan with an Annuity Starting Date on or after January 1, 2012, the pensioner's benefit guarantee period is ***reduced from 84 months to 54 months*** (and Joint and Survivor forms of benefit are reduced to be equivalent to the Single Life Annuity benefit with reduced guarantee period).

Joint and Survivor Annuity Forms of Pension Benefits

Under Plan rules, a married Pensioner, and his or her Spouse, must take benefits in the 50% Joint and Survivor annuity form unless another form is affirmatively elected, either another Joint and Survivor form or the Single Life Annuity form. Joint and Survivor pension benefits are payable over two lives instead of one, but monthly benefits are adjusted accordingly for payment over what is expected (on an actuarial basis) to be a longer period of time.

The Pensioner, during his or her lifetime, will receive monthly benefits at a lower level than he or she would receive with a Single Life Annuity. Monthly payments to the surviving Spouse after the Pensioner's death will be reduced further and will continue for the rest of the surviving Spouse's life.

How much benefits will be reduced under a Joint and Survivor form depends on the difference in age between Participant and Spouse. If the Spouse is much younger than the Participant, benefits will be reduced more than if they were close to the same age or if the Spouse is older than the Participant. The reason is that, statistically speaking, the younger Spouse is likely to receive benefits for a longer period of time.

The Joint and Survivor forms of pension benefits generally available to married Participants and their spouses under the Plan are:

- 50% Joint and Survivor form (see page 41). This is the ***default form*** for taking pension benefits for married Participants.

- Optional 50% Joint and Survivor with Pop-Up form (see page 43). This form of benefit is available for Active Participants; it is not available for Inactive Vested Participants.

- Optional 75% Joint and Survivor with Pop-Up form (see page 43).

- Optional 100% Joint and Survivor with Pop-Up form (see page 43). This form of benefit is available for Active Participants; it is not available for Inactive Vested Participants.

These forms of taking pension benefits are summarized below.

- **50% Joint and Survivor Form (Default Form for Married Participants)**

Electing to receive pension benefits in the 50% Joint and Survivor form means that if the Participant dies, his or her surviving Spouse will receive monthly benefits for the rest of his or her lifetime at 50 percent of the monthly amount the Participant received. For example, if a Pensioner received a monthly benefit of $600 per month, under the 50% Joint and Survivor form the surviving Spouse would receive a monthly benefit of $300 per month for the rest of her life.

These are the formulas for Pensioners whose benefits are determined in accordance with the Preferred Contribution Schedule under the updated 2016 Funding Improvement Plan (see page 3). For these Pensioners, the reductions for each form of Joint and Survivor pension benefit, compared to the Single Life Annuity form at various ages, are shown in Appendix A at the end of this booklet. For all other Pensioners, please contact the Administrative Office for the formulas and reductions that may apply to your Joint and Survivor pension benefits.

<u>Non-Disability Pensions</u>. If you are eligible for any type of pension other than a Disability Pension, your unadjusted monthly benefit will be reduced for the 50% Joint and Survivor Pension by multiplying it by 89% (90% for Annuity Starting Dates prior to January 1, 2012) minus .4% for each year by which your Spouse is younger than you or plus .4% for each year by which your Spouse is older than you. In all cases, the maximum percentage is 100%.

Disability Pensions. If you are eligible for a Disability Pension, your unadjusted monthly benefit will be reduced for the 50% Joint and Survivor Pension by multiplying it by 80% (82% for Annuity Starting Dates prior to January 1, 2012) minus .4% for each year by which your Spouse is younger than you or plus .4% for each year by which your Spouse is older than you. If you are younger than age 55 and your Disability Pension was effective prior to October 1, 1995, an additional .5% for each year you are younger than age 55 is added to the percentage. In all cases, the maximum percentage is 100%.

The following two examples show the reduction for the 50% Joint and Survivor Pension for retirees in two different circumstances—one retiree applying for a Regular Pension, the other retiree applying for a Disability Pension. However, both examples assume the retiree has an Annuity Starting Date on or after January 1, 2012, and both examples assume the retiree is an Active Participant subject to the Preferred Contribution Schedule in the updated 2016 Funding Improvement Plan. See page 41 for a discussion of the adjustment factors for other retirees.

Example 1: Let's say you are eligible for a Regular Pension of $1,500.00 per month. You are 65 years old and your Spouse is 60 years old. In order to determine the monthly amount you would receive under the 50% Joint and Survivor Pension, you first determine how many years younger or older your Spouse is than you and multiply the benefit amount by the percentage from the right table in the Appendix at the end of this booklet. In this case, your Spouse is 5 years younger than you, so you would multiply your Regular Pension of $1,500.00 by 87%, which equals $1,305.00. This is the monthly amount of pension you would receive for the rest of your life under the Joint and Survivor Pension. Upon your death, your surviving Spouse will receive 50 percent of that amount, or $652.50 per month, for the remainder of her life.

Example 2: Let's say you are eligible for a Disability Pension of $1,500.00 per month. You are age 54 and your Spouse is age 49. Since your Spouse is 5 years younger than you, your Disability Pension of $1,500.00 is multiplied by 78% which equals $1,170.00. This is the monthly amount of Disability Pension you will receive for the rest of your life in 50% Joint and Survivor form. Upon your death, your surviving Spouse will receive 50 percent of that amount, or $585.00 per month, for the remainder of his or her life.

- **Joint and Survivor Pension with Pop-Up Options**

When you retire, you may elect a Joint and Survivor Pension with a Pop-Up Option. The Pop-Up Option provides a reduced monthly retirement benefit for your life, with 50%, 75% or 100% (whichever you elect) of such monthly benefit payable to your Spouse upon your death for your Spouse's lifetime. The reduction is greater than the reduction for the 50% Joint and Survivor Pension without a pop-up feature. Under the Joint and Survivor Pop-Up Options, if your Spouse dies before you, your monthly benefit will be increased (or "popped-up") to the amount that would have been payable had your benefit been paid at retirement in the form of a Single Life Annuity with the applicable guarantee period.

By contrast, under the Joint and Survivor Pension without pop-up, described above, if your Spouse dies first, your benefits are not adjusted and you will continue to receive payments at the same reduced amount for the remainder of your life.

If you elect a Pop-Up Option and your spouse dies, you should send a certified copy of the death certificate to the Administrative Office as soon as possible. The increased monthly benefit will become effective on the first of the month following the date of death provided the Plan receives notification (including acceptable proof of death) within 12 months after your Spouse's death. If you do not notify the Plan within 12 months of the date of death, the increased benefits will start on the first day of the month after proper notification is received by the Administrative Office. Also, if your Spouse dies first, all pension payments will stop upon your death.

Your Spouse must consent, in writing, to the election of a Pop-Up Option. Please note that the 75% and 100% Joint and Survivor Pensions automatically include a pop-up feature. A 50% Joint and Survivor pension, is available with or without that feature.

A. 50% Joint and Survivor with Pop-Up Option

For Pensioners whose benefits are determined in accordance with the Preferred Contribution Schedule under the updated 2016 Funding Improvement Plan (see page 3), the amount of the 50% Joint and Survivor Pension with Pop-Up Option is calculated as follows:

Non-Disability Pensions. For non-disability pensions, multiply the monthly benefit otherwise payable by 88% (89% for Annuity Starting Dates prior to January 1, 2012) minus .4% for each year by which your Spouse is younger than you or plus .4% for each year by which your Spouse is older than you, provided that the resulting pension will never be greater than 100% of the non-reduced pension.

Disability Pensions. For Disability Pensions, multiply the monthly benefit otherwise payable by 79.4% (81.4% for Annuity Starting Dates on and after January 1, 2012) minus .4% for each year by which your Spouse is younger than you or plus .4% for each year by which your Spouse is older than you, provided that the resulting pension will never be greater than 100% of the non-reduced pension.

B. 75% Joint and Survivor with Pop-Up Option

For Pensioners whose benefits are determined in accordance with the Preferred Contribution Schedule under the updated 2016 Funding Improvement Plan (see page 3), the amount of the 75% Joint and Survivor Pension with Pop-Up Option is calculated as follows:

Non-Disability Pensions. For non-disability pensions, multiply the monthly benefit otherwise payable by 86% (87% for Annuity Starting Dates prior to January 1, 2012) minus .6% for each year by which your Spouse is younger than you or plus .6% for each year by which your Spouse is older than you, provided that the resulting pension will never be greater than 100% of the non-reduced pension.

Disability Pensions. For Disability Pensions, multiply the monthly benefit otherwise payable by 75.4% (77.4% for Annuity Starting Dates prior to January 1, 2012) minus .5% for each year by which your Spouse is younger than you or plus .5% for each year by which your Spouse is older than you, provided that the resulting pension will never be greater than 100% of the non-reduced pension.

C. 100% Joint and Survivor with Pop-Up Option

For Pensioners whose benefits are determined in accordance with the Preferred Contribution Schedule under the updated 2016 Funding Improvement Plan (see page 3), the amount of the 100% Joint and Survivor Pension with Pop-Up Option is calculated as follows:

Non-Disability Pensions. For non-disability pensions, multiply the monthly benefit otherwise payable by 81% (82% for Annuity Starting Dates prior to January 1, 2012) minus .6% for each year by which your Spouse is younger than you or plus .6% for each year by which your Spouse is older than you, provided that the resulting pension will never be greater than 100% of the non-reduced pension.

Disability Pensions. For Disability Pensions, multiply the monthly benefit otherwise payable by 67.4% (69.4% for Annuity Starting Dates prior to January 1, 2012) minus .5% for each year by which your Spouse is younger than you or plus .5% for each year by which your Spouse is older than you, provided that the resulting pension will never be greater than 100% of the non-reduced pension.

D. Exception for Inactive Vested Participants

For Inactive Vested Participants who retire under the Plan with an Annuity Starting Date on or after January 1, 2011, the only forms of benefit payment available are a Single Life Annuity with no guarantee period, the 50% Joint and Survivor benefit form, and the 75% Joint and Survivor with Pop-Up benefit form. Additionally, the monthly benefit under these Joint and Survivor benefits forms is calculated to be actuarially equivalent to a Single Life Annuity with no guarantee period, using the interest rate and mortality table provided by the Plan Document for that purpose. For further information and details, please contact the Administrative Office.

Applying for a Joint and Survivor Pension at Retirement

When a married Participant files a pension application, the Administrative Office will give the Participant a statement of what the estimated monthly benefit will be with both the single-life protection or with a Joint and Survivor Pension.

If you are married, your pension will automatically be paid in the form of a 50% Joint and Survivor Pension unless you and your Spouse notify the Administrative Office in writing before your benefits start that you want your pension on the basis of single-life protection or an option other than the Joint and Survivor Pension. Any rejection of a Joint and Survivor Pension will not be valid without your spouse's written consent.

Both married applicants and spouses and unmarried applicants must select benefit options in writing, and the spouse's election must be notarized if a Joint and Survivor Pension is rejected.

Once payments have started in the form of a Joint and Survivor Pension, the monthly benefits must continue on that basis, even if the marriage is dissolved or if the Spouse should die before the Participant.

Applying for a Survivor Pension before Retirement

The procedures outlined above relate to the choice of a Joint and Survivor Pension when the Participant is ready to retire. However, if a Vested Participant dies before applying for a pension, the surviving Spouse will receive a pre-retirement 50% Survivor Pension. (See pages 46-47.)

Benefits to a surviving Spouse under the pre-retirement Survivor Pension will be effective on the first day of the month following the Vested Participant's death (regardless of the Participant's age at the time of death) and be effective for the surviving Spouse's lifetime. If the Participant is younger than

55 at the time of death, the monthly amount payable to the surviving Spouse will be calculated as if the Participant had retired with a Joint and Survivor Pension at age 55 on the day before his or her death. However, if the Participant was eligible for a Service Pension at the time of death, the amount payable to the surviving Spouse will be calculated as if the Participant had retired with a Service Pension in the Joint and Survivor form.

Significant Notes about the Joint and Survivor Pension

- If you are married, you will receive a 50% Joint and Survivor Pension when you retire unless you notify the Administrative Office you want your pension another way.

- If you are a Vested Participant and you die before retirement, you will be automatically covered for the Qualified Pre-Retirement Survivor Annuity (or "QPSA") benefit payable to your surviving Spouse, provided you and your Spouse were married for at least one year on your date of death.

- Joint and Survivor Pensions can protect only a Spouse legally married to the Participant at the time pension payments start.

- Once payments have begun on a Joint and Survivor Pension, they will continue at the same level even if the Spouse dies before the Participant (unless you elect a Pop-Up Option at the time of retirement), or if the Participant and Spouse separate or get divorced.

- Payments to a surviving Spouse continue for life; they are not affected by remarriage.

- If a Spouse should die before a Participant, after pension payments have begun, all pension payments will stop with the death of the Participant.

If you are unable to figure out the amount of your Joint and Survivor Pension, you may contact the Administrative Office and request a Pension Credit Status Report to be sent to you which will include an estimate of the monthly benefit options.

The tables in Appendix A show the reduction for each type of Joint and Survivor Pension at various ages (but only for retirees who are Active Participants subject to the Preferred Contribution Schedule under the updated 2016 Funding Improvement Plan at the time of their Annuity Starting Date).

Lump Sum Option

Subject to the restrictions set forth below, if the monthly amount of any pension benefit does not exceed $100, the Participant may elect to receive the actuarial present value of the benefit in a lump sum. If the Participant is married, the Participant's spouse must consent to the distribution in the form of a lump sum. The option to elect a lump sum distribution is also available to a surviving spouse who qualifies for a pre-retirement Survivor Pension benefit and to a Beneficiary who qualifies for Pre-Retirement Death Benefits. The amount of the lump sum will be determined by converting the monthly benefit to its actuarial present value using the applicable interest rate and the applicable mortality table required by federal law.

Restrictions on Availability of Lump Sum Option:

- For pensions with an Annuity Starting Date or after January 1, 2011, the Lump Sum Option is eliminated for Inactive Vested Participants.

- The Lump Sum Option is not available in any year in which the Pension Plan is determined to be in "critical status" under the Pension Protection Act of 2006, unless the calculated present value of the Lump Sum Option benefit does not exceed $5,000.

Level Income Option (Eliminated)

The Level Income Option form of pension benefit was eliminated under the Plan for pensions with an Annuity Starting Date on or after May 1, 2010.

P.
PRE-RETIREMENT SURVIVOR ANNUITY BENEFITS (FOR SURVIVING SPOUSES) AND PRE-RETIREMENT DEATH BENEFITS

For deaths occurring after January 1, 2015, if a Vested Participant has earned sufficient Pension Credit to be eligible for pension benefits and dies before his or her Annuity Starting Date, his or her eligible surviving Spouse (married to the Vested Participant for at least one year before his or her death) will receive the pre-retirement 50% Survivor Pension (also called a Qualified Pre-Retirement Survivor Annuity, or "QPSA"), payable for his or her lifetime. The surviving Spouse may not elect to instead receive 40 monthly payments of the Participant's Normal Retirement Age single life pension amount.

The QPSA will be calculated at the age of the Participant at the time of death. If the Participant is younger than age 55, benefits will be calculated as though the Participant was age 55 with at least 10 years of Pension Credit (as an Early Benefit) at the time of death.

If there is no Surviving spouse at the time of the Vested Participant's death, then 40 monthly payments of the Participant's Normal Retirement Age single life pension amount will be paid to the Participant's designated beneficiary or beneficiaries. If there is no designated beneficiary, the payment will be made to the Participant's legal beneficiary according to the order of succession and rules provided for in Section 5.5 of the Plan Document. If there is no legal beneficiary, no pre-retirement death benefit will be payable.

The monthly amount of the 40 guaranteed monthly payments, if any, will be equal to the monthly amount of Regular Pension the Participant would have been entitled to receive had he or she retired and been age 65 on the day he or she died. A copy of the Death Certificate of the Participant must be filed with the application for this benefit.

If a married Participant who is eligible for pension benefits submits in good faith a completed Pension Application, but dies before the application is approved or his or her or her pension becomes effective, the surviving Spouse may also elect to receive the survivor annuity payable under the Joint and Survivor Pension option selected in the pension application.

Exceptions:

- Pre-retirement death benefits (but not the Qualified Pre-Retirement Survivor Annuity for surviving Spouses) are eliminated for Inactive Vested Participants and Terminated Participants.

- Pre-retirement death benefits (but not the Qualified Pre-Retirement Survivor Annuity for surviving Spouses) are not payable if the deceased Participant worked in Non-Covered Sheet Metal Service in any calendar year and then died in that calendar year or either of the following two calendar years.

Q.
PENSIONER'S LUMP SUM DEATH BENEFIT

For Deaths Prior to January 1, 2018

Subject to the exceptions described below, upon the death, prior to January 1, 2018, of a Pensioner with an Annuity Starting Date on or after January 1, 2011, including a Pro-Rata Pensioner with at least 5 years of Pension Credit or a Pensioner receiving a Vested Pension, at a time when he or she is entitled to receive benefits under the Plan, a Pensioner's Lump Sum Death Benefit of $1,000 will be paid to the Pensioner's surviving Spouse or, if there is no surviving Spouse, to the Pensioner's designated beneficiary. If there is no designated beneficiary, the payment will be made to the Pensioner's legal beneficiary according to the order of succession and rules provided for in Section 5.5 of the Plan Document. If there is no legal beneficiary, no Pensioner's Lump Sum Death Benefit will be payable.

A claim for the Pensioner's Lump Sum Death Benefit must be filed within one year from the date of death. The proper form should be obtained from the Administrative Office. A copy of the Death Certificate must be filed with the application.

This benefit is paid in addition to any other benefits that may be payable upon the death of the Pensioner, such as Joint and Survivor Pension payments to the surviving Spouse.

For Deaths On or After January 1, 2018

Subject to the exceptions described below, upon the death, on or after January 1, 2018, of a Pensioner, including a Pro-Rata Pensioner with at least 5 years of Pension Credit or a Pensioner receiving a Vested Pension, at a time when he or she is entitled to receive benefits under the Plan, a Pensioner's Lump Sum Death Benefit of $1,500 will be paid to the Pensioner's surviving Spouse. If there is no surviving Spouse at the time the death benefit is to be paid, or is paid, no Pensioner's Lump Sum Death Benefit will be payable.

A claim for the Pensioner's Lump Sum Death Benefit must be filed within one year from the date of death. The proper form should be obtained from the Administrative Office. A copy of the Death Certificate must be filed with the application.

This benefit is paid in addition to any other benefits that may be payable upon the death of the Pensioner, such as Joint and Survivor Pension payments to the surviving Spouse.

Exceptions

1. No Pensioner's Lump Sum Death Benefit is payable if a Pensioner worked in Non-Covered Sheet Metal Service during the year he or she died or in either of the two prior calendar years.

2. No Pensioner's Lump Sum Death Benefit is payable upon the death of a Pensioner who retired as an Inactive Vested Participant with an Annuity Starting Date on or after January 1, 2011.

R.
SUSPENSION OF BENEFITS FOR WORK AFTER RETIREMENT

Suspendable Employment before Normal Retirement Age (generally Age 65)

Pensioners younger than age 65 (or Normal Retirement Age if later, see page 5) may not work anywhere, either inside or outside the United States, for wages or profit, or receive any compensation either as an employee or as an employer in the Sheet Metal Industry (see definition below), while continuing to receive monthly pension benefits from this Plan. Pensioners who work in such "Suspendable Employment" will have their benefits suspended and have other and additional penalties applied, as summarized below at pages 51-52.

However, Pensioners younger than age 65 may work up to 40 hours as an instructor on a part-time basis (40 hours per month maximum) in an approved JATC (journeymen and apprentice training) sponsored program, course or activity. This allowance does not apply to full-time instructors or to the positions of training coordinator or administrator.

Tax Return Submission Requirement for Pensioners under Age 65

Pensioners under age 65 must annually provide the Board of Trustees, for review, a copy of their federal income tax return and any IRS Forms W-2 (wage and tax statement) for the previous year, by May 15 of each year, to verify that they are not working in Suspendable Employment. If a pensioner fails to comply with these rules, his or her pension benefits may be suspended effective the following July 1. Other and additional penalties may apply.

- Surviving spouses, Beneficiaries, and alternate payees under a qualified domestic relations order (QDRO) have no separate and independent obligation to submit federal income tax returns and W-2s as a condition of their receiving pension benefits or death benefits from the Plan.

- The Board of Trustees has discretion to accept detailed Social Security earnings information from pensioners, in place of federal income tax returns and W-2s, upon a showing of good cause.

- The Board of Trustees has discretion to grant one-time waivers of the tax return submission requirement, and six month extensions of the due dates and suspension dates for pensioners who obtain an IRS tax filing extension for a particular tax year, upon a showing of good cause.

Suspendable Employment after Age 65 and before Required Beginning Date

Pensioners at or past age 65 (or Normal Retirement Age if later, see page 5), and before the Pensioner reaches his or her Required Beginning Date, may work no more than 40 hours per month in the same industry, in the same trade or craft, and in the same geographic area covered by the Plan or the area of a Related Plan (see page 28). Outside the Plan area and the Related Plan areas, there are no restrictions on the amount or type of work you may engage in while receiving pension benefits. Pensioners who work in such "Suspendable Employment" may have their benefits suspended and have other and additional penalties applied, as summarized below at pages 51-52.

The "same industry" means any business activity of an employer that includes the type of employment covered by the Plan. The "same trade or craft" means any occupation in which you were employed or in which you could have been employed under the Plan, including self-employment related to that occupation and related supervisory activities. The "same geographic area" means the states of California, Arizona and Nevada and any other area covered by a Related Plan.

Once a Pensioner reaches his or her Required Beginning Date, the Pensioner's benefits will not be suspended for work in the Sheet Metal Industry on or after the Pensioner's Required Beginning Date. Your Required Beginning Date is the April 1^{st} of the calendar year following the calendar year in which you reach age 70-1/2.

<u>**Sheet Metal Industry**</u>

The "**Sheet Metal Industry**" is considered to be all work or services of the kind performed by any contributing Employer to the Plan which relates in any way to any work performed by Employees covered by the Pension Plan. For example, in addition to manufacturing, fabrication, service, design and installation of products or goods by contributing Employers, the Sheet Metal Industry includes but is not limited to the following functions:

1. an ownership interest in, or any work or consulting for, any establishment which manufactures, fabricates, services, designs, installs, repairs, or sells any items of the type so handled by any contributing Employer, whether or not the establishment is incorporated and whether or not it contributes to the Plan.

   Please note that if your spouse has any such connection with the Sheet Metal Industry you are deemed to also have compensation or profit from the Industry. If your spouse has an ownership interest in a Sheet Metal employer prior to your retirement, he or she must sell or transfer that interest or you will not be eligible for pension benefits. However, a spouse of a Pensioner may continue employment in a job capacity he or she continuously performed prior to your retirement. He or she may also work in a non-management office position (such as secretarial or accounting) not involving the tools of the sheet metal trade, and for wages or salary commensurate with the position, in the opinion of the Board of Trustees. The Pensioner, or his or her spouse, must submit a written request for approval of such employment by the Board of Trustees, through the Eligibility Committee, within 30 days of beginning such employment.

2. acting in a sales, consulting, estimating, or design capacity relating to any items of the types manufactured, fabricated, serviced, designed, installed, repaired, sold, etc. by any contributing Employer.

3. any other work relating in any way to the manufacture, fabrication, service, design, installation, repair, or sale of any item of the type handled by any contributing Employer.

The Sheet Metal Industry includes work or services performed anywhere, either inside or outside the United States.

Exception for Ownership Interest

Effective January 1, 2010, benefits will not be suspended for months in which a Pensioner or his or her or her spouse maintains a qualifying ownership interest in a contributing Employer, provided the Pensioner is not working in Covered Employment or work that otherwise would be considered Suspendable Employment as described at pages 51-52. For more information about this provision, contact the Administrative Office.

Exception for Certain Sales or Safety Work - 55/25 Rule

Effective through December 31, 2019 (unless extended), if you are 55 or older and have at least 25 years of Pension Credit and are receiving a Pension benefit from the Plan, you may return to work as a salesperson or as safety personnel for a specific contributing Employer without having your pension suspended subject to all of the following conditions:

1. You are retired and receiving a benefit from the Plan and you do not work at all with the tools of the trade or perform supervision as defined by the local Sheet Metal Workers union in the jurisdiction where the work is performed, or perform work (other than that specifically allowed by the 55/25 Rule) which is claimed by the Sheet Metal Workers' International Association.

2. Prior to the start of your employment, you receive written approval from the Local Sheet Metal Workers Union in the jurisdiction.

3. Prior to the start of your employment, you submit a written request for approval of such employment, and receive written approval from the Eligibility Committee of the Board of Trustees.

4. Your Employer must report all of your hours to the Sheet Metal Workers Trust Funds. No Plan contributions will be paid for your hours, and you will not earn Pension Credits. You will be paid, however, at minimum, regular journeyman wages as set in the jurisdiction, or at the rate set by the bargaining parties of the jurisdiction, for all hours worked under this rule.

5. Approval to work under the 55/25 Rule must be reconfirmed in writing each January by the local Sheet Metal Workers union. Without reconfirmation, approval will terminate effective the following March 1st.

Pensioners should be aware that the 55/25 Rule may not be consistent with the rules of the Sheet Metal Workers' National Pension Fund and other plans with which this Plan has or may in the future have reciprocity arrangements. Work under the 55/25 Rule may subject the pensioner to loss of benefits, suspension of benefits, and additional penalties under other pension plans (and related health and welfare plans) under which the pensioner may otherwise be eligible for benefits. Pensioners who are considering working under the provisions of the 55/25 Rule are urged to consult such other pension and health plans to determine implications under such other plans of a return to work under the 55/25 Rule.

By direction of the Board of Trustees, the 55/25 Rule will terminate December 31, 2019 unless extended by action of the Board.

Suspension of Pension Payments

If you are receiving a pension from this Plan and take work which is Suspendable by the Plan regulations, you must notify the Administrative Office, in writing, within 30 days, at which time your benefits will be stopped.

Your benefits will continue to be suspended for any month in which you have been employed, plus a MANDATORY additional six months after you cease your Suspendable Employment (a MANDATORY additional 12 months if the work was in Non-Covered Sheet Metal Service), but not beyond Normal Retirement Age. If you also have not notified the Administrative Office of your Suspendable Employment within the required 30 days, your benefits may be suspended at the Board of Trustees' discretion for an additional 12 months but not beyond Normal Retirement Age.

However, if a Pensioner returns to Covered Employment for a continuous period of Covered Employment that begins between January 1, 2019 and June 30, 2019, the six additional calendar month suspension period described in the preceding paragraph will not apply to that continuous period of Covered Employment. For purposes of this exception, a continuous period of Covered Employment may not include work in Non-Covered Sheet Metal Service or receipt of pension benefits, but it may include months during which no Covered Employment is performed, and it may include work as an owner or manager of a contributing Employer.

Once you reach Normal Retirement Age and before April 1st of the year following the year you reach age 70-1/2 (your Required Beginning Date), you may work no more than 40 hours per month in the same industry, in the same trade or craft, and in the same geographic area covered by the Plan or the area of a Related Plan. Your benefits may be suspended for any month in which you work in such employment. Any Pensioner age 65 or over who fails to notify the Plan of his or her Suspendable Employment in the Sheet Metal Industry may be presumed to have worked more than 40 hours in each month in which he or she worked.

If your monthly pension benefits are suspended because you worked in Suspendable Employment, they will not be returned to you if and when your monthly pension benefits are reinstated. Your benefits will be reinstated on a prospective basis only.

You will receive notice from the Plan when your benefits have been suspended, including the reasons for the suspension. You have the right to appeal to the Board of Trustees in writing, which must be filed with the Board of Trustees within 60 days of the date on your notice of suspension. The appeal will be considered by the Board of Trustees, first by the Eligibility Committee, and upon further appeal by the Appeals Committee, and their decisions will be furnished to you in writing, including the reasons for the decisions and reference to governing Plan provisions.

If your pension is suspended, you must file a claim to resume payments before your pension can start again—prospectively. To meet this notice requirement, you can simply advise the Board of Trustees, in writing, as to when you stopped or will stop working in Suspendable Employment. The Administrative Office will then review your file and advise you about the date payments will resume, and the Plan's recovery of any overpayment.

IMPORTANT: If a Participant or a Pensioner has a question as to whether any work would adversely affect pension benefits or result in suspension of pension benefits, he or she should submit a written request to the Administrative Office for an advance determination from the Eligibility Committee of the Board of Trustees. Failure to request such advance approval will be presumed to be evidence of an intent to hide your employment and could lead to a determination by the Board of Trustees or a Court that you must repay all benefits improperly received. Only the Board of Trustees through the Eligibility Committee, and not any individual Trustee or Union representative, can make this determination. You should not rely upon the statement of any individual, but only the written approval of the Committee.

A Pensioner who returns to Covered Employment will, when he or she retires again, be entitled to receive an increased benefit by having any additional Pension Credits earned during his or her return to work added to his or her original pension. Such additional credit will be added at the end of that calendar year and be paid effective January 1st of the following year.

In the case of a Pensioner who retired at or after Normal Retirement Age who is reemployed and earns additional benefits, the original Annuity Starting Date and the benefit payments elections made at that time will apply when benefit payments begin again at a later date.

In the case of a Pensioner who retired before Normal Retirement Age who is reemployed and earns additional benefits, a new Annuity Starting Date will be established for payment of those new benefit accruals (but only for additional benefits due solely to the Pensioner's renewed employment after early retirement) when the Pensioner again retires. The benefits earned during that period of reemployment will be paid as a 50% Joint and Survivor Pension, if applicable, as of the new Annuity Starting Date, or, if that is properly rejected, any other payment form available to the Pensioner under the Plan.

If an Early Retirement Pensioner returns to Covered Employment, when he or she retires again he or she must repay the full amount of the pension he or she previously received when he or she retires again. To accomplish this repayment, the pensioner will receive the amount of his or her former pension until the difference between that and his or her new, increased benefit has repaid the sum of all his or her original pension payments.

Effective January 1, 1999, if a Pensioner returns to Covered Service for at least 12 months and works in Covered Employment (including work in a Related Plan, see page 28) for 1,350 hours or more he or she will be eligible to reelect the form of his or her pension for payments made subsequent to his or her re-retirement (i.e., single life versus Joint and Survivor benefits) with adjustments to the benefit amount as determined pursuant to the Plan. This reelection is allowed on a one-time only basis.

S.
PENALTIES FOR WORK IN NON-COVERED SHEET METAL SERVICE

Special Rules for Work for Non-Contributing Employers

If a Participant works in Non-Covered Sheet Metal Service, the following special rules will apply to him or her.

Non-Covered Sheet Metal Service means sheet metal work in the geographical jurisdiction of this Plan or a Related Plan (see page 28) on or after February 1, 1986, for an employer which does not have, or self-employment which is not covered by, a collective bargaining agreement with a Sheet Metal Workers' Union requiring contributions to this Plan or a related pension or health plan. This includes local union jurisdictions which are signatory to the SMART Master Reciprocal Agreement.

Sheet metal work includes all work or services of the kind performed by any contributing Employer to the Plan which relates in any way to any work of the kind performed by participating Employees covered by the Plan. It includes such jobs as management, ownership, sales, estimating, or consulting positions for Sheet Metal employers or in the Sheet Metal Industry (see definition at page 49), as well as work of the type done by bargaining unit members and related work.

<u>Penalties for Work in Non-Covered Sheet Metal Service</u>

1. **Early Retirement Pension**. The effective date of a Participant's Early Retirement Pension will be delayed six months for every calendar quarter in which the Participant has at least one hour of Non-Covered Sheet Metal Service.

2. **Service Pension**. The effective date of a Participant's Service Pension will be delayed six months for every calendar quarter in which the Participant has at least one hour of Non-Covered Sheet Metal Service.

3. **Disability or Special Early Pension**. A Participant will not be eligible to receive a Disability or Special Early Pension if he or she works in Non-Covered Sheet Metal Service during any part of a calendar year and then becomes disabled during that same calendar year or the immediately following two consecutive calendar years.

4. **Suspension of Pension Benefits**. If a Pensioner's Early Retirement or Service Pension is suspended on account of employment in Non-Covered Sheet Metal Service, an additional six months of suspension will be added to the period of suspension otherwise provided for in the Plan (but not past Normal Retirement Age).

5. **Death Benefits**. The Pre-Retirement Death Benefit and the Pensioner's Lump Sum Death Benefit will not be payable on behalf of a Participant or Pensioner who works in Non-Covered Sheet Metal Service during any part of a calendar year and then dies during that same calendar year or the immediately following two consecutive calendar years.

6. **Return to Covered Employment**. If a Participant works in Non-Covered Sheet Metal Service and then returns to Covered Employment for an Employer required to contribute to the Plan and earns at least 300 Hours of Service per calendar year for at least as long a period of consecutive calendar years as he or she had previously worked in Non-Covered Sheet Metal Service, the penalties provided for such work prior to that period will be waived. A Participant may have only one Waiver of such penalties.

   If the Pensioner qualifies for a Waiver, he or she must submit a new pension application and a new pension effective date will be established based on receipt of a new pension application.

   If an Early Pensioner qualifies for a Waiver, the Pensioner must submit a new pension application and a new pension effective date will be established based on receipt of a new pension application, the Pensioner must repay the full amount of pension benefits the Pensioner previously received when he or she retires again. To accomplish this repayment, the Pensioner will receive the amount of the initial pension until the difference between that and the Pensioner's new increased benefit, calculated at his or her age at the time of his or her new pension effective date and after the Waiver, has repaid the sum of all the Pensioner's original pension payments.

If a Participant who was employed in Non-Covered Sheet Metal Service as of February 1, 1986, returns to Covered Employment on or before December 31, 1986, and thereafter earns at least 375 hours in Covered Employment, any calendar year prior to January 1, 1987 in which he or she worked in Non-Covered Sheet Metal Service will not be considered in determining whether the Participant has a Break in Covered Employment or a Separation in Service.

T.
ANNUITY STARTING DATES

Your Annuity Starting Date is the date on which your pension becomes effective. An eligible applicant's earliest permitted Annuity Starting Date is the first day of the second month immediately following satisfaction of these requirements: (1) the applicant's completed pension application has been filed with the Administrative Office; and (2) the applicant has been provided a written explanation of the forms of payment available from the Plan. In addition, the applicant must have retired from Covered Employment and not be engaged in Suspendable Employment under Plan rules (see Section R, "Suspension of Benefits for Work after Retirement," beginning at page 48).

The actual commencement of your payments may be delayed because of processing. For example, in order to verify your Past Service Credit, the Administrative Office may need to obtain Union membership records, or employment records from the Social Security Administration. Generally, once processing is completed and you are found to be eligible for a pension, you will receive payments retroactive to your Annuity Starting Date.

To ensure that a Disability Pension will become payable as early as possible:

1. Send the application to the Administrative Office as soon as possible, and, if applicable, at the same time as the application for Social Security benefits; and

2. Send the Social Security Notice of Award to the Administrative Office as soon as it is received.

A Disability Pensioner may be eligible for Auxiliary Disability Benefits for periods prior to the Annuity Starting Date (see pages 24-25).

A participant's Annuity Starting Date cannot be later than his or her Required Beginning Date, which is April 1st of the calendar year immediately following the calendar year in which the participant reaches age 70½. For example, if a participant's 70th birthday falls on August 1, 2018, her Required Beginning Date is April 1, 2020.

Waiver of Minimum 30-day Notice Period for Distributions

By law, participants (and their spouses, if any) have a 30-day notice period to decide if they want monthly benefits payable in a form other than the automatic form of payment that corresponds to their marital status on their Annuity Starting Date. If you and your spouse elect an alternate form of payment (for example, the Single Life Annuity with the applicable number of months of guaranteed benefits), then unless you elect to waive the minimum 30-day notice period and your spouse consents to that waiver, your Annuity Starting Date cannot occur—and neither may the actual distribution of your benefits begin—before this notice period ends. An election to waive the 30-day minimum waiting period will be valid as long as:

(1) you are informed of the right to take at least 30 days to consider whether to waive the 50% Joint and Survivor form of benefit and consent to receive an alternate form of payment;

(2) you are given at least seven days to change your mind and cancel an election to waive the automatic form of payment; and

(3) distribution of benefits does not begin until after the seven-day period expires.

This change will allow the payment of your benefits to begin as of the eighth day after you are provided with the written explanation of the available forms of payment. Administrative processing of your pension application may delay the issuance of your first benefit payment.

U.
HOW TO OBTAIN BENEFITS AND APPEAL A DENIAL OF BENEFITS

This section sets forth the Plan's rules that apply to pension benefit determinations and the review of adverse benefit determinations.

The process set forth in this section is intended to allow for prompt initial determination of your pension benefit claims and full and fair review of adverse benefit determinations for which you request review.

Applying for a Pension

You should first request a pension application packet from the Administrative Office. Your application must be completed, signed, notarized (as required), and received by the Administrative Office (or postmarked, if mailed) at least one month prior to the date your Pension can become effective. You must send satisfactory proof of your date of birth with your application. If you decide you want a Joint and Survivor for of pension benefits, you will need to provide proof of your marriage and proof of your Spouse's date of birth.

By law, Participants and their Spouses, if any, have a 30-day notice and election period to decide the form in which they want monthly benefits to be payable. The "default" automatic form for married retirees is the 50% Joint and Survivor Pension, and, for unmarried retirees, it is a Single Life Annuity.

Authorized Representatives

The Plan will recognize the following individuals as representatives for claims and claim review requests:

1. If you are an adult Participant or Beneficiary, you may speak on your own behalf.

2. If you are a parent (natural or adoptive) you may speak on behalf of your child.

All other purported representatives must supply evidence that they are authorized to speak on your behalf. For the Plan to recognize such a representative, the representative must present to the Administrative Office a court order, a "Power of Attorney," or a similar document expressing the representative capacity.

Claim Determination Consistency

It goes without saying that like claims should receive like treatment. The Administrative Office will take steps to ensure and to verify that your benefit claim determinations are made in accordance with governing Plan documents and that these Plan provisions have been applied consistently with respect to you and other similarly-situated claimants.

Benefits Available

The Pension Plan provides benefits to a number of different individuals who qualify for those benefits. The benefits are summarized at pages 8 through 29 and 46 through 48.

Filing of Pension Claims/Issues

If you believe that you are eligible for benefits under the Pension Plan, you should contact the Administrative Office and request the appropriate benefit application forms. The Administrative Office will mail the appropriate application forms to you. A claim is filed, or "received," for purposes of these rules, when a completed benefit application is received by the Administrative Office, although additional information, including election forms, tax forms, retirement declarations, etc. may be required before an initial determination can be made on the application. The Administrative Office will specify what additional information may be needed. (See "Pension Effective Date" discussion at page 6. Also see the discussion of Annuity Starting Dates at pages 54-55.)

If you wish to pose any other issue to the Plan for determination, you should put the issue in writing and submit it to the Administrative Office. A pension application is considered filed, or "received," for purposes of these rules, when the application is received by the Administrative Office, or postmarked if mailed. An issue other than a benefit application is filed, or "received," for purposes of these rules, when the writing posing the issue is received by the Administrative Office.

Pension applications are considered "stale," and therefore invalid, six months after they were postmarked if missing information required by the Pension Department to process the application is not received, or if the participant delays his or her requested retirement date.

Application for a Pro Rata Pension

If your application is for a Pro Rata Pension, in whole or in part, you may also need to apply to the Related Plan (or Plans) (see page 28) for a pension under their regulations.

If You are Age 65 and do not Apply for a Pension

Your benefits will be suspended if you continue to work in Suspendable Employment (see pages 48-52) after age 65 (or your Normal Retirement Age, if later). This means that if you do not apply for benefits when you reach age 65 (or Normal Retirement Age if later), pension benefits will be suspended for every month thereafter in which you work in Suspendable Employment more than 40 hours, as explained at pages 51-52. You will continue to accrue Pension Credit based on the hours you work in Covered Employment. When you retire, your pension will be calculated as a delayed retirement, as applicable, as described at pages 29-30.

Federal Income Tax Withholding; Rollover to Another Qualified Account

If benefits are paid as a lump sum or in installments over a period of less than 10 years, federal law requires 20% withholding for federal income tax on those payments, unless the individual to receive the payments elects to rollover those payments to another eligible tax-qualified account, such as an Individual Retirement Account (IRA). You should consult your financial or tax advisor to select the best approach for you.

Application for Benefits by Beneficiaries

If you die before or after retirement, your surviving Spouse or other Beneficiary must file an application with the Administrative Office for death benefits and/or retirement benefits which may be due them (see pages 46-48 for further information about such Plan benefits).

To make it possible for payments to begin with minimal delay, the Spouse or Beneficiary, or their representative, should contact the Administrative Office as soon as possible after a Participant's death about any benefits that may be payable and required procedures. The Administrative Office will supply the forms and advise of the information needed.

Initial Determination on Pension Claims and Issues

Pension claims/issues are required to be initially determined and notice of any decision will be given to you within a reasonable period of time, not later than 90 days after receipt of the claim. This period may be extended one time by the Plan for up to 90 days, provided that the Plan both: (1) determines that special circumstances require the extension; and (2) notifies you, prior to the expiration of the initial 90-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to make the determination.

If the special circumstance requiring the extension of time under this provision is your failure to supply information needed to perfect the claim, and such information is not received by the Administrative Office within the 180 day time period specified by this provision, the claim will be denied, and a new application must be filed with the Administrative Office under the Filing paragraph of these rules.

Form of Notice of Initial Determination

If an adverse determination is made by the Plan with respect to a benefit claim/issue, the Plan will provide to you written notification setting forth, in a manner suited to your understanding:

1. The specific reason(s) for the determination;
2. Reference to the specific plan provision(s) on which the determination is based;
3. A description of any additional material or information necessary to perfect the claim and any explanation of why the additional material or information is necessary; and
4. A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to sue under Section 502(a) of ERISA after exhaustion of the review procedures.

Time Frame to Request Review of a Denied Claim

You have 60 days following receipt of notification of an adverse determination to file a request for review. Any request for review received by the Plan after this period is untimely and subject to denial on review on that basis alone.

Request for Review of a Denied Claim

When a claim for specific Pension Plan benefits (a "claim") is submitted to the Administrative Office, it is processed according to the Plan's rules. If you receive from the Plan an answer to a claim with which you disagree, you or a duly authorized representative of your choice may request a review of the decision. The request for review must be in writing and submitted to the Administrative Office. The request for review must be received by the Administrative Office within 60 days from the date of your receipt of the answer with which you disagree. Late requests may be rejected as untimely. You may submit any additional evidence or argument to support your position. You may also be provided, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to your claim for benefits. Decisions made by the Appeals Committee (see below) are the final step of any appeals process and are considered final.

Specific Processes

After initial processing by the Administrative Office, a claim will be reviewed by the Eligibility Committee, which is a Committee of the Board of Trustees of the Plan. The Eligibility Committee will independently consider all comments, documents, records, and other information submitted by you or your authorized representative relating to the claim.

You will be advised in writing of the decision of the Eligibility Committee. This will include a written explanation giving detailed reasons for any denial, specific references to the Plan provisions on which the denial is based, a description of any additional material or information necessary for you to perfect the claim, an explanation of why such material or information is necessary, a description of the Plan's review procedures and applicable time limits, and a statement of your right to sue under ERISA following Plan review of any denial of benefits.

This written explanation will be furnished to you within 90 days after receipt by the Administrative Office, of your request for review unless special circumstances require an extension of time for processing your review. If such an extension is required, you will be given written notice of that extension and in no event will the extension exceed an additional 90-day period.

After the written explanation is received, if you believe you are adversely affected by such decision, you or a duly authorized representative of your choice may file a request for an appeal to the Appeals Committee, which is a separate Committee of the Board of Trustees of the Plan.

The request for an appeal must be in writing and submitted through the Administrative Office, P.O. Box 10067, Manhattan Beach, California 90267-7567. The appeal must be submitted within 60 days of your receipt of the written explanation of the Eligibility Committee's determination. Late requests may be rejected as untimely.

The request for appeal must contain an outline of the matter involved along with any issues, comments, or explanation of the applicant's position. You may submit any additional evidence or argument to support your position. You may also be provided, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to your claims for benefits.

You may request that you and/or your authorized representative be present at the Appeals Committee meeting. A notification of the meeting date and time will then be sent to you. Additional evidence can be presented at the Appeals Committee meeting.

The appeal will be heard by the Appeals Committee within 90 days of the receipt of the appeal unless special circumstances require an extension of that time. In that event, notice will be given of the extension, which, in no event, will be longer than an additional 90 days.

The Appeals Committee will independently consider the appeal using the written application presented by you, and/or by hearing the appeal of the individual who has requested a personal appearance at the Appeals Committee hearing. You will be advised in writing of the decision of the Appeal Committee. This will include a written explanation giving detailed reasons for any denial; a specific reference to the Plan provisions on which the denial is based; a statement of your right 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 of your right to sue under ERISA. The decision of the Appeals Committee will be final and binding upon the applicant.

This appeals procedure is the sole and exclusive procedure available to any individual who is dissatisfied with a claim or eligibility decision of any kind relating to any benefit under the Plan. The Plan's claims and appeals procedures must be exhausted before the applicant can avail himself or herself of any procedure outside of the rules and regulations of the Plan itself.

Following exhaustion of the Plan's internal appeals procedure, if the claimant continues to believe that the decision is contrary to the terms of the Plan, he or she has the right to bring a civil action under Section 502(a) of ERISA.

Deadline for Filing Suit Following Denial of Appeal (or Denial of Claim if no Appeal), and Forum in which Suit must be Filed

Any civil action under Section 502(a) of ERISA, challenging an actual or perceived denial of a claim for eligibility or benefits under this Plan, in whole or in part, must be filed within one year of the date of a final and binding decision of the Board of Trustees denying the claim or an appeal relating thereto. If no appeal was filed, even though an appeal is required as a condition of filing suit, then suit must be brought within one year of the date of the Plan's denial of the claim.

Any civil action under Section 502(a) of ERISA, challenging an actual or perceived denial of a claim for eligibility or benefits under this Pension Plan, in whole or in part, must be brought and resolved in the United States District Court for the Central District of California, and in any court in which appeals from such court are heard. Such court or courts will have personal jurisdiction over any Plan participant, dependent, beneficiary, or alternate payee in such action.

V.
SOME QUESTIONS, ANSWERS, AND BASIC FACTS

Must a Participant Retire at Age 65?

No. Retirement under this Plan is voluntary. However, pension benefits must become effective no later than your Required Beginning Date. Your Required Beginning Date is the April 1st of the year following the year in which you reach age 70½.

May Pension Benefits be Assigned?

No. This is prohibited by Plan rules. However, benefits will be paid in accordance with a qualified domestic relations order (or "QDRO") as required by federal law.

Domestic Relations Orders/Divorce Decrees/QDROs

In accordance with federal law the Plan must recognize any Qualified Domestic Relations Order (QDRO) and make payments as directed by the QDRO to any spouse, former spouse, child, or other dependent (called an "alternate payee") of a Plan participant specified by the QDRO. A QDRO is a state domestic relations order such as a divorce decree which creates or recognizes an alternate payee's right to receive all or a portion of the benefits payable to a Participant under the Plan, and which the Plan has recognized as "qualified." Any lawful judgment, decree, order, or property settlement agreement which has been entered into may be a QDRO if it relates to the provision of child support, alimony payments, or marital property of a Spouse, former Spouse, child, or other dependent of a Plan Participant and is made pursuant to State domestic relations law.

The Board of Trustees cannot recognize or honor as "qualified" a domestic relations order, such as a divorce decree which attempts to divide a pension, unless the order or decree contains certain information and otherwise complies with federal law. If you are contemplating a divorce or are a party to any other domestic relations action which may involve your benefits under the Plan, then you or your attorney should contact the Administrative Office for additional information **before** any such domestic relations order or decree is signed by the judge.

When a Participant's benefits are assigned, in whole or in part, to an alternate payee under a QDRO, and the Participant's benefits are subject to the updated 2016 Funding Improvement Plan (see page 3), then the alternate payee's benefits will determined on the same basis.

In the event you are in the process of a divorce, you should carefully consult with your attorney as to the effect of the divorce on your or your spouse's benefits. Any questions you or your attorney have should be addressed in writing to the Administrative Office and will be forwarded to the Plan's Legal Counsel for reply. The Plan's Legal Counsel will also review any domestic relations order to determine if it is "qualified," and may provide a draft QDRO to the parties.

The Board of Trustees has adopted procedures for the treatment of domestic relations orders received by the Plan, and a copy of those procedures is available without charge from the Administrative Office.

You or an attorney representing you or your spouse or ex-spouse may request sample QDRO language by submitting a written request to the Administrative Office.

<u>Are the Pensions Provided under this Plan Affected by Social Security or Workers' Compensation Benefits?</u>

No. The benefits provided under this Plan are in addition to any benefits that may be payable under Social Security or workers' compensation benefits.

<u>Who Administers the Plan?</u>

The Plan is administered by a Board of Trustees consisting of Employee and Employer Representatives with equal voting rights in accordance with the law.

IMPORTANT INFORMATION

The preceding material was prepared to explain as clearly as possible your rights and benefits and other important features of the Pension Plan. For purposes of clarity, some of the precise detail of the rules has been summarized. Efforts have been made to ensure the accuracy of the summary. However, nothing in this explanation is intended to change the rules of the Plan in any way.

In the event any question is created, your rights will be determined in accordance with the text of the Plan Document and by the procedures prescribed in the Plan. You are entitled to review a copy of the Plan Document. In the event of any inconsistency between the Plan Document and this booklet, the Plan Document will control.

Only the full Board of Trustees is authorized to interpret the Plan. Neither the Local Unions nor any Employer nor any of their representatives nor any individual Trustee is authorized to interpret the Plan or to act as an agent of the Board of Trustees.

Except as otherwise specified herein, the Board of Trustees shall have sole and exclusive discretionary authority and responsibility for administering, construing, and interpreting the provisions of the Plan, determining eligibility for benefits, and making all determinations, including factual determinations, hereunder.

If you have any questions about the Plan, contact the Administrative Office. The staff has the most current information on the operation of the Plan and on your rights and responsibilities under it. The staff is available to help you with any questions. Information you receive from other sources should be considered unreliable.

Address your inquiries to:

Sheet Metal Benefit Plans Administrative Corporation
111 North Sepulveda Boulevard, Suite 200
Manhattan Beach, California 90266-6849
Telephone: (800) 947-4338
Website: www.smbpac.org

W.
INFORMATION REQUIRED BY ERISA

In conformity with certain governmental regulations, the following technical information is supplied to you.

1. Name, Type of Plan, and Type of Administration of the Plan

Sheet Metal Workers' Pension Plan of Southern California, Arizona and Nevada.

The Plan is a multiemployer defined benefit plan, under a collectively bargained, jointly trusteed labor-management trust.

2. Parties Maintaining the Plan

Board of Trustees of the Sheet Metal Workers' Pension Plan of Southern California, Arizona and Nevada
c/o Sheet Metal Benefit Plans Administrative Corporation (SMBPAC)
111 N. Sepulveda Blvd., Suite 200
Manhattan Beach, California 90266

A complete list of the Employers and Employee organizations sponsoring the Plan may be obtained upon written request to the Administrative Office, and is available for examination by Participants and Beneficiaries.

Any Participant or Beneficiary may request, in writing, information as to whether a particular employer or organization is a sponsor of the Plan, and that sponsor's address.

3. Agent for Service of Legal Process

The name and address of the agent designated for the service of legal process is:

Vernon Shaffer, Executive Director
Sheet Metal Benefit Plans Administrative Corporation
111 North Sepulveda Blvd., Suite 200
Manhattan Beach, CA 90266-6849

Legal Process may also be served on a Plan Trustee.

4. **Internal Revenue Service Plan Identification Number and Plan Number**

The Employer Identification Number (EIN) issued to the Board of Trustees is: 95-6052257. The Plan Number is: 001.

5. Name and Address of the Administrator / Plan Sponsor

The Board of Trustees; same as item 6 below.

The routine administrative functions of the Plan are performed by:

Sheet Metal Benefit Plans Administrative Corporation (SMBPAC)
111 N. Sepulveda Blvd., Suite 200
Manhattan Beach, California 90266

6. Members of the Board of Trustees

If you wish to contact the Board of Trustees, you may use the address of Sheet Metal Benefit Plans Administrative Corporation, 111 North Sepulveda Blvd., Suite 200, Manhattan Beach, California 90266. The members of the Board of Trustees, as of the printing of this booklet, are as follows:

LABOR TRUSTEES

MANAGEMENT TRUSTEES

Todd Henard
Custom Industrial Sheet Metal, Inc.
701 Del Norte Blvd., Suite 325
Oxnard, California 93030
(805) 983-3701

Mike Scolari
RHP Mechanical Systems
1008 East 4th Street
Reno, Nevada 89512
(775) 322-9434

7. Description of the Relevant Provisions of any Applicable Collective Bargaining Agreement

The Plan is maintained pursuant to collective bargaining agreements, copies of which may be obtained upon written request to the Administrative Office. The collective bargaining agreements are also available for examination by Participants and Beneficiaries.

Applicable provisions of the collective bargaining agreements provide for Employer contributions to the Plan. The amount of these contributions is set forth in the agreements and is formulated on a cents per hour basis. The contributions are forwarded to the Plan on a monthly basis.

8. Description of Provisions for Non-Forfeitable Pension Credits

A Participant achieves Vested status in accordance with the provisions of Section 1.17 of the Plan Document. (See explanation of vesting at page 37.)

9. Normal Retirement Age

Normal Retirement Age is explained at page 5.

10. Provisions of the Joint and Survivor Pension

Provisions of the Joint and Survivor pension benefit forms which provide a lifetime benefit for a surviving Spouse are set forth in Article 4 of the Plan Document. (See explanation beginning on page 40 of this booklet.)

11. Description of Circumstances which may Result in Disqualification, Ineligibility, Denial, or Loss of Benefits

Refer to Article 2 of the Plan Document and pages 3 ("Active Participant") and 32-39 of this SPD with regard to the requirements to participate in the Plan.

Refer to Articles 3, 3(A), and 3(B) of the Plan Document and pages 8-29 of this SPD with regard to the eligibility requirements for the types of pensions available under this Plan.

Refer to Section 3.13 of the Plan Document and page 26 of this SPD with regard to a Disability Pensioner's loss of entitlement to Social Security Disability Benefits.

Refer to Section 3.18 of the Plan Document and pages 7 and 37-38 of this SPD regarding a Separation in Service.

Refer to Section 6.4 of the Plan Document and pages 35-37 of this SPD with regard to the rules on Permanent Breaks in Covered Employment.

Refer to Sections 1.27 and 8.1 of the Plan Document and pages 6 ("Pension Effective Date") and 54-59 of this SPD with regard to the requirement of advance written application for benefits.

Refer to Section 8.2 of the Plan Document with regard to the Board of Trustees' power to recoup, offset, or recover overpayments made by the Plan if the Board determines that the overpayments were made due to a false statement on which the Board of Trustees relied, and the Board of Trustees' power to deny, suspend, or discontinue benefits if a Participant does not provide information or proof of eligibility reasonable required to administer the Plan.

Refer to Section 8.5(e) of the Plan Document and pages 29-30 of this SPD with regard to the offset of the value of accruals after Normal Retirement Age against the value of the adjustment for non-suspendable months, as part of the Plan's method for calculating a delayed retirement benefit.

Refer to Section 3(A).8 of the Plan Document regarding non-duplication of credit; refer to Section 8.6 of the Plan Document regarding non-duplication of pension entitlement.

Refer to Section 8.7 of the Plan Document and pages 48-52 of this SPD with regard to Suspendable Employment for Pensioners.

Refer to Sections 8.8 and 8.9 of the Plan Document and pages 51-52 of this SPD with regard to suspension of pension payments for Suspendable Employment and/or failure of a Pensioner to notify the Plan of a return to Suspendable Employment, and with regard to reinstatement following suspension.

Refer to Section 8.8(c) of the Plan Document and page 48 of this SPD with regard to the requirement that a Pensioner under the age of 65, as a condition of continued receipt of his or her pension, must annually provide the Board of Trustees with a copy of his or her federal income tax return and any applicable W-2 forms.

Refer to Article 11 of the Plan Document and pages 52-54 of this SPD regarding work in Non-Covered Sheet Metal Service.

Refer to Section 10.3 of the Plan Document and pages 67-68 of this SPD with regard to plan termination.

The maximum annual benefit payable by the Plan is limited by section 415 of the Internal Revenue Code. That section imposes an annual dollar limit on the benefits that may be payable from a qualified trust. For 2019, the limit is $225,000. The flat dollar amount is further reduced if benefits start earlier than Social Security normal retirement age or are paid in a form other than a Single Life Annuity or a Joint and Survivor Pension. This limit is adjusted periodically to reflect changes in the cost of living.

If the annual retirement benefit exceeds the maximum benefit permitted, the retiree's benefit will be reduced to the limit then in effect. In following years, as cost of living increases raise the limits on benefits, payments may be increased. Refer to Section 8.14 of the Plan Document.

12. <u>Recordkeeping Period</u>

The recordkeeping period for the Plan, and the "Plan Year," is the calendar year.

13. Remedies Available under the Plan for the Redress of Claims which are Denied in Whole or in Part

If a Participant wishes to appeal a denial of benefits in whole or in part, he or she should file a request for review within 60 days after receiving the denial. The appeal will be considered by the appropriate committee appointed by the Board of Trustees. Its decision will be communicated to the Participant within 120 days after receipt of all pertinent evidence. See pages 55-59 for the full claims and appeals procedures.

14. Sources of Financing of the Plan and Funding of Benefits

All contributions to the Plan are made by Employers in accordance with Collective Bargaining Agreements. A list of contributing Employers and copies of the Collective Bargaining Agreements are available from the Administrative Office upon request.

Benefits are provided from the Plan's assets which are contributed pursuant to the provisions of the Collective Bargaining Agreements and accumulated under the Trust Agreement and held in trust for the purpose of providing benefits to Participants and Beneficiaries and defraying reasonable administrative expenses. At the time of printing of this booklet, the Plan's assets and reserves are held in custody by Comerica Bank and invested by various qualified investment managers through investment consultant Graystone Consulting.

15. PBGC Guarantee of Plan Benefits upon Termination

The collective bargaining parties intend that this Plan continue indefinitely. However, the collective bargaining parties reserve the rights, subject to the provisions of the Trust Agreement, to terminate the Plan. See Section 10.3 of the Plan Document.

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

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

The maximum benefit 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 $11.00 of the monthly benefit accrual rate and (2) 75% of the next $33. The PBGC's maximum guarantee limit is $35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be $12,870.

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

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of: (a) The date the plan terminates or (b) 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 the Administrative Office or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

16. Statement of ERISA Rights

As a Participant in the Sheet Metal Workers' Pension Plan of Southern California, Arizona and Nevada, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants will be entitled to:

Receive Information About Your Plan and Benefits.

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

- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

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

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65, or, if later, an applicable anniversary date – see page 5) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

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

Enforce Your Rights

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

If you have a claim for benefits 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 (EBSA), 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.

Important Note

Nothing in the foregoing statement is meant to interpret or extend or change in any way the provisions expressed in the Plan. The Board of Trustees of the Plan reserves the right to amend, modify, rescind or discontinue all or part of this Plan at any time and for any reason, in its sole and absolute discretion in accordance with the plan documents governing the Plan.

For Non-English Speakers

This Summary Plan Description contains a summary in English of your Plan rights and benefits under the Sheet Metal Workers' Pension Plan of Southern California, Arizona and Nevada. If you have difficulty understanding any part of this booklet, contact the Administrative Office at Sheet Metal Benefit Plans Administrative Corporation, P.O. Box 10067, Manhattan Beach, California 90267-7567. You may also call the Administrative Office at: (800) 947-4338.

APPENDIX –
Joint and Survivor Pension Benefit Reduction Tables

The following tables show the reduction to the Participant's monthly pension benefit, at various ages, compared to the Single Life Annuity form, for each Joint and Survivor form. These tables are for Active Participants subject to the Preferred Contribution Schedule in the updated 2016 Funding Improvement Plan. See page 41 of this booklet for a discussion of the adjustment factors for other retirees.

Spouse's Age Difference	**Non-Disability Pensions**			
	50% H&W	**50% w/Pop-Up**	**75% w/Pop-Up**	**100% w/Pop-Up**
20 years younger	81.0	80.0	74.0	69.0
19 years younger	81.4	80.4	74.6	69.6
18 years younger	81.8	80.8	75.2	70.2
17 years younger	82.2	81.2	75.8	70.8
16 years younger	82.6	81.6	76.4	71.4
15 years younger	83.0	82.0	77.0	72.0
14 years younger	83.4	82.4	77.6	72.6
13 years younger	83.8	82.8	78.2	73.2
12 years younger	84.2	83.2	78.8	73.8
11 years younger	84.6	83.6	79.4	74.4
10 years younger	85.0	84.0	80.0	75.0
9 years younger	85.4	84.4	80.6	75.6
8 years younger	85.8	84.8	81.2	76.2
7 years younger	86.2	85.2	81.8	76.8
6 years younger	86.6	85.6	82.4	77.4
5 years younger	87.0	86.0	83.0	78.0
4 years younger	87.4	86.4	83.6	78.6
3 years younger	87.8	86.8	84.2	79.2
2 years younger	88.2	87.2	84.8	79.8
1 year younger	88.6	87.6	85.4	80.4
Same Age	**89.0**	**88.0**	**86.0**	**81.0**
1 year older	89.4	88.4	86.6	81.6
2 years older	89.8	88.8	87.2	82.2
3 years older	90.2	89.2	87.8	82.8
4 years older	90.6	89.6	88.4	83.4
5 years older	91.0	90.0	89.0	84.0
6 years older	91.4	90.4	89.6	84.6
7 years older	91.8	90.8	90.2	85.2
8 years older	92.2	91.2	90.8	85.8
9 years older	92.6	91.6	91.4	86.4
10 years older	93.0	92.0	92.0	87.0
11 years older	93.4	92.4	92.6	87.6
12 years older	93.8	92.8	93.2	88.2
13 years older	94.2	93.2	93.8	88.8
14 years older	94.6	93.6	94.4	89.4
15 years older	95.0	94.0	95.0	90.0
16 years older	95.4	94.4	95.6	90.6
17 years older	95.8	94.8	96.2	91.2
18 years older	96.2	95.2	96.8	91.8
19 years older	96.6	95.6	97.4	92.4
20 years older	97.0	96.0	98.0	93.0

Spouse's Age Difference	Disability Pensions			
	50% H&W	50% w/Pop-Up	75% w/Pop-Up	100% w/Pop-Up
20 years younger	72.0	71.4	65.4	57.4
19 years younger	72.4	71.8	65.9	57.9
18 years younger	72.8	72.2	66.4	58.4
17 years younger	73.2	72.6	66.9	58.9
16 years younger	73.6	73.0	67.4	59.4
15 years younger	74.0	73.4	67.9	59.9
14 years younger	74.4	73.8	68.4	60.4
13 years younger	74.8	74.2	68.9	60.9
12 years younger	75.2	74.6	69.4	61.4
11 years younger	75.6	75.0	69.9	61.9
10 years younger	76.0	75.4	70.4	62.4
9 years younger	76.4	75.8	70.9	62.9
8 years younger	76.8	76.2	71.4	63.4
7 years younger	77.2	76.6	71.9	63.9
6 years younger	77.6	77.0	72.4	64.4
5 years younger	78.0	77.4	72.9	64.9
4 years younger	78.4	77.8	73.4	65.4
3 years younger	78.8	78.2	73.9	65.9
2 years younger	79.2	78.6	74.4	66.4
1 year younger	79.6	79.0	74.9	66.9
Same Age	**80.0**	**79.4**	**75.4**	**67.4**
1 year older	80.4	79.8	75.9	67.9
2 years older	80.8	80.2	76.4	68.4
3 years older	81.2	80.6	76.9	68.9
4 years older	81.6	81.0	77.4	69.4
5 years older	82.0	81.4	77.9	69.9
6 years older	82.4	81.8	78.4	70.4
7 years older	82.8	82.2	78.9	70.9
8 years older	83.2	82.6	79.4	71.4
9 years older	83.6	83.0	79.9	71.9
10 years older	84.0	83.4	80.4	72.4
11 years older	84.4	83.8	80.9	72.9
12 years older	84.8	84.2	81.4	73.4
13 years older	85.2	84.6	81.9	73.9
14 years older	85.6	85.0	82.4	74.4
15 years older	86.0	85.4	82.9	74.9
16 years older	86.4	85.8	83.4	75.4
17 years older	86.8	86.2	83.9	75.9
18 years older	87.2	86.6	84.4	76.4
19 years older	87.6	87.0	84.9	76.9
20 years older	88.0	87.4	85.4	77.4

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If you have any questions call:

1-800-947-4338