

RESILIENT FLOOR COVERING PENSION FUND

SUMMARY PLAN DESCRIPTION AND FORMAL PLAN TEXT

(JANUARY 1, 2019)

RESILIENT FLOOR COVERING PENSION FUND

BOARD OF TRUSTEES

EMPLOYER TRUSTEES

Tom Cuddie, Co-Chairman
John Duty
Keith Emerson
Roger Hageman
Russ Hoem, Secretary
Robert Mullarkey
Randy Wadley

UNION TRUSTEES

Steve Belong
Juan Calderon
Pelenato Liu-Yuen
Anthony Nuanes
Randy Rojas, Co-Secretary
John Sherak, Chairman
David Winkler

LEGAL COUNSEL

Kraw Law Group, APC
George M. Kraw, Esq.
Lisa M. Schwantz, Esq.
Katherine McDonough, Esq.

PENSION CONSULTANT AND ACTUARY

Segal Consulting

FUND ADMINISTRATOR

Health Services & Benefits Administrators
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756
Telephone: (800) 782-0010

TABLE OF CONTENTS

	<u>Page</u>
WHO PARTICIPATES IN THE PLAN.....	A-1
HOW YOU BECOME A PARTICIPANT IN THE PLAN.....	A-1
HOW WORKING TIME COUNTS	A-1
Credited Service Before Your Contribution Date	A-2
Credited Service After Your Contribution Date	A-2
Benefit Units Before Your Contribution Date	A-3
Benefit Accruals and Benefit Units After Your Contribution Date.....	A-3
Credit for Non-Working Periods	A-4
Can You Lose Your Credited Service, Benefit Units and Accrued Benefits?	A-4
Grace Periods.....	A-5
Special Reinstatement of Lost Credits.....	A-6
How You Achieve Vested Status	A-6
WHEN YOU ARE ELIGIBLE FOR A PENSION AND HOW MUCH YOU WILL RECEIVE	A-7
A Regular Pension	A-7
Pension Amount	A-7
An Early Retirement Pension.....	A-9
A Disability Pension	A-11
A Service Pension	A-12
A Special Service Pension	A-13
Rehabilitation Plan Provisions	A-14
The Minimum Monthly Benefit	A-14
A Partial Pension	A-14
PAYMENT METHODS	A-15
Small Benefit Cashout	A-15
Guaranteed 36-Month Pension	A-15
Spousal Pension	A-15
OPTIONAL FORM OF PAYMENT	A-16
Five or Ten-Year Guarantee Option	A-16
DEATH BEFORE RETIREMENT	A-16
Surviving Spouse Pension	A-16
36-Payment Pre-Retirement Death Benefit.....	A-17
Pre-Retirement Lump-Sum Death Benefit.....	A-17
Spouse's Choice of Death Benefits	A-17
APPLICATIONS, IRC SECTION 415 BENEFIT LIMITATIONS, INCOME TAX WITHHOLDING AND	
APPEAL PROCEDURES	A-18
How to Apply for Benefits	A-18
Internal Revenue Code (IRC) Section 415 Benefit Limitations.....	A-18
Income Tax Withholding	A-19
Claims and Appeal Procedures	A-19
RETIREMENT, SUSPENSION OF BENEFIT PAYMENTS, ADDITIONAL CREDITS AFTER RETURN TO	
COVERED EMPLOYMENT, AND DELAYED RETIREMENT	A-22
Retirement and Suspension	A-22
Notices	A-24
Recovery of Overpayments	A-24
Additional Credits after Return to Covered Employment	A-25
Delayed Retirement.....	A-25

SOME QUESTIONS AND ANSWERS.....	A-26
INFORMATION REQUIRED BY THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.....	A-27
TEXT OF THE PENSION PLAN	1

RESILIENT FLOOR COVERING PENSION FUND

c/o Health Services & Benefits Administrators
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756
Telephone: (800) 782-0010

To Participants and Beneficiaries:

This booklet summarizes the benefits offered by the Resilient Floor Covering Pension Fund.

This booklet is divided into various sections. The first part is a Summary Plan Description which provides certain information required by federal law and provides a summary of the Plan terms and a brief description of your benefits. The Summary Plan Description is followed by the official Plan document. If you have questions concerning any part of this booklet, please contact the Fund Office, Health Services & Benefits Administrators. This summary is made by way of general explanation of certain terms of the Plan and other legal instruments and is not intended to modify or change the Plan in any manner. In the event of any ambiguity between the wording of the Summary Plan Description and the Plan Document, the wording of the Plan Document will govern. The rights and duties of all persons connected with the Plan are set forth in those instruments, which may be inspected at the Fund Office.

Only the full Board of Trustees is authorized to interpret the Plan. The Board has discretion to decide all questions about the Plan, including questions about your eligibility for benefits and the amount of any benefits payable to you. No individual trustee, employer, union representative or employee of the Fund Office has authority to interpret this Plan on behalf of the Board or to act as an agent of the Board. The Board also has discretion to make any factual determinations concerning your claim.

The Board of Trustees has authorized the Fund Office to respond in writing to your written or oral questions. If you have an important question about your benefits, you should write to the Fund Office for a definitive answer.

As a courtesy to you, the Fund Office also may respond informally to oral questions. However, oral information and answers are not binding upon the Board of Trustees and cannot be relied on in any dispute concerning your benefits.

Plan rules and benefits may change from time to time. If this occurs, you will receive a written notice explaining the change. Please be sure to read all plan communications and keep your booklet up to date by adding any notices as soon as you receive them. It is essential that the Plan maintain a current address for each participant so that we can send you important information. Please contact the Fund Office if you change your address.

We urge you to read this booklet carefully and to refer to it from time to time so that you will be informed of the benefits and the conditions under which they are available. You may want to share this booklet with your spouse or beneficiary because it contains important information about survivor benefits.

As Trustees, we hope you will share our enthusiasm for the Plan and the added security it provides for you and your family.

Special Notice Regarding Rehabilitation Plan Provisions: You received a Notice of Critical Status regarding this Plan in April, 2010 that informed you of the Plan's funding and/or liquidity problems. As described in the Notice, Federal law requires that the Plan adopt a Rehabilitation Plan aimed at restoring the financial health of the Plan. Under the Rehabilitation Plan, you are subject either to the terms of the Alternative Schedule or the Default Schedule, based on the actions of your local union and employer. Please look for Rehabilitation Plan Provisions throughout this document to understand how the Plan has been amended under the applicable schedules of the Rehabilitation Plan. If you have questions about the schedules or about the Rehabilitation Plan, contact the Fund Office.

PLEASE BE AWARE OF THE FOLLOWING LIMITATIONS

Civil Actions: Any civil action that you decide to file which arises from a denial of benefits must be filed within two (2) years from the date that the Board of Trustees notifies you that your appeals has been denied.

Class Actions: By participating in the Plan, you and your beneficiaries agree to waive your right to file or participate in a class, collective, or representative action relating to the Plan. Any dispute, claim or controversy may only be initiated or maintained and decided on an individual basis.

Sincerely yours,

THE BOARD OF TRUSTEES

WHO PARTICIPATES IN THE PLAN

The following employees participate in the Plan:

1. Employees whose work is covered by a collective bargaining agreement as defined in Section 1.06 of the Plan Document;
2. Regular paid employees of the Local Union and Apprentice Trust Funds who are not covered by any collective bargaining agreement;
3. Non-bargained employees of contributing corporate employers covered by a written participation agreement with the Fund; and
4. Alumni (non-bargained employees who previously earned credit under the Plan as collectively bargained employees), covered by a written participation agreement with the Fund.

HOW YOU BECOME A PARTICIPANT IN THE PLAN

You become a participant in the Plan on the January 1 or July 1 following a twelve-consecutive month period in which you work at least 500 hours in a job covered by the Plan.

HOW WORKING TIME COUNTS

The amount of time you work in a job covered by the Plan determines whether you are eligible for a pension and how much your pension will be. For these purposes, the time you work as a participant in the Plan is measured in two ways -- in years of credited service and in benefit accruals.

Once you become a participant in the Plan, you receive credited service and accrue benefits during the time your employer contributes to the Plan with respect to your work. This period of time is referred to as "after your contribution date" and the credit earned is called credited future service or contributory credit

You may also receive credited service and benefit credit for the time you worked before the contribution period began. That period is referred to as "before your contribution date" and the credit earned is called credited past service or non-contributory credit.

Credited past service and credited future service are used in determining eligibility for a pension. The actual amount of your pension is calculated on the basis of the benefit units you have earned and percentages of contributions paid on your behalf.

Credited Service Before Your Contribution Date

(Refer to Section 6.02 of the Plan Document)

You receive one year of credited past service for each calendar year before your contribution date in which you worked 1,400 hours or more in the geographical jurisdiction of the Union in a job now requiring contributions to the Pension Fund. If you worked less than 1,400 hours, one-quarter of credited past service will be granted for each 350 of such hours of work in a calendar year.

If you worked in covered employment at the Resilient Floor Covering Pension Fund Office on or after January 1, 2001, you will also receive credited past service for your employment with an administrative office performing administrative services on behalf of the Fund.

To figure the number of hours you worked before your contribution date, the Board of Trustees uses certain records. These records include:

- The records or statement of past employers;
- The records of the Social Security Administration; and
- Union records.

Credited Service After Your Contribution Date

(Refer to Section 6.03 of the Plan Document)

After your contribution date you receive credited future service for all hours for which you are paid or entitled to be paid (hours of service) according to the following schedules:

	Hours of Service In Calendar Year	Credited Future Service
Between the Contribution Date and January 1, 1976	Less than 350 hours	None
	350 to 699 hours	1/4
	700 to 999 hours	2/4
	1,000 hours or more	One Year
Beginning January 1, 1976	Less than 500 hours	None
	500 to 749 hours	2/4
	750 to 999 hours	3/4
	1,000 hours or more	One Year

Beginning January 1, 1976, you also receive credited future service for work in a job not covered by the Plan if you work for a contributing employer, and

- You move directly from a covered job with that employer to a non-covered job with that employer; or
- You move directly from a non-covered job with that employer to a covered job with that employer.

If you do not work sufficient hours of service for a contributing employer in a calendar year to earn a full year of credited future service, you will not be entitled to any portion of a year of credited future service for your work in a non-covered job for that employer.

Beginning September 1, 2005, you will not receive credited service for any employer contributions paid on your behalf if the minimum contribution rate for journeymen in your geographic area is not at least \$2.50 per hour. These hours will be counted for purposes of vesting only.

Benefit Units Before Your Contribution Date

(Refer to Subsection 6.04.a of the Plan Document)

If you earned one year of credited past service or fraction of a year of credited past service, you also earned one benefit unit or corresponding fraction of a benefit unit.

Benefit Accruals and Benefit Units After Your Contribution Date

(Refer to Subsections 6.04.b. and c. of the Plan Document)

Beginning with the January 1 coincident with or next following the date your bargaining unit contribution rate exceeds \$1.00 per hour, you accrue benefits based on percentage of contributions payable to the Pension Fund on your behalf for hours worked in covered employment. You receive benefits for all hours worked in covered employment in any calendar year in which you work at least 500 contributory hours.

Before the January 1 when your benefits first become payable based on the percent-of-contributions formula, your benefits are based on the benefit units you earn. You earn benefit units for all hours for which your employer is required to contribute with respect to your work (contributory hours), according to the following schedules:

	Contributory Hours Worked in Calendar Year	Contributory Benefit Units
Before January 1, 1976	Less than 350 hours	None
	350 to 699 hours	1/4
	700 to 1,049 hours	2/4
	1,050 to 1,399 hours	3/4
	1,400 hours or more	One
After January 1, 1976 And before January 1, 1997	Less than 500 hours	None
	500 to 599 hours	5/14
	600 to 699 hours	6/14
	700 to 799 hours	7/14
	800 to 899 hours	8/14
	900 to 999 hours	9/14
	1,000 to 1,099 hours	10/14
	1,100 to 1,199 hours	11/14
	1,200 to 1,299 hours	12/14
	1,300 to 1,399 hours	13/14
1,400 hours or more	One	

The calendar year for which the percent-of-contributions formula is first applicable for each bargaining unit is as follows:

<u>Union Local</u>	<u>Calendar Year</u>
12	1976
419	1980
1236	1979
1237	1977
1238	1980
1711 (now merged into 1399)	1976

If you are a non-bargained employee, as defined in Subsection 1.11.b. of the Plan Document, all benefits earned after your contribution date will be based on the percent-of-contributions formula.

Credit for Non-Working Periods

(Refer to Sections 6.05 and 6.06 of the Plan Document)

You may receive credited service, benefit units and accrued benefits at the rate of 30 hours per week if you are absent from covered employment after your contribution date due to:

1. Non-occupational disability if certified by a physician, or for which California Unemployment Disability benefits are paid, not to exceed a maximum of 26 weeks.
2. Disability for the period for which Workers' Compensation Temporary Disability benefits are paid, not to exceed a maximum of three years.

You may also receive credited service, benefit units and accrued benefits if you are absent from covered employment after your contribution date due to qualifying military service, provided you return to covered employment within the period during which you retain reemployment rights under Federal Law. Benefits will be credited based on the average number of hours you work in covered employment in a week during the 12-month period immediately preceding your military service but not less than 30 hours per week for such military service.

Can You Lose Your Credited Service, Benefit Units and Accrued Benefits?

(Refer to Section 6.07 of the Plan Document)

Once you have attained vested status, you cannot lose your credited service, benefit units and accrued benefits. However, you may permanently lose them prior to achieving vested status if you fail to work a required number of hours in a covered job for a certain number of consecutive years, as explained below.

Before January 1, 1976. You lost your credited service, benefit units and accrued benefits if you did not earn one-quarter of credited future service in a period of two consecutive calendar years. Time off for a disability or involuntary unemployment may be counted towards preventing the loss of credited service, benefit units and accrued benefits. (See "Grace Periods" below)

In addition, if you accumulated one contributory benefit unit prior to having a permanent break in service before January 1, 1976 and also returned to work before that date, all of your credited service, benefit units, and accrued benefits lost before January 1, 1976 may be reinstated on the first day of the month prior to January 1, 1985, coincident with or next following completion of both of the following requirements:

- You earned at least five additional contributory benefit units; and

- Beginning with the first calendar year in which you earned one quarter of credited service after your return to covered employment before January 1, 1976, you earned credited service in each year during the time you earned the five additional contributory benefit units.

Beginning January 1, 1976. You can permanently lose your credited service, benefit units and accrued benefits if the number of consecutive one-year breaks in service* you incur equal or exceed your full years of credited service, as shown in Example 1. Beginning June 1, 1987, you cannot permanently lose your credited service, benefit units and accrued benefits until you have at least five consecutive one-year breaks in service, regardless of the number of years of credited service, as shown in Example 2. Beginning June 1, 1987, time off for maternity/paternity leave may be counted towards preventing the loss of credited service, benefit units and accrued benefit. (See "Grace Periods" below)

- * You have a one-year break in service if you fail to complete 500 hours of service in a calendar year.

Example 1.

In the employment history below, you earned 4 years of credited service. Then came 2 years in which you had less than 500 hours of service. You still had not lost your 4 years of credited service. The next year, you worked only 200 hours. You added another break in service year, which totaled 3. The following year, you only worked 100 hours which added another break in service year. You then had 4 break in service years and incurred a permanent break in service and lost your previously accumulated years of credited service, benefit units and accrued benefits.

1st year	-	1,400 hours	year of credited service
2nd year	-	1,500 hours	year of credited service, total 2 years
3rd year	-	1,000 hours	year of credited service, total 3 years
4th year	-	1,300 hours	year of credited service, total 4 years
5th year	-	175 hours	break in service, 1 year
6th year	-	250 hours	break in service, 2 years
7th year	-	200 hours	break in service, 3 years
8th year	-	100 hours	Break in service, 4 years

Example 2.

In this case, you earned 2 years of credited service through 1990. Then from 1991 through 1994, you failed to complete 500 hours of service in any years. You still had not lost your 2 years of credited service. In 1995, you worked 1,500 hours and prevented a permanent break in service.

1989	1,400 hours	year of credited service
1990	1,500 hours	year of credited service, total 2 years
1991	200 hours	break in service, 1 year
1992	00 hours	break in service, 2 years
1993	00 hours	break in service, 3 years
1994	275 hours	break in service, 4 years
1995	1,500 hours	year of credited service, total 3 years

Grace Periods

(Refer to Subsections 6.07.a. and e. of the Plan Document)

A grace period does not add to your years of credited service, but it is a period which is to be disregarded in determining whether you worked sufficient hours to prevent a break in service.

After the contribution date and before January 1, 1976 you were allowed a grace period of up to 3 years if you were unable to work in covered employment due to a disability or involuntary unemployment.

For periods beginning June 1, 1987, you will be credited with a maximum of 501 hours of service during an absence due to your parental responsibilities related to the birth or adoption of a child.

Special Reinstatement of Lost Credits

If you are a participant on or after January 1, 1989 and you previously incurred a permanent break in service, you may have your cancelled future service credits, benefit units, and accrued benefits reinstated if you return to covered employment and earn additional years of credited future service without a subsequent permanent break in service.

Once you have accumulated 5 additional years of credited future service without a permanent break in service, 100% of your canceled years of credited future service and 50% of your canceled contributory benefit units and accrued benefits will be reinstated. If you continue to accumulate additional years of credited future service without a permanent break in service, contributory benefit units and accrued benefits will be reinstated in accordance with the following schedule:

Years of Credited Service Earned After a Permanent Break in Service	Percentage of Benefit Units and Accrued Benefits Reinstated
At least 10	100%
At least 9 but less than 10	90%
At least 8 but less than 9	80%
At least 7 but less than 8	70%
At least 6 but less than 7	60%
At least 5 but less than 6	50%
Less than 5	0%

This provision will operate to reinstate future service credits canceled by the most recent permanent break in service only. Multiple permanent breaks in service are not covered.

How You Achieve Vested Status

(Refer to Section 6.09 of the Plan Document)

If you are a non-bargained employee who has one hour of service after May 31, 1988, you achieve vested status once you have accumulated 5 years of credited service without a permanent break in service. If you are a collectively bargained employee who has at least one hour of service on or after January 1, 1999 and has worked at least 1,400 hours in covered employment after your contribution date, you achieve vested status once you have accumulated 5 years of credited service without a permanent break in service. Otherwise you achieve vested status once you have accumulated 7 years of credited service without a permanent break in service, has worked at least 1,400 hours in covered employment after your contribution date and has at least one hour of service on or after January 1, 1997 or you have accumulated 10 years of credited service without a permanent break in service and have worked at least 1,400 hours in covered employment after your contribution date.

If you separated from covered employment prior to June 1, 1976, please refer to Section 6.09 of the Plan Document for the vesting requirements in effect at the time you separated.

If you were a participant under the Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan prior to August 1, 2001, please refer to the vesting rules described in Section 3.19.d. of the Plan Document.

WHEN YOU ARE ELIGIBLE FOR A PENSION AND HOW MUCH YOU WILL RECEIVE

A Regular Pension

(Refer to Sections 3.02, 3.03, 5.02, and 5.05 of the Plan Document)

You are eligible to receive a regular pension when:

- You reach age 60 and are vested; or
- You have reached normal retirement age (refer to Section 1.17 of the Plan Document for the definition of normal retirement age).

In addition, a non-bargained employee (as defined in Subsection 1.11.b. of the Plan Document), who has not reached normal retirement age, must have at least 2 years of credited future service based on hours worked as a non-bargained employee in order to be eligible for a regular pension.

Rehabilitation Plan Provisions: If you retire under an Alternative Schedule, your regular pension will not be available until you reach normal retirement age. If you retire under a Default Schedule, you are eligible to receive the portion of your benefit earned before January 1, 2011 as a regular pension when you reach age 60 and your remaining benefit as a regular pension when you reach normal retirement age. See the Rehabilitation Plan Provisions under early retirement pensions for information about receiving your pension earlier.

Pension Amount

The amount of your monthly pension depends on:

- The number of benefit units earned;
- The amount payable for each benefit unit;
- The contributions made with respect to your work on and after the January 1 following or coincident with the date your bargaining unit contribution rate went to more than \$1.00 per hour¹ (or, in the case of a non-bargained employee as defined by Subsection 1.11.b., the contributions made with respect to your work on and after the contribution date);
- The percent-of-contributions amount payable, as determined by your employer's contribution rate.

Benefits earned under the Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan before August 1, 2001, shall be determined by the terms of the Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan.

If you are a non-bargained employee as defined by Subsection 1.11.b., the monthly pension which is payable for a pension effective on or after June 1, 2001, is the sum of the following:

1. \$25.00 for each non-contributory benefit unit (up to a maximum of 10 benefit units); plus
2. 5.25% of employer contributions made on your behalf for hours worked prior to January 1, 2003; plus
3. 4.2% of employer contributions made on your behalf for hours worked on and after January 1, 2003 and prior to April 1, 2003; plus
4. 1.5% of employer contributions made on your behalf for hours worked on or after April 1, 2003 and prior to September 1, 2005; plus
5. 1% of employer contributions made on your behalf for hours worked on and after September 1, 2005.

¹ Contributions made with respect to your work on or after January 1, 1976, if your bargaining unit contribution rate went to more than \$1.00 by November 1, 1976.

For all other employees, the monthly pension which is payable for a pension effective on or after June 1, 2001, is the sum of the following:

1. \$25.00 for each non-contributory benefit unit; plus
2. \$90.00 for each contributory benefit unit earned prior to the January 1 when the contribution rate was increased to more than \$1.00 per hour; plus
3. For periods beginning with the January 1 coincident with or next following the date the contribution rate was increased to over \$1.00 per hour:
 - 5.25% of employer contributions made on your behalf for hours worked prior to January 1, 2003; plus
 - 4.2% of employer contributions made on your behalf for hours worked on and after January 1, 2003 and before April 1, 2003; plus
 - 1.5% of employer contributions made on your behalf for hours worked on and after April 1, 2003 and prior to September 1, 2005; plus
 - 1% of employer contributions made on your behalf for hours worked on and after September 1, 2005.

Contributions will be excluded that are made in a calendar year during which you work less than 500 contributory hours, unless either you earn one year of credited service or your pension effective date occurs in that calendar year.

As explained below, the amount of your pension shall not include employer contributions allocated to reduce the Plan's funding deficit.

Exception: Certain periods during which the contribution rate is \$1.00 or less, the following benefit rates will apply:

- During calendar years 1988, 1989, and 1990, the benefit rate is 2% of employer contributions made on your behalf for such hours worked in covered employment.
- From January 1, 1991 through May 31, 1998, the benefit rate is the benefit rate in effect for the above non-bargained employees during the calendar year in which such contribution rate is \$1.00 or less.
- From June 1, 1998 through August 31, 2005 the benefit rate is 2.8% of contributions made for such hours work in covered employment.
- Beginning September 1, 2005, the benefit rate is 1% of contributions made for such hours worked in covered employment.

Effective January 1, 2005, the Fund's Board of Trustees adopted a funding plan. As part of this funding plan, a portion of employer contributions are used to reduce the Plan's funding deficit. The amount of your monthly pension will not include these deficit reduction contributions. The tables below show the amount of contributions allocated to deficit reduction.

Deficit Reduction Contribution for Bargained Employees	Effective Dates
\$.70 per hour	September 1, 2005 to August 31, 2006
\$1.40 per hour	September 1, 2006 to August 31, 2007
\$2.10 per hour	September 1, 2007 to present

Deficit Reduction Contributions for Employees other than Bargained Employees	Effective Dates
13.47% of Employer Contributions	September 1, 2005 to August 31, 2006
27% of Employer Contributions	September 1, 2006 to August 31, 2007
40% of Employer Contributions	September 1, 2007 to present

Note that the Rehabilitation Plan provides for additional off-benefit contributions which are also used to reduce the Plan’s funding deficit. The amount of your monthly pension will also not include these off-benefit contributions. If you would like to know the amount of the off-benefit contribution for a particular plan year you can request the applicable Default or Alternative Schedule from the Fund Office.



The amount of the monthly regular pension will not be less than the minimum monthly benefit subject to the terms of Section 3.16 of the Plan document.

Here is an example of how you would calculate your pension accrual for one year: Beginning January 1, 2002, the Pension Plan has used a 12-month calendar year to calculate benefit accruals. Your accrued benefit for each calendar year period (“plan year”) is based on the number of contributory hours worked, your employer’s hourly contribution rate (excluding “off-benefit contributions used to improve the funding of the Plan) and the Plan percentage of contributions factor.

Let’s say that you work 1,500 contributory hours in the 2019 calendar year. Under the terms of the collective bargaining agreement, your employer is obligated to contribute \$11.42 for each contributory hour worked. Subtracted from that rate are \$2.10 (deficit reduction contribution) and \$4.12 (off-benefit contribution under the rehabilitation plan) which leaves \$5.20 for use in the calculation of your benefit. The Plan’s 1.0% percentage of contributions factor is applied to your net hourly contribution. Your benefit accrual for that year would be determined as follows:

$$1,500 \text{ hours times } x \$5.20/\text{hour} = \$7,800.00$$

$$1.0\% \text{ of } \$7,800.00 = \$78.00 \text{ your benefit accrual for the 2019 calendar year}$$

You would perform a similar calculation for each year in which you performed work in covered employment. Note that you must take into account any mid-calendar year changes in your employer’s net contribution rate and/or the Plan’s percentage of contributions formula.

Note: If there has been a *separation from covered employment*, the regular pension will be determined as described in Subsection 3.03.b. of the Plan Document.

An Early Retirement Pension

(Refer to Sections 3.04 and 3.05 of the Plan Document)

You are eligible to receive an early retirement pension when:

- You are at least 55 but have not reached age 60;
- You have at least 10 years of credited service, without a permanent break in service (exclusive of any credit for non-covered employment); and
- You have worked at least 1,400 hours in covered employment after your contribution date.

Payment of your early retirement pension can begin any time after attaining age 55 and file an application. Unless you retire under an Alternative or Default Schedule, as described below, the amount of your early retirement pension is reduced from the amount of the regular pension you would have received at age 60 to reflect the longer period of time that you will be collecting payments. This reduction is $\frac{1}{2}$ of 1% for each month you are younger than age 60. This is a subsidized early retirement pension.

For Example: Assume you decide to retire at age 58. Further assume that if you were age 60, your regular pension would be \$2,842.02. Since you are 24 months younger than age 60, the reduction is $\frac{1}{2}$ of 1% for each of the 24 months, which equals 12%. The reduction is, therefore, 12% of \$2,842.02, or \$341.04. Subtract \$341.04 from \$2,842.02 which equals \$2,500.98 (\$2,501.00 after rounding).

Note: The amount of the monthly early retirement pension will not be less than the minimum monthly benefit subject to the terms of Section 3.16 of the Plan document.

Rehabilitation Plan Provisions: If you retire under an Alternative Schedule, your early retirement pension will be equal to your age-65 benefit actuarially reduced to reflect early commencement. This benefit will not be subsidized. If you retire under the Default Schedule, you will receive the subsidized early retirement pension described above for the amount of your benefit earned before January 1, 2011. Your remaining benefit will be equal to your age-65 benefit actuarially reduced to reflect early commencement. This portion of your benefit will not be subsidized.

A Disability Pension

(Refer to Sections 3.06 through 3.11 of the Plan Document)

If you become totally disabled before January 1, 2011 and before age 60, you are eligible for a disability pension if:

- You are totally and permanently disabled, and you have at least 10 years of credited service without a permanent break in service and exclusive of any credit for continuous non-covered employment; and
- You have worked in covered employment and earned at least two quarters of credited service within the -two calendar years before or including the calendar year in which you become totally disabled from working in the Resilient Floor Covering Industry.

You qualify for a disability pension if the Trustees determine on the basis of medical evidence that you are wholly and permanently prevented from engaging in any occupation or employment for wages or profit as a result of bodily injury or disease, either occupational or non-occupational in cause.

The Trustees may require or accept as proof of total and permanent disability a determination by the Social Security Administration that you are entitled to a Social Security disability benefit. The Trustees may at any time, or from time to time, require evidence of continued entitlement to such Social Security disability benefit.

If there is a difference in the medical evidence submitted through the Social Security Administration and by an individual doctor or doctors, the Fund may select at its own expense a doctor to examine you and submit the report of his/her findings in order to assist the Trustees with a determination as to whether you are totally and permanently disabled under the Plan's rules.

A Disability Pension will not be payable for a disability

1. Arising from a self-inflicted injury;
2. Arising solely from habitual drunkenness or narcotic addiction;
3. Incurred while engaged in a criminal act.

The amount of a disability pension is equal to 90% of the regular pension for which you would be eligible if you had attained age 60 when you became disabled. However, the amount of the monthly disability pension will not be less than the minimum monthly benefit subject to the terms of Section 3.16 of the Plan document.

Payment of your disability pension begins after you have been totally and permanently disabled for five full calendar months. Your disability pension will continue as long as you remain totally disabled as required by the Plan. When you reach age 60, your pension will continue regardless of whether you remain totally and permanently disabled.

If you are receiving a Disability Pension and you recover from your disability prior to attaining age 60, you must report this to the Fund Office in writing, within 31 days of your recovery. Failure to do so will result in a delay in the commencement of pension benefits upon subsequent retirement. You may then return to covered employment and again accrue credit toward your pension which will be unaffected by your having received a disability pension. If, after you return to covered employment, you become disabled, you may again be eligible to receive a disability pension, providing you satisfy the requirements for such a pension.

Rehabilitation Plan Provisions: The Disability Pension is discontinued as of January 1, 2011 and will not be available to any Participant who becomes totally and permanently disabled on or after that date. If as of January 1, 2011 you were either receiving a Disability Pension or you had applied for and are entitled to a Disability Pension, your Disability Pension will not be discontinued.

A Service Pension

(Refer to Sections 3.12 and 3.13 of the Plan Document)

Pre-Rehabilitation Plan Provisions: You are eligible to receive a service pension for benefits earned before September 1, 2005 if:

- You have not attained age 60.
- You have at least 25 years of credited service in this Plan without a permanent break in service (credited service earned in continuous non-covered employment and credited service earned under a related plan cannot be used to meet this requirement).
- You have not previously received an early retirement pension.
- Contribution of \$0.50 per hour or more have been made for at least six months for your bargaining unit.

You are eligible to receive a service pension for benefits earned on or after September 1, 2005 if:

- You are at least age 50 but not yet 60.
- You have at least 25 years of credited service in this Plan without a permanent break in service (credited service earned in continuous non-covered employment and credited service earned under a related plan cannot be used to meet this requirement).
- You have not previously received an early retirement pension.
- Contributions of \$2.50 per hour or more have been made for at least 6 months for your bargaining unit.

If you retire and receive a service pension for benefits you earned before September 1, 2005 you must also concurrently receive any benefits earned after that date.

Example: In this example, Matt retires on September 1, 2010, his 45th birthday, with 25 years of service under the Plan. Matt otherwise meets the eligibility requirements for a service pension (but not a special service pension, which requires 30 years of service) on amounts earned under the Plan as of August 31, 2005 only. His monthly regular pension as of August 31, 2005 is \$750 and his monthly regular pension for amounts earned during his last five years of service is \$250. Matt will receive an unreduced regular pension benefit for his August 31, 2005 accrued benefit and a reduced benefit for his last five years of benefit accruals, according to his age. The early retirement rules under the Plan require a ½% benefit reduction for each month that the participant retires before reaching age 60. Because Matt is retiring 180 months (15 years) before reaching age 60, his last five years of benefit accruals will be reduced by 90% (0.5% x 180 months) for a monthly benefit amount equal to \$25. His total monthly benefit payable on September 1, 2010 is \$775. If Matt had waited to retire until reaching age 50, his entire benefit would be unreduced.

The amount of your service pension will not be less than the minimum monthly benefit described in Section 3.16 of the Plan document.

Rehabilitation Plan Provisions: If you retire under an Alternative Schedule, you are entitled to receive a service pension if:

- You have at least 60,000 hours of service that constitute credited service; or

- You are at least age 55 but not yet age 62 and have at least 54,000 hours of service that constitute credited service; or
- You are at least age 62 but not yet age 65 and have at least 45,000 hours of service that constitute credited service; and
- You have not previously been in receipt of an early retirement pension:

The service requirements above do not count credited service or hours of service earned prior to a permanent break in service.

If you retire under the Default Schedule, you are entitled to receive a service pension provided under the Pre-Rehabilitation Plan Provisions but only for amounts earned before January 1, 2011. You may continue to accrue years of credited service on and after January 1, 2011.

In addition, if you: (i) stop working in the Resilient Floor Covering Industry prior to December 1, 2010, (ii) are within 1 year of earnings 25 years of credited service and (iii) otherwise meet the requirements for the Pre-Rehabilitation Plan Provisions above, you are entitled to a service pension determined under the Pre-Rehabilitation Plan rules, provided you apply for your service pension on or after April 1, 2010 and before December 1, 2010.

A Special Service Pension

(Refer to Sections 3.14 and 3.15 of the Plan Document)

Subject to the Rehabilitation Plan Provisions, below, if you retired on or after January 1, 1997, you are eligible to receive a special service pension for benefits earned prior to September 1, 2005:

- If you have at least 30 years of credited service in this Plan without a permanent break in service, (credited service earned in continuous non-covered employment and credited service earned under a related plan cannot be used to meet this requirement); and
- You have not previously received any type of pension under this Plan. (This requirement does not apply to disability pensioners who recover and return to covered employment before age 55.)

If you retire and receive a special service pension for benefits you earned before September 1, 2005, you must also concurrently receive any benefits earned after that date, which will be subject to reduction for early retirement for ages below 60.

The amount of your special service pension is:

- 110% of your regular pension amount; or
- 125% of your regular pension amount if you are at least age 60 or at any age if you have at least 35 years of credited service in this Plan without a permanent break in service (credited service earned in continuous non-covered employment and credited service earned under a related plan cannot be used to meet this requirement).

The amount of your special service pension will not be less than the minimum monthly benefit subject to Section 3.16 of the Plan document

Example: John retires on September 1, 2006, his 49th birthday, with 30 years of service under the Plan. John otherwise meets the eligibility requirements for a Special Service Pension on amounts as of August 31, 2005 only. His monthly Regular Pension as of August 31, 2005 is \$1,000 and his monthly Regular Pension for amounts during his last year of service is \$75. John will receive 110% of his August 31, 2005 Regular Pension equal to \$1,100 per month and, because he has not reached age 50 (the Service Pension age requirement for

amounts after August 31, 2005), he will receive a reduced benefit for his last year of benefit accruals, according to his age. The early retirement rules under the Plan require a ½% benefit reduction for each month that the participant retires before reaching age 60. Because John is retiring 132 months (11 years) before reaching age 60, his last year of benefit accruals will be reduced by 66% (0.5% x 132 months) for a monthly benefit amount equal to \$25.50. His total monthly benefit payable on September 1, 2006 is \$1,125.50. If John waited one more year and retired at age 50, his last two years of benefit accruals would not be reduced.

Rehabilitation Plan Provisions: If you retire under an Alternative Schedule, you are not eligible for a special service pension. If you retire on or after January 1, 2011 subject to a Default Schedule, the special service pension is available under the terms of Section 3.14 of the Plan notwithstanding the Rehabilitation Plan and you may continue to accrue years of credited service on or after January 1, 2011 for purposes of earning a special service pension.

The Minimum Monthly Benefit

(Refer to Section 3.16 of the Plan Document)

Subject to the Rehabilitation Plan Provisions, below, your monthly pension payable as a regular, early retirement, disability, service or special service pension will not be less than the minimum monthly benefit payable by the Plan. The minimum monthly benefit is determined as follows:

Step 1: Determine the amount of your regular pension as calculated above.

Step 2: Increase the amount in Step 1 by 25%.

Step 3: Reduce the amount in Step 2 by 6-2/3% for each year that you are younger than age 65 but not younger than age 62 and by 5% for each year that you are younger than age 62.

The appropriate factors will be determined on a pro-rata basis, taking into account the number of completed months since your last birthday and the effective date of your pension.

Rehabilitation Plan Provisions: If you retire under an Alternative Schedule, you are not entitled to the minimum monthly benefit and the amount of your early retirement pension will be determined under the early retirement provisions, described above. If you retire under the Default Schedule, the minimum monthly benefit will apply only as to amounts you earned before January 1, 2011. For amounts you earned on or after January 1, 2011, the amount of your early retirement pension will be determined under the early retirement provisions, described above.

A Partial Pension

(Refer to Article 4 of the Plan Document)

If you have worked under this Plan and other pension plans related to it through the National Reciprocity Agreement for Joint Industry Pension Funds of all District Councils and Local Unions Affiliated with the International Union of Painters and Allied Trades you may be entitled to a partial pension. A partial pension provides for those who may not be eligible for benefits under any one pension plan because their working time was divided between two or more plans.

You are eligible for a partial pension if:

1. You would be eligible for a pension if your combined credited service (the credited service earned under this Plan added to the service credits earned under a related plan) fulfilled the requirements for eligibility under this Plan; and
2. You have earned under this Plan and each of the related plans in which you have credited service, at least one year of future service credit (prior to June 30, 1982, two years of future service credit); and

3. You are eligible for a partial pension from each related plan.

A partial pension is determined in the same way as the regular, early retirement, or disability pension -- depending on which type of partial pension you are eligible for. Only benefit units and contributions made to this Plan are used to determine a partial pension benefit payable from this Plan.

The other related plans will also pay partial pensions based on your service with each plan and the level of benefits available under those plans. Your total pension is the sum of all the partial pensions.

PAYMENT METHODS

When you make the decision to retire, you will be asked to choose the way you want your pension to be paid. The forms of payment available to you are described in this section.

Small Benefit Cashout

If the actuarial present value of your monthly pension is \$5,000 or less, the present value of your pension will be paid to you in a one-time lump sum. You do not have the ability to elect a separate payment form. This lump sum payment represents the full value of your pension benefit and no further benefits from the Plan are due to you or any other party.

Guaranteed 36-Month Pension

(Refer to Section 8.03 of the Plan Document)

If you are single, or if you are married and you and your spouse reject the spousal pension, you will receive monthly pension payments guaranteed for 36 months. Of course, benefits are paid to you for your lifetime, but if you die before 36 monthly pension benefits have been paid, monthly benefit payments will continue to any beneficiary you name for the remainder of the 36 months.

Rehabilitation Plan Provisions: If you retire under an Alternative Schedule, you are not entitled to the Guaranteed 36-Month Pension and pension benefits will be paid for your lifetime only. If you retire under the Default Schedule, you are eligible for the Guaranteed 36-Month Pension only as to amounts accrued before January 1, 2011. Amounts accrued on or after January 1, 2011 will be paid for your lifetime only.

Spousal Pension

(Refer to Sections 7.03, 7.04, 7.06, 7.07 and 7.08 of the Plan Document)

If you are married when you retire, you will automatically receive a spousal pension **unless you elect to waive that form of payment and your spouse consents in writing to such waiver**. The spousal pension may be waived any time during the 180-day period before your pension effective date and up to 180 days after you have been advised by the Trustees of the effects of this type of pension.

This form of payment provides a fixed monthly payment for your lifetime, and, after your death, continues to provide a lifetime pension to your surviving spouse equal to 50%, 75% or 100% of the amount you were receiving, (depending on the type of spousal pension you choose). The amount you will receive is adjusted to take into account the type of spousal pension you choose and the expected lifespan of you and your spouse.

Should your spouse die before you, monthly benefits to you will revert to the higher unadjusted amount, payable for your lifetime. Such higher amount will be subject to IRC Section 415 benefit limitations as described below.

Rehabilitation Plan Provisions: If you retire under an Alternative Schedule, you are not entitled to the 100% Spousal Pension. If you retire under the Default Schedule, you are eligible for the 100% Spousal Pension only as to amounts accrued before January 1, 2011.

Some important facts concerning the spousal pension.

1. The spousal pension will not be paid to the surviving spouse if the pensioner and spouse have not been married to each other for at least one year at the time of the pensioner's death.
2. The spousal pension, once payable, cannot be revoked or the pensioner's benefits increased because of divorce, except as provided under a qualified domestic relations order
3. The right of a prior spouse to a share of a participant's pension, as set forth under a qualified domestic relations order, shall take precedence over any claims of the participant's spouse at the time of retirement or death.

OPTIONAL FORMS OF PAYMENT

Five or Ten-Year Guarantee Options

(Refer to Section 8.04 of the Plan Document)

These options are similar to the 36-month pension, except that a lower amount is payable in exchange for the guarantee that if you die before 60 or 120 monthly payments have been made, as applicable, the balance of the payments will be made to your beneficiary.

These options are not available to a participant who will be receiving a spousal pension.

The Five-Year Guarantee Option is not available for benefits accrued on and after January 1, 1997.

Rehabilitation Plan Provisions: If you retire under an Alternative Schedule, you are not entitled to the Five or Ten-Year Guarantee Options. If you retire under the Default Schedule, you are eligible for the Ten-Year Guarantee Option only as to amounts accrued before January 1, 2011 and the Five-Year Guarantee Option only as to amounts accrued before January 1, 1997.

DEATH BEFORE RETIREMENT

Surviving Spouse Pension

(Refer to Sections 7.05 and 7.07 of the Plan Document)

If you are vested, married and die prior to retirement, your surviving spouse will receive 50% of your regular, early retirement, service or special service pension benefit, as the case may be, adjusted as though you had retired on the day before your death and had elected the 50% spousal pension. If you have not attained age 55 and are not eligible for a service or special service pension at the time of your death, the amount payable to your surviving spouse will be determined as if you were age 55 when you died. In this case, payments to your spouse would be deferred until the date you would have attained age 55. Your surviving spouse may, however, elect to receive payments immediately (not deferred to your 55th birthday) in which case the monthly amount would be adjusted to reflect the fact that benefits would be paid over a longer period of time.

If the actuarial present value of the surviving spouse pension is \$5,000 or less, payment of the actuarial present value of this benefit will be made to your spouse in a single lump sum in lieu of any other death benefit described in this section.

Your surviving spouse may elect in writing, filed with the Board, to defer commencement of the surviving spouse pension until a specified date that is no later than the first of the month on or immediately following the date you would have attained Normal Retirement Age. The amount payable at that time shall be determined as described above, except that the benefit shall be paid in accordance with the terms of the Plan in effect when you last worked in covered employment, as if you had retired with a 50% Spousal Pension on the day before your surviving spouse's payments are scheduled to start, and died the next day.

This benefit is payable for your spouse's lifetime.

36-Payment Pre-Retirement Death Benefit

(Refer to Section 8.01 of the Plan Document)

As of January 1, 2011, the Pre-Retirement Death Benefit is discontinued in accordance with the Rehabilitation Plan. Should you die on or after that date, your beneficiary will not be entitled to the Pre-Retirement Death Benefit described in this section.

Pre-Retirement Lump-Sum Death Benefit

(Refer to Section 8.02 of the Plan Document)

As of January 1, 2011, the Pre-Retirement Lump-Sum Death Benefit is discontinued in accordance with the Rehabilitation Plan. Should you die on or after that date, your beneficiary will not be entitled to a Pre-Retirement Death Benefit.

Prior to January 1, 2011, if you die before your pension effective date, your beneficiary will receive a lump sum payment in an amount equal to the total employer contributions paid on your behalf up to a maximum of \$10,000.00, provided you meet the following requirements:

- You have at least two years of credited service without a permanent break in service; and
- You have worked in covered employment and earned at least two quarters of credited future service within the two consecutive calendar years prior to the calendar year in which you die.

If at the time you die, you meet the requirements for this lump sum death benefit and the above 36 payment death benefit, your beneficiary will receive one of these death benefits, not both. Neither of these benefits are payable if your spouse is eligible for and elects to receive the Surviving Spouse Pension.

Spouse's Choice of Death Benefits

If, at the time of your death, your surviving spouse is eligible for the 36-payment pre-retirement death benefit and/or the lump-sum pre-retirement death benefit and the surviving spouse pension, your spouse may choose whichever form of benefit he or she prefers. Please note that the 36-payment pre-retirement death benefit and lump-sum pre-retirement death benefits are no longer available in the event of your death on or after January 1, 2011.

Important:

You should be sure that you have a beneficiary designation card on file with the Fund Office and, if so, that it is up to date. If you are married and designate anyone other than your spouse as your beneficiary, your spouse must consent to such designation in a form and manner prescribed by the Board of Trustees.

APPLICATIONS, IRC SECTION 415 BENEFIT LIMITATIONS, INCOME TAX WITHHOLDING AND APPEAL PROCEDURES

How to Apply for Benefits

(Refer to Section 10.01 of the Plan Document)

If you are eligible, your pension is effective the first of the month following the month in which you submit an application, unless you indicate a later pension effective date. To apply for your pension, you must request an application from the Local Union Office nearest to you or from the Fund Office. The form, with instructions for completing it, will be provided. It is a good idea to send in the application and any other documents needed (such as proof of age and marriage) to the Fund Office at least 60 days before you plan to retire so your pension application can be processed before your Pension Effective Date

If you do not send your application and supporting documentation to the Fund Office at least 60 days before the date you plan to retire, you may not receive a written explanation of the various payment options under the Plan until after your Pension Effective Date. In that case you will be permitted to either

- Keep your original Pension Effective Date (now called a Retroactive Pension Effective Date) and receive make-up payments (and interest) for benefits that were missed during the period of delay; or
- Elect a date that falls sometime after you receive the written explanation and have your pension calculated under the Plan rules in effect on that date. In some instances, such as in the case of an Early Retirement Pension, your monthly benefit will be larger as you will be older on that later date.

If you become totally and permanently disabled on or after January 1, 1997, and are eligible for a disability pension from this Plan and you make proper application for such pension, your disability pension benefits will begin with the sixth full month of total and permanent disability. Please note that in accordance with the Rehabilitation Plan, the Disability Pension is discontinued as of January 1, 2011 and is not available to any Participant who becomes totally and permanently disabled on or after that date.

Application for the 36-Payment Pre-Retirement Death Benefit must be made within 120 days following the date of the participant's death. Please note that in accordance with the Rehabilitation Plan, this benefit is discontinued in the event of your death on or after January 1, 2011.

Internal Revenue Code (IRC) Section 415 Benefit Limitations

IRC Section 415 limits the amount of benefits that can be paid from pension plans. Your pension benefit can be no more than a fixed amount set by the government, adjusted for each year you are younger or older than the Social Security Retirement Age at retirement. This amount is further reduced if you elect to receive a pension with a three-year or ten-year guarantee option.

This limitation applies to the total benefits of all pension plans you participate in with the same employer. These limitations will be adjusted annually for changes in the cost of living.

These benefit limitations are most likely to affect you if you retire on a service pension or special service pension at an early age.

If at retirement, the Plan is unable to pay you the full benefit you have earned under the Plan due to this limitation, the excess benefit amounts not payable during your initial year of retirement and any subsequent years will be placed in an account held by the Fund for you and accumulated with interest. In any future calendar years in which the IRC Section 415 limitation is greater than the benefit you are receiving, you will be paid the excess benefit amounts, up to such calendar year's IRC Section 415 limitation. You will be entitled to

continue the recovery of your excess benefit amounts until all excess benefit amounts have been paid. If you should die before all excess benefit amounts have been paid, the remaining excess benefit amounts will be paid to your spouse (or your designated beneficiary if there is no surviving spouse) to the extent permitted by Internal Revenue Service regulations.

Income Tax Withholding

Federal and applicable State Income Taxes will be automatically withheld from any benefits paid by the Plan which exceed the limits established by law unless you elect not to have income taxes withheld. You will be given complete information and the opportunity to elect or reject withholding when you apply for benefits, and annually thereafter.

Federal law requires that if you or your spouse is receiving certain types of benefits from the Plan, 20% must be withheld for income tax purposes. These types of benefits are certain lump sum payments, installment payments over a period of less than 10 years, and certain death benefit payouts. However, these types of benefits are also eligible for a "rollover" into an IRA or other tax-exempt retirement plan. If you roll over your benefits, withholding is not mandatory. You will be given complete information when you apply for benefits and the opportunity to elect or reject rollover treatment if your benefit is subject to the 20% mandatory withholding.

Prior to making an election, you may wish to consult a professional tax advisor.

Claims and Appeal Procedures

(Refer to Section 10.04 of the Plan Document)

Filing a Claim

Your claim will be considered filed when your application is received by the Fund Office, without regard to whether all the information necessary to make a benefit determination accompanies your application. If all necessary information does not accompany your application, the Fund Office will notify you, in writing, of:

1. The standards on which entitlement to benefits is based;
2. The unresolved issues that prevent a decision on the claim; and
3. The additional information needed to resolve those issues.

Determining Initial Claim

Benefits Other Than Disability Benefits:

The initial determination of benefits will be made within a reasonable period of time but not longer than 90 calendar days after the Fund Office receives your application for benefits and all required information. (If all required information is not received with your application, and you are notified of this by the Fund Office, the 90-day period for making the initial determination will be suspended during the time you are obtaining the additional information).

If the Fund Office determines that special circumstances require an extension of time for processing your claim, the Fund Office will notify you, in writing, prior to the expiration of the 90 days of the circumstances requiring the extension of time and the date by which the Plan expects to make a determination. The extension cannot be more than 90 calendar days from the end of the initial 90-day period.

Disability Benefits:

The initial determination of benefits will be made within a reasonable period of time but not longer than 45 calendar days after the Fund Office receives your application for benefits and all required information. (If all required information is not received with your application, and you are notified of this by the Fund Office, the

45-day period for making the initial determination will be suspended during the time you are obtaining the additional information).

The initial 45-day period may be extended for up to 30 calendar days, to a total of 75 calendar days, if an extension is necessary due to matters beyond the Plan's control. The Fund Office will notify you, in writing, prior to the expiration of the initial 45-day period of the circumstances requiring the extension of time and the date by which the Plan expects to make a determination.

If the Plan needs a second extension of time to make a determination due to circumstances beyond its control, you will be notified of an extension of up to 30 calendar days, or a maximum of 105 calendar days after the initial receipt of your application. Before the end of the first 30-day extension period, the Fund Office will notify you, in writing, of the circumstances requiring the extension and will give you a new date by which a determination will be made.

If an application for benefits is not acted on within these time periods, you may proceed to the appeal procedures as if your claim has been denied.

Notice of Claim Denial

If the Plan denies your application for benefits, in whole or in part, you will be notified in writing of the determination and be given the opportunity for a full and fair review of the benefit decision. The written notice of denial shall include:

- (1) The specific reason(s) for the denial;
- (2) The specific reference to pertinent Plan provision(s) on which the denial is based;
- (3) A description of any additional material or information necessary for you to perfect your claim and an explanation of why such material or information is necessary;
- (4) A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review; and
- (5) For a claim for disability benefits only, if an internal rule, guideline, protocol or other similar criterion was relied upon in making the adverse determination, a statement that such rule, guideline, protocol or other similar criterion was relied upon and that a copy of that document will be provided to you free of charge upon request.

Right to Appeal

If you apply for benefits and your claim is denied, or if you believe that you did not receive the full amount of benefits to which you are entitled, you have the right to petition the Board of Trustees for reconsideration of its decision. Your petition for reconsideration:

- (1) Must be in writing; and
- (2) Must state in clear and concise terms the reason(s) for your disagreement with the decision of the Board of Trustees; and
- (3) May include documents, records, and other information related to your claim for benefits; and
- (4) Must be filed by you or your duly authorized representative with the Fund Office within 60 calendar days after you received notice of denial. In the case of a claim for disability benefits, your petition for reconsideration must be filed with the Fund Office within 180 calendar days after you received notice of denial. Failure to file an appeal within these time limits will constitute a waiver of your right to a

review of the denial of your claim. A late application may be considered if the Board of Trustees finds that the delay in filing was for reasonable causes.

Upon good cause shown, the Board of Trustees may permit your petition to be amended or supplemented. The failure to file a petition for reconsideration within such sixty (60) day period shall constitute a waiver of your right to reconsideration of the decision. Such failure shall not, however, preclude you from establishing your entitlement at a later date based on additional information and evidence which was not available to you at the time of the decision of the Board of Trustees.

Upon request, you or your duly authorized representative will be provided, free of charge, reasonable access to and copies of all documents, records, and other information relevant to your claim for benefits. A document, record or other information shall be considered relevant to your claim if it was relied upon in making the benefit determination; was submitted, considered or generated in the course of making the benefit determination, without regard to whether it was relied upon in making the benefit determination; demonstrates that the benefit determination was made in accordance with the Plan provisions and that such provisions have been applied consistently with respect to similarly situated claims; and, in regards to a disability benefit, the Plan's policy or guidance with respect to the benefit denial (whether or not it was relied upon in making the benefit determination) and other relevant information. Relevant information also includes identification of any medical or vocational expert whose advice was obtained on behalf of the Plan in connection with the adverse benefit determination, without regard to whether the advice was relied upon in making the benefit decision.

The review of the determination will take into account all comments, documents, records and other information submitted by you relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.

In the case of a claim for disability benefits, you will receive relevant documents, records and other information, including any statement or policy or guidelines with respect to the Plan concerning the denial of disability benefits, without regard to whether such advice or statement was relied upon in making the benefit determination.

Review of Appeal

A properly filed appeal will be reviewed by the Board of Trustees (or by a committee authorized to act on behalf of the Board of Trustees) at its next regularly scheduled quarterly meeting. However, if the appeal is received within 30 calendar days prior to such meeting, the appeal may be reviewed at the second quarterly meeting following the receipt of your appeal. If special circumstances require an extension of time, the Board of Trustees will render a decision at the third scheduled quarterly meeting following the receipt of your appeal. The Fund Office will notify you, in writing, before the beginning of the extension of the special circumstances and the date that the Board of Trustees will make its decision.

The Board of Trustees will review all submitted comments, documents, records and other information related to your claim, regardless of whether the information was submitted or considered in the initial benefit determination. The Board of Trustees will not afford any deference to the initial benefit determination. If the adverse benefit determination is based in whole or in part on a medical judgment, the Board of Trustees shall consult with a health care professional with appropriate training and experience in the field of medicine involved in the medical judgment. Such consultant shall be different from any individual consulted in connection with the initial determination and shall not be the subordinate of any such person.

You will receive written notification of the benefit determination on appeal no later than 5 calendar days after the benefit determination is made.

The written notification will include the reason(s) for the determination, including references to the specific Plan provisions on which the determination is based. The written notification will also include a statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents,

records and other information relevant to your claim for benefits. The written notification of a benefit determination in regard to disability benefits will also include the specific rule, guideline, protocol or other similar criterion relied upon in making the determination.

The denial of a claim to which the right to review has been waived, or a decision by the Board of Trustees or its designated committee with respect to a petition for review, is final and binding upon all parties, subject only to any civil action you may bring under ERISA within two (2) years from the date your appeal has been denied. Following issuance of the written decision of the Board of Trustees on an appeal, there is no further right of appeal to the Board of Trustees or right to arbitration.

Class Action Waiver

By participating in the Plan, you and your beneficiary agree to waive your right to participant in a class, collective, or representative action relating to the Plan. Any dispute, claim or controversy may only be initiated or maintained and decided on an individual basis.

RETIREMENT, SUSPENSION OF BENEFIT PAYMENTS, ADDITIONAL CREDITS AFTER RETURN TO COVERED EMPLOYMENT, AND DELAYED RETIREMENT (Refer to Sections 10.07, 10.11, 10.12 and 10.13 of the Plan Document)

Retirement and Suspension

Once you retire and begin receiving pension benefits, the type of work you can do without having your pension benefits suspended will be subject to the following rules.

Before Age 65:

1. You can work as many hours as you want without having your pension benefits suspended ***provided that you do not work in the Resilient Floor Covering Industry*** (as defined in Section 1.25 of the Plan Document).
2. You can work up to 499 hours in a calendar year at a job covered by this Plan without having your pension benefits suspended, ***provided that:***
 - ***You work for an Employer who is required to make contributions to this Plan; and***
 - ***You notify the Fund Office and Local Union Office in writing before you begin such work.***
4. You can work as many hours as you want for an employer who is required to make contributions to this Plan, ***provided that the work you do is not work covered by this Plan.***
5. You can work under a Salting Agreement without having your benefits suspended. The Salting Agreement must be approved by the local area union, and must be presented to the committee designated by the Trustees for approval.

If you work more than 499 hours in a job covered by this Plan for a contributing employer in a calendar year ***or*** if you do ***any type*** of work for wages or profit anywhere in the Resilient Floor Covering Industry either as an employee for an employer who ***is not making*** contributions to this Plan ***or*** as a self-employed worker, your pension benefits will be suspended for each month that you work in such prohibited employment.

After Age 65:

1. You can work as many hours as you want without having your pension benefits suspended *provided that you do not work in the Resilient Floor Covering Industry* (as defined in Section 1.25 of the Plan Document).
2. You can work up to 499 hours in a calendar year at a job covered by this Plan without having your pension benefits suspended, *provided that:*
 - *You work for an Employer who is required to make contributions to this Plan; and*
 - *You notify the Fund Office and the Local Union Office in writing before you begin such work.*
3. You can work as many hours as you want for an employer who is required to make contributions to this Plan, *provided that the work you do is not work covered by this Plan.*
4. You can work as many hours as you want in the Resilient Floor Covering Industry without having your pension benefits suspended *provided that you do not do such work in the geographical area covered by this Plan.*
5. You can work up to 39 hours in a month (or in a 4 or 5 week payroll period) in the Resilient Floor Covering Industry in the geographical area covered by this Plan without having your pension benefits suspended.
6. You can work under a Salting Agreement without having your benefits suspended. The Salting Agreement must be approved by the local area union, and must be presented to the committee designated by the Trustees for approval.

If you work more than 499 hours in a job covered by this Plan for a contributing employer in a calendar year *or* if you work more than 39 hours in a month (or in a 4 or 5 week payroll period) either as an employee or a self-employed worker in the Resilient Floor Covering Industry in the geographical area covered by this Plan (the "39-hour" rule will not apply to work covered by this Plan for a contributing employer until you have worked 499 hours), your pension benefits will be suspended for each month that you work in such prohibited employment.

Beginning with the April 1 following the calendar year in which you attain age 70 1/2, you can do any type of work anywhere and continue to receive your pension benefits, provided you are a 5% owner or you attain age 70 1/2 before 1999.

If you attain age 70 1/2 in 1999 or after 1999, special rules may apply beginning with the April 1 following the calendar year in which you attain age 70 1/2. At that time you should contact the Fund office for the specific rules that apply to you.

For Disability Retirements, the following rules apply:

Please Note: Under the Rehabilitation Plan, the Disability Pension is discontinued as of January 1, 2011 and will not be available to any Participant who becomes totally and permanently disabled on or after that date. If as of January 1, 2011 you were either receiving a Disability Pension or you had applied for and are entitled to a Disability Pension, your Disability Pension will not be discontinued. The following provisions are applicable before January 1, 2011:

Before Age 60:

1. You are only entitled to receive Disability Pension benefits from this Fund while you are totally and permanently disabled, as the result of bodily injury or disease, to engage in or perform **any** of the duties of **any occupation** for which you may reasonable be fitted by reason of education, training or experience.
2. If you lose entitlement to Social Security Disability benefits or recover from your disability sufficiently to be able to engage in **any** substantial gainful work, you must notify the Fund Office immediately.

If you do not notify the Fund Office in writing within 31 days of the date you receive a termination notice from the Social Security Administration or within 31 days of the date of your recovery, whichever occurs first, you will not be eligible for pension benefits for a period of 3 months following the date of your subsequent retirement. In addition, any disability pension benefits you receive after you are no longer totally and permanently disabled must be repaid to the Pension Fund.

In May of each year, you must submit to the Fund Office a copy of your May Social Security Disability check or a statement from your doctor certifying that you continue to be totally and permanently disabled in order to continue to receive disability pension benefits from this Plan.

After Age 60:

Once you attain age 60, you will continue to receive your pension benefits even if you do not continue to remain totally and permanently disabled **provided** that you remain "retired" as defined above.

Notices

Upon commencement of pension payments and annually thereafter, the Trustees shall notify the pensioner of the Plan rules governing suspension of benefits.

A pensioner must notify the Plan in writing prior to starting any work of a type that is or may be prohibited without regard to the amount of earnings or the number of hours of such work.

Whenever the Board becomes aware that a pensioner is working or has worked in prohibited employment in any month after attaining normal retirement age and has failed to give timely notice to the Plan of such employment, the Trustees may, unless it is unreasonable under the circumstances to do so, act on the basis of a rebuttable presumption that the pensioner has worked the number of hours prohibited by the Plan for the period before notice is given in writing to the Board that prohibited employment has ceased. This presumption may be overcome by establishing that such work was not in fact an appropriate basis, under the Plan, for suspension of benefits.

On an annual basis, each pensioner younger than age 68 whose pension became effective on or after February 1, 1974, is required to furnish the Board of Trustees with a Social Security Work History. If a pensioner fails to furnish such authorization or other documentation as required by the Board of Trustees, his or her pension will be suspended until such information is provided.

Recovery of Overpayments

Overpayments attributable to payments of benefits made for any month or months during which a pensioner engaged in prohibited employment will be deducted from benefits otherwise payable, subsequent to the period of suspension. If the pensioner is over age 65, the deduction will be 100% of the initial resumption payment or the full suspendible amount, whichever is less; thereafter, the deduction will not exceed in any month 25% of that month's total benefit payment which would have been due but for the deduction.

If the pensioner dies before recoupment of suspendible amounts has been completed, deductions will be made from any benefits payable to the surviving spouse or beneficiary. The 25% deduction limitation will apply after the first such payment if the pensioner was over age 65.

Additional Credits after Return to Covered Employment

If you return to work in covered employment, you will receive additional pension benefits when you again retire based on the additional benefits you earn while working, subject to the Rehabilitation Plan Provisions described throughout the applicable sections, above.

If you retire before Normal Retirement Age (65) and subsequently return to covered employment and earn additional benefits, you will have two pensions when you once again retire. Your first pension will be in the same amount and type you were receiving before you returned to work. You will not be entitled to a new election as to the Spousal Pension or any optional form of benefit payment provided by the Plan. Your second pension will have a separate pension effective date and will be based on the additional benefits you earned while your first pension was suspended. If the value of your second pension is 5,000.00, or less, you will receive a lump sum payment equal to the value of this pension. If the value is greater than 5,000.00, you will be offered all the benefit options provided by the Plan.

If your pension effective date is on or after the date you attained Normal Retirement Age and you subsequently return to covered employment and earn additional benefits, these additional benefits will be payable, when you once again retire, in the same form as the form of benefit payments you were receiving prior to your return to work, subject to the Rehabilitation Plan Provisions described throughout the applicable sections, above. Any additional benefits earned after Normal Retirement Age will be determined as of the end of the calendar year in which they were earned.

Any additional pension benefits earned after your required beginning date will be determined at the end of each calendar year and paid to you by the end of the first month of the calendar year following the calendar year in which you earned the additional benefits.²

Delayed Retirement

Subject to the Rehabilitation Plan Provisions described in the applicable sections throughout this document, if your pension effective date is after your normal retirement age and you do not work in prohibited employment in any full calendar month after your normal retirement age and before your pension effective date, you will be entitled to a pension payment for any such calendar month(s). Payment of such pension benefit will be made in the form of a lump sum payment or as an actuarial increase to the pension benefit payable at your pension effective date. You will be given a choice of the way you want this pension benefit paid at the time you retire.

² Your “required beginning date” depends upon whether or not you are a 5% owner. If you are a 5% owner, your required beginning date is the April 1 of the calendar year following the calendar year in which you attain age 70 ½. If you are not a 5% owner, your required beginning date is the April 1 of the calendar year following the calendar year in which you attain age 70 ½ or, if later, the calendar year in which you cease working in covered employment, whichever you choose.

SOME QUESTIONS AND ANSWERS

Who Administers the Plan?

A Board of Trustees consisting of Union and Employer representatives, in accordance with the law. The Board of Trustees has retained a third party administrator, Health Services & Benefit Administrators, to handle the day-to-day operation of the Plan.

Who is Covered by the Plan?

Employees of contributing employers who work under collective bargaining agreements with any one of the following Local Unions of the International Union of Painters and Allied Trades:

Carpet, Linoleum and Soft Tile Workers Local Union No. 12; Linoleum, Carpet, Resilient Floor Covering and Sign Workers Local No. 1237; Carpet, Linoleum and Soft Tile Layers' Union No. 1238; Linoleum, Carpet, Tile and Plastic Applications, Local No. 1236; Local No. 1399; Carpet, Linoleum and Resilient Tile Layers Local Union No. 419, and Carpet, Linoleum and Soft Tile Local Union No. 1926.

Also regular paid employees of the Local Unions and Apprentice Trust Funds who are not covered by any collective bargaining agreement, corporate contributing employers and their non-bargained employees, and alumni are covered by the Plan.

Do the Pensions Provided by this Plan Affect Social Security Benefits in any way?

No. The benefits payable under this Plan are in addition to benefits paid under Social Security.

May Pension Benefits be Assigned?

No, except to the extent provided in a qualified domestic relations order resulting from marriage dissolution proceedings.

Do I Pay Income Tax on my Pension?

Yes. All benefits you receive from the Plan, including disability benefits, are taxable income to you. Certain lump sum payments are subject to mandatory 20% withholding for federal income tax.

What Happens to my Benefits if I am Divorced?

If your marriage ends, the benefits you earned while you were married may be divided as part of your marital property settlement. Dividing your pension with a former spouse requires a special court order called a Qualified Domestic Relations Order (QDRO). The Plan's QDROs procedures and a sample QDRO are available free, upon request from the Administration Office.

Under federal law, the Plan must review all QDROs to determine whether they satisfy legal requirements. The Plan does *not* examine the fairness of your property settlement. You and your spouse are each responsible for protecting your own interests when you agree to any QDRO.

Benefit payments to your former spouse under a QDRO cannot begin until the earliest date you would be eligible to receive a payment from the Plan.

Are Plan Documents Available to Participants and Beneficiaries?

Yes. Copies of the Trust Agreement, Plan, subsequent Amendments, and a summary of the annual report are available for inspection at the Fund Office during regular business hours and upon written request will be furnished by mail.

In addition, copies of the collective bargaining agreements, and full annual report (Form 5500) are available for inspection at the Fund Office during regular business hours and upon written request will be furnished by mail

upon payment of reasonable charges. You should therefore find out what that charge will be before writing and asking for copies of these documents.

**INFORMATION REQUIRED BY THE EMPLOYEE RETIREMENT
INCOME SECURITY ACT OF 1974**

1. The Plan name, address and telephone number of the Board of Trustees:

Board of Trustees
Resilient Floor Covering Pension Fund
c/o Health Services & Benefits Administrators
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756

Telephone: (800) 782-0010

The above is the name, address and telephone number of the Fund Administrator.

2. The Employer Identification Number (EIN) issued to the Board of Trustees by the Internal Revenue Service is 94-6284071.
3. Plan Number: 001
4. The Plan is a defined benefit plan.
5. The Plan is administered and maintained by the Joint Board of Trustees. The address and telephone number of the Administrative Office of the Fund are the same as shown for the Board of Trustees.
6. Agent for the service of legal process is the Board of Trustees. Service of legal process may also be made upon any Plan Trustee.
7. The following are the names, titles and business addresses of the Trustees:

EMPLOYER TRUSTEES

Tom Cuddie, Co-Chairman
R.E. Cuddie Company
1751 Junction Avenue
San Jose, CA 95112

John Duty
Don Frank Floors
15550 SE Piazza Avenue
Clackamas, Oregon 97015

UNION TRUSTEES

Steve Belong
IUPAT District Council 16
2149 Oakland Road
San Jose, CA 95131

Juan Calderon
IUPAT District Council 16
2020 Williams St., Ste. A1
San Leandro, CA 94577

EMPLOYER TRUSTEES

Keith Emerson
 Island Flooring Company, Inc.
 411 Alakawa Street
 Honolulu, HI 96817

Roger Hageman
 4500 So. Monaco St. #1415
 Denver, CO 80327

Russ Hoem, Secretary
 Hoem and Associates, Inc.
 951 Linden Avenue
 So. San Francisco, CA 94080

Robert Mullarkey
 Anderson Carpet & Linoleum Sales
 1000 West Grand Avenue
 Oakland Ca 94607

Randy Wadley
 Harry L. Murphy Co., Inc.
 Bonaventura Avenue
 San Jose, Ca 95134

UNION TRUSTEES

Pelenato Liu-Yuen
 IUPAT District Council 50
 2240 Young Street
 Honolulu, HI 96826

Anthony Nuanes
 IUPAT District Council 16
 1939 Market Street, Suite B
 San Francisco, CA 94103

Randy Rojas, Co-Secretary
 IUPAT District Council 16/
 Local 1237
 7111 Governors Circle
 Sacramento, CA 95823

John Sherak, Chairman
 District Council 16
 2705 Constitution Drive
 Livermore, CA 94551

David Winkler
 IUPAT District Council 5
 Local 1236
 11105 NE Sandy Blvd.
 Portland, OR 97220

8. This program is maintained pursuant to various Collective Bargaining Agreements and Participation Agreements. Copies of these agreements are available for inspection at the Fund Office during regular business hours and upon written request will be furnished by mail upon payment of reasonable charges. A copy of any Collective Bargaining Agreement which provides for contributions to this Fund will also be available for inspection within 10 calendar days after written request at any of the Local Union offices or at the office of any contributing employer to which at least 50 Plan participants report each day.
9. Contributions to the Fund are made by employers in accordance with Collective Bargaining Agreements in force with Local Unions at fixed rates per hour or in accordance with Participant Agreements approved by the Board of Trustees at a percent of compensation. The Fund Administrator's Office will provide any Plan participant or beneficiary, upon written request, information as to whether a particular employer is contributing to this Fund with respect to the work of participants in the Fund and if the employer is a contributor, the employer's address.
10. Benefits are provided from the Pension Fund's assets deposited with or held in custody by the Fund's Custodian
11. The end of the year for purposes of maintaining the Fund's fiscal records is December 31.
12. The Board of Trustees intends to continue this Plan indefinitely. If, for any reason, the Plan should be terminated, you will have a 100% vested interest in your Normal Retirement Benefit to the extent benefits are funded by the assets in the Plan at the time of Plan termination.

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 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: (i) The date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) nonpension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your Fund Administrator 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>.

13. **Statement of Rights Under Employee Retirement Income Security Act of 1974**

As a participant in the Resilient Floor Covering Pension Fund, 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 Fund 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 Fund 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 Fund Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Fund 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 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.

Pursuant to the Pension Protection Act of 2006, obtain upon written request, copies of certain other documents which have been in the Fund Administrator's possession for more than 30 days. The administrator may make a reasonable charge for copies. Please contact the Fund Administrator for more information.

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 Fund 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 Fund 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 Fund 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 Fund Administrator, you should contact the nearest office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, the 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. For single copies of publications, contact the Employee Benefits Security Administration Brochure Request Line at 800-998-7542 or contact the

Employee Benefits Security Administration field office nearest you. You may also find answers to your questions at the Employee Benefits Security Administration's website at <http://www.dol.gov/ebsa>.



This explanation of the Pension Plan is no more than a brief and very general statement of the most important provisions of the Pension Plan. No general statement such as this can adequately reflect all of the details of the Plan. Nothing in this statement is meant to interpret or extend or change in any way the provisions expressed in the Plan itself. The rights of a Participant or Beneficiary can only be determined by consulting the actual text of the Pension Plan Rules and Regulations. The complete text of the Pension Plan Rules and Regulations is printed in the last part of this booklet.

ONLY THE FULL BOARD OF TRUSTEES IS AUTHORIZED TO INTERPRET THE PLAN. THE BOARD HAS DISCRETION TO DECIDE ALL QUESTIONS ABOUT THE PLAN, INCLUDING FACTUAL QUESTIONS AFFECTING YOUR ELIGIBILITY FOR BENEFITS OR THE AMOUNT OF YOUR PENSION. NO INDIVIDUAL TRUSTEE, EMPLOYER, UNION REPRESENTATIVE OR OTHER PERSON HAS AUTHORITY TO INTERPRET THIS PLAN ON BEHALF OF THE BOARD OR TO ACT AS AN AGENT OF THE BOARD.

THE BOARD HAS AUTHORIZED THE FUND ADMINISTRATOR TO RESPOND IN WRITING TO YOUR WRITTEN QUESTIONS. IF YOU HAVE AN IMPORTANT QUESTION ABOUT YOUR PENSION, YOU SHOULD WRITE TO THE ADMINISTRATION OFFICE FOR A DEFINITIVE ANSWER. TO OBTAIN AN ACCURATE ANSWER, YOU MUST PROVIDE COMPLETE AND ACCURATE INFORMATION ABOUT YOUR SITUATION.

AS A COURTESY TO YOU, THE FUND ADMINISTRATOR ALSO MAY RESPOND INFORMALLY TO YOUR ORAL QUESTIONS. ORAL INFORMATION AND ANSWERS CANNOT BE RELIED UPON IN ANY DISPUTE ABOUT YOUR BENEFITS.

**TEXT
OF THE
PENSION PLAN**

**RULES AND REGULATIONS
of the
PENSION PLAN
for the
RESILIENT FLOOR COVERING PENSION FUND
*(As Amended and Restated Effective January 1, 2019)***

TABLE OF CONTENTS

		<u>Page</u>
ARTICLE 1.	DEFINITIONS.....	3
ARTICLE 2.	PARTICIPATION.....	13
ARTICLE 3.	PENSION ELIGIBILITY AND AMOUNTS	14
ARTICLE 4.	PARTIAL PENSIONS	26
ARTICLE 5.	ELIGIBILITY AND PENSION BENEFITS FOR CORPORATE CONTRIBUTING EMPLOYERS AND THEIR NON-BARGAINED EMPLOYEES (SECTION 1.11.B. EMPLOYEES).....	28
ARTICLE 6.	ACCUMULATION OF BENEFIT UNITS & YEARS OF CREDITED SERVICE, BREAKS IN SERVICE, AND VESTING REQUIREMENTS.....	30
ARTICLE 7.	SPOUSAL PENSIONS.....	38
ARTICLE 8.	DEATH BENEFITS	43
ARTICLE 9.	LEVEL INCOME OPTION	46
ARTICLE 10.	APPLICATIONS, BENEFIT PAYMENTS, AND RETIREMENT	48
ARTICLE 11.	SPECIAL PROVISIONS FOR ELIGIBLE ROLLOVER DISTRIBUTIONS....	60
ARTICLE 12.	MISCELLANEOUS	62
ARTICLE 13.	CONTINGENT TOP HEAVY RULES	66
ARTICLE 14.	MAXIMUM BENEFITS	69
ARTICLE 15.	MINIMUM DISTRIBUTION REQUIREMENTS	74
ARTICLE 16.	AMENDMENT	78
APPENDICES	A through E – FACTORS FOR SPOUSAL PENSIONS	A1
APPENDICES	F and G – FACTORS FOR FIVE-YEAR AND TEN-YEAR GUARANTEE OPTIONS.....	A-6
APPENDIX H	BENEFIT RATE HISTORY	A-8
APPENDIX I	ADDITIONAL PENSION PAYMENTS	A-19

The Pension Plan for the Resilient Floor Covering Pension Fund was adopted July 31, 1958. The Pension Plan was revised in its entirety effective June 1, 1976, to comply with the Employee Retirement Income Security Act of 1974 (ERISA) and was subsequently revised and restated effective June 1, 1986, January 1, 1989, January 1, 1994, June 1, 1999, December 1, 2000, November 1, 2013, January 1, 2015 and most recently January 1, 2019. This January 1, 2019 restated document incorporates all Plan amendments through and including Amendment 6 to revision effective January 1, 2015. This Plan contains provisions that are intended to permit continued compliance with current qualification requirements of the Internal Revenue Code.

ARTICLE I. DEFINITIONS

Unless the context or subject matter otherwise requires, the following definitions shall govern in the Plan.

Section 1.01. "Actuarial Equivalent" means two benefits of equal Actuarial Present Value based on the actuarial factors or assumptions specified in the provision in which that phrase is used, or if not otherwise specified, based on the assumptions described in Section 1.02.

Section 1.02. Unless otherwise specified in the Plan, "Actuarial Present Value" means:

- a. For determinations as of any Pension Effective Date that is on or after June 1, 2000, a benefit determined using the "Applicable Mortality Table" and the "Applicable Interest Rate". For this purpose:
 - (1) The "Applicable Mortality Table" for a calendar year is the table prescribed for use in that year in Regulations under Code Section 417(e), and which until modified or superseded, is the table set forth in Revenue Ruling 95-6; and
 - (2) The "Applicable Interest Rate" is, for a calendar year, the annual rate of interest on 30-year Treasury securities as specified by the commissioner of Internal Revenue for the month of November (as published in December) immediately preceding the calendar year that contains the Pension Effective Date.

For determinations as of any Pension Effective Date that is on or after January 1, 2003, any reference in the Plan to the "Applicable Mortality Table" or the mortality table set forth in Revenue Ruling 95-6 shall be construed as a reference to the mortality table prescribed in Revenue Ruling 2001-62.

Notwithstanding the above, for Pension Effective Dates on or after January 1, 2008, any reference in the Plan to the "Applicable Mortality Table" or the mortality table set forth in Revenue Ruling 95-6 or 2001-62 shall be construed as a reference to the mortality table specified for the plan year under subparagraph (A) of Code section 430(h)(3) (without regard to subparagraph (C) or (D) of such section).

Notwithstanding the above, for Pension Effective Dates on or after January 1, 2008, the "Applicable Interest Rate" means the adjusted first, second, and third segment rates applied under the rules similar to the rules of Code section 430(h)(2)(C) for the month before the date of the distribution or such other time as the Secretary may by regulations prescribe. For this purpose, the segment rates shall be subject to the conditions set forth in Code section 417(e)(3)(D).

- b. For Pension Effective Dates prior to June 1, 2000, a benefit determined using the interest rate prescribed by the Pension Benefit Guaranty Corporation for valuing annuities under single-employer plans that terminate after November 30, 1980, without Notice of Sufficiency during the first day of the calendar year in which the date as of which the benefit is valued occurs. The mortality assumption shall be as follows:
- (1) For payment where the Participant is not disabled per Section 3.08, the 1971 Group Annuity Mortality Table, weighted as follows:
 - (a) For a Participant's benefit, 100% male and 0% female;
 - (b) For the benefit of a Participant's spouse or former spouse, 0% male and 100% female; and
 - (c) In any other case, 50% male and 50% female.
 - (2) For payment where the Participant is disabled per Section 3.08, the PBGC Mortality Tables for Disabled Lives Eligible for Social Security Disability benefits weighted according to b.(1) above.

Section 1.02A. "Alternative Schedule" is a schedule of revised benefit structures and revised contribution structures, pursuant to the Rehabilitation Plan, adopted by the bargaining parties (i.e., a Local Union and Contributing Employee) applicable to their Employees, effective as provided under the applicable collective bargaining agreement.

Section 1.03. "Apprentice Trust Fund" means any apprentice training fund established under the terms of a Collective Bargaining Agreement relating to the training or qualifications of employees employed in the Resilient Floor Covering Industry, and jointly administered by a Signatory Association and a Union or a labor organization which is a successor to a Union.

Section 1.04. "Bargaining Unit" means a group of Employees for which the Contribution Rate to the Fund is the same, and for which the Contribution Date, as fixed by the Board of Trustees is the same in accordance with Section 1.09. For the purpose of calculating a pension benefit, the Bargaining Unit applicable to a Participant or Pensioner is the one in which he or she first worked or worked the greatest number of hours during the period when he or she accumulated the most recent five Years of Credited Service, whichever produces the higher pension benefit.

Section 1.05. "Calendar Year" means the period from January 1 to the next December 31. For the purposes of ERISA regulations, the Calendar Year shall serve as the vesting computation period and benefit accrual computation period, and after the initial period of employment or of reemployment following a Break in Service the computation period for eligibility to participate in the Plan.

Section 1.06. "Collective Bargaining Agreement" means any written agreement requiring Contributions to this Fund on behalf of employees employed in the Resilient Floor Covering Industry, which is entered into by and between a Signatory Association or individual Employer and any Union or any labor organization which is a successor to a Union, including any extensions or renewals thereof.

Section 1.07. "Contribution" or "Employer Contribution" means a payment made or to be made to the Fund by a Contributing Employer under the provisions of a Collective Bargaining Agreement, or in the case of a Non-Bargaining Employee (as defined in Section 1.11.b) under the provisions of a Subscription Agreement, or with

regard to a Union or an apprentice Trust Fund, payment to the Fund under such conditions and manner as specified by the Board of Trustees.

From September 1, 2005 through August 31, 2006, \$0.70 per hour for each Employer Contribution made on behalf a bargained employee, and 13.47% of the Employer Contributions for all other participants will be used to reduce the Plan's funding deficit, as determined by the Plan's Actuary, and will not be used in determining a participant's Regular Pension under the Plan.

From September 1, 2006 through August 31, 2007, \$1.40 per hour for each Employer Contribution made on behalf a bargained employee, and 27% of the Employer Contribution for all other participants will be used to reduce the Plan's funding deficit, as determined by the Plan's Actuary, and will not be used in determining a participant's Regular Pension under the Plan.

Beginning September 1, 2007, \$2.10 per hour for each Employer Contribution made on behalf a bargained employee, and 40% of the Employer Contributions for all other participants will be used to reduce the Plan's funding deficit, as determined by the Plan's Actuary, and will not be used in determined a participant's Regular Pension under the Plan.

Section 1.08. "Contributory Hours" means hours of work in Covered Employment for which contributions are made or are required to be made to the Fund, or hours credited pursuant to Section 6.05 for certain absences from Covered Employment.

Section 1.09. "Contribution Date" means the date that a Collective Bargaining Agreement first required contributions to this Pension Fund as determined below:

(1)	(2)
For Employees Employed in the Jurisdiction of:	Contribution Date:
Local Union 1290.....	November 1, 1956
Local Union 1235.....	January 1, 1957
Local Union 1237.....	January 1, 1957
Local Union 1237 - Stockton Area.....	September 13, 1964
- Modesto Area.....	July 1, 1968
Local Union 1238.....	July 1, 1963
Local Union 1238 - Olympia Area.....	August 1, 1964
- Grays Harbor Area.....	April 1, 1965
- Whatcom County Area.....	October 13, 1965
- Skagit & Island Counties.....	August 18, 1965
Local Union 1288.....	January 1, 1964
Local Union 1711(which is now merged into Local Union 1399).....	February 1, 1964
Local Union 1236.....	April 1, 1964
Local Union 1236 - Grants Pass - Medford Area.....	September 1, 1965
- Longview - Kelso Area.....	October 1, 1966
Local Union 419.....	January 1, 1967
Local Union 419 - Pueblo Area.....	January 1, 1972

a. The Contribution Date to be applied to each Employee shall be the date in Column (2) applicable to the Local Union shown in Column (1) in whose geographical jurisdiction the Employee was employed

when the first Contribution to the Pension Fund was made on his or her behalf, unless the circumstances described in Subsection b. are applicable.

- b. If, in accordance with Section 12.03, Contributions are first paid for a group of Employees under a Collective Bargaining Agreement covering a geographical area which was not included in the Plan on the applicable date in Column (2) above, then the Contribution Date for such Employees shall be the first date any Contributing Employer in such area was obligated by a Collective Bargaining Agreement to make a Contribution to this Pension Fund.

"Contribution Date" for the Contributing Employers and their Non-Bargaining Employees covered under Article 5 means the first date for which an Employer is obligated by a Participation Agreement to contribute to the Pension Trust. The "Contribution Date" to be applied to each such Contributing Employer and Non-Bargaining Employee shall be the date applicable to the first Employer who makes contributions on behalf of such Contributing Employer or Non-Bargaining Employee.

Section 1.10. "Covered Employment" means employment as an Employee as defined in Section 1.11.

"Continuous Non-Covered Employment" means employment for a Contributing Employer after January 1, 1976 in a job not covered by this Plan which is continuous with a Participant's Covered Employment with the same Contributing Employer. A period of Non-Covered Employment will be considered to be continuous with Covered Employment only if there is no quit, discharge, or other termination of employment between the periods of Covered and Non-Covered Employment.

Section 1.10A. "Default Schedule" is a schedule of revised benefit structures and revised contribution structures, pursuant to the Rehabilitation Plan, either adopted by the bargaining parties (i.e., a Local Union and Contributing Employer) or imposed on the bargaining parties in the event of their failure to adopt an Alternative Schedule within 180 days following the expiration of a collective bargaining agreement in effect on the date that the Plan was certified to be in critical status, applicable to the Employees of a Local Union effective as of January 1, 2011.

Section 1.11. "Employee" means an employee who performs one or more hours of work per day of employment in the Resilient Floor Covering Industry which is covered by a Collective Bargaining Agreement. The term "Employee" shall also include the following:

- a. Regular paid employees of Local Unions or Apprentice Trust Funds and the Board of Trustees on whose behalf Contributions are made to the Pension Fund under such conditions and manner as are specified by the Board of Trustees, except those employees of Local Unions and the Board of Trustees who are included in a unit of employees covered by a collective bargaining agreement, if retirement benefits were the subject of good faith bargaining between the parties thereto.

The term "Employee" does not include employees of a labor organization which is a successor to a Union or which is a parent organization to a Union, unless (1) the employee is an Alumnus as defined in section c. below, and (2) the labor organization signs a written participation agreement obligating it to pay contributions for all of its employees who are eligible to participate as Alumni.

- b. Non-Bargained Employees of an incorporated Employer, which Employer is currently signatory to a Collective Bargaining Agreement requiring Contributions to this Pension Fund, and any Contributing Employer and his or her Non-Bargained Employees under the following conditions, provided inclusion of such individuals is permitted by existing law and regulations:

- (1) The Employer makes Contributions to this Pension Fund for at least 1,500 hours of actual work in Covered Employment on behalf of his or her Bargaining Unit Employee(s) during each Calendar Year in which the Employer participates;
 - (2) The Employer contributes on behalf of all his or her eligible Non-Bargained Employees; and
 - (3) The Employer signs a written participation agreement.
- c. Alumni of an Employer currently signatory to a Collective Bargaining Agreement requiring Contributions to the Pension Fund, provided:
- (1) The Employer makes Contributions to the Pension Fund for at least 1,500 hours of actual work in Covered Employment on behalf of his or her Bargaining Unit Employees during each Calendar Year in which the Alumni participate;
 - (2) The Employer contributes on behalf of all his or her employees who are eligible to participate as Alumni; and
 - (3) The Employer signs a written participation agreement.

For purposes of this Subsection c., Alumni are Non-Bargained Employees who receive the same benefits under this Plan as Bargaining Unit Employees, except with respect to the vesting requirements. To be an Alumnus, an Employee must have earned at least one Contributory Benefit Unit (or one Contributory Year of Credited Service After January 1, 1997) under this Plan while a Bargaining Unit Employee and at least one-half of his or her total Hours of Service in the current Calendar Year or a prior Calendar Year must be worked as a Bargaining Unit Employee.

The term "Employee" does not include an individual who owns 10% or more of all shares of an incorporated Employer, unless (1) the individual participates as a Non-Bargained Employee in compliance with Subsection b. above, or (2) the individual participates as an Alumnus in compliance with Subsection c. above, or (3) the individual performs work covered by the applicable Collective Bargaining Agreement and the following conditions are met: (a) the Collective Bargaining Agreement specifically states that such shareholder-employees are members of the Bargaining Unit and obligates the Employer to pay Contributions to the Pension Fund on their behalf at the same hourly rate as for its other Bargaining Unit Employees, (b) the Employer makes Contributions to the Pension Fund for at least 1,500 hours of actual work in Covered Employment on behalf of Bargaining Unit Employees who own no shares of the Employer during each Calendar Year in which the shareholder-employee participates.

The term "Employee" does not include any person who is engaged in the Resilient Floor Covering Industry as a sole proprietor or partner.

The total number of Non-Bargained Employees participating pursuant to this Section may not exceed the maximum number permitted under Treasury Regulation Section 1.410(b)-6(d)(2)(ii) or any successor rule. To comply with this limitation, the Trustees may decline to accept Contributions tendered for Non-Bargained Employees and/or may retroactively refund such Contributions. In accordance with applicable Department of Labor regulations, any such refund shall not include interest.

Section 1.12. "Employer" or "Contributing Employer" means any employer who is required by a Collective Bargaining Agreement or a Participation Agreement to make Contributions to the Pension Fund or who, in fact, makes one or more Contributions to the Pension Fund. The terms "Employer" or "Contributing Employer" shall also include the Board of Trustees or any Local Union or Apprentice Trust Fund which makes Contributions to the Pension Fund on behalf of its employees under such conditions and manner as are specified by the Board of Trustees.

The terms "Employer" or "Contributing Employer" shall not include a labor organization which is a successor to a Union or which is a parent organization to a Union, except as specifically authorized by the Board of Trustees pursuant to Section 1.11.a.

For purposes of identifying Highly Compensated Employees and applying the rules on Participation vesting and statutory limits on benefits under the Fund but not for determining Covered Employment the term "Contributing Employer" includes all members of an affiliated group with the Employer within the meaning of Internal Revenue Code Section 414(m) and all other business aggregated with the Employer under Internal Revenue Code Section 414(o).

Section 1.13. "Fund Office" means the principal headquarters and Administrative Office of the Pension Fund.

Section 1.14. "Highly Compensated Employee" means each highly compensated active employee and highly compensated former employee of an Employer. Whether an individual is a highly compensated employee is determined separately with respect to each Employer, based solely on that individual's compensation from or status with respect to that Employer.

A highly compensated active employee is an employee of the Employer who performs services for the Employer during the determination year and who:

- a. During the look-back year received compensation from the Employer in excess of \$80,000 (as adjusted under Section 414(q) of the Internal Revenue Code) and was one of the top 20 percent of the employees of the employer during the look-back year when ranked on the basis of the compensation during that year.
- b. Is a 5% owner at any time during the look-back year or the determination year.
- c. The "determination year" is the Plan Year for which the test is being applied, and the look-back year is the 12-month period immediately preceding that Plan Year.

A highly compensated former employee is an employee who was a Highly Compensated Employee when he or she separated from service or was a Highly Compensated Employee at any time after attaining age 55.

The determination of who is a Highly Compensated Employee, will be made in accordance with Section 414(q) of the Internal Revenue Code and the regulations thereunder.

For this purpose, annual compensation means compensation within the meaning of Section 415(c)(3) of the Code.

Section 1.15. "Hours of Service" means each hour for which an Employee is paid or entitled to payment by a Contributing Employer after the Contribution Date, directly or indirectly, but excluding any time compensated under a workers' compensation law or an unemployment compensation law or a plan pursuant to a mandatory

disability benefits law, and excluding any hours of non-work time in excess of 501 hours in any continuous period. "Hours of Service" shall also include hours for which back pay, irrespective of mitigation of damages, is awarded or agreed to by a Contributing Employer, to the extent that such award or agreement is intended to compensate an Employee for periods during which the Employee would have been engaged in the performance of duties for the Employer. Two periods of paid non-work time shall be deemed continuous if they are compensated for the same reason and are not separated by at least 90 days. Furthermore, whenever it is necessary to compute Hours of Service in situations where no work is performed or where pay is computed on other than an hourly basis, or to determine the computation periods to which Hours of Service will be credited, the Board will establish a rule specifically permitted under applicable lawful regulations issued by the Department of Labor under ERISA, or some other rule no less favorable to the Participant.

Section 1.16. "Non-Bargained Employee" means a Participant whose participation is not covered by a Collective Bargaining Agreement.

Section 1.17. "Normal Retirement Age" means age 65 or, if later, the age of the Participant on the fifth anniversary of his or her Participation, provided such Participant has performed at least one Hour of Service on or after June 1, 1988. For Participants who have not performed at least one Hour of Service on or after June 1, 1988, "Normal Retirement Age" means age 65, or if later, the age of the Participant on the tenth anniversary of his or her Participation.

Participation before a Permanent Break in Service and Participation before a Temporary Break in Service in the case of a former Participant who has not returned to Covered Employment and reestablished Participation in accordance with Section 2.04 shall not be counted.

Section 1.18. "Participant" means a Pensioner, Beneficiary or an Employee who meets the requirements for Participation in the Plan as set forth in Article 2., or a former Employee who has attained vested status under this Plan. A Beneficiary is a person (other than an Employee or a Pensioner) who is receiving benefits under this Plan because of his or her designation for such benefits by a Pensioner or Participant, or because of his or her relationship to a Pensioner or Participant.

Section 1.19. "Pension Effective Date" for a Participant means the first day of the first calendar month starting after the Participant has fulfilled all of the conditions for entitlement to benefits and after the later of:

- a. The first day of the month after submission by the Participant of a completed application for benefits, or
- b. 30 days after the Plan advises the Participant of the available benefit payment options, unless
 - (1) The benefit is being paid as a Spousal Pension at or after the Participant's Normal Retirement Age;
 - (2) The benefit is being paid out automatically as a lump sum under Section 10.09; or
 - (3) The Participant and Spouse (if any) consent in writing to the commencement of payments before the end of that 30-day period.

The Pension Effective Date will not be later than the Participant's Required Beginning Date.

The Pension Effective Date for a Beneficiary or alternate payee designated under a Qualified Domestic Relations Order will be determined under this Section, except that references to the Spousal Pension and spousal consent do not apply.

A Participant who retires before his or her Normal Retirement Age and then earns additional benefit accruals under the Plan through reemployment will have a separate Pension Effective Date determined under this Section with respect to those additional accruals including the election of any benefit payment options available under the Plan, except that a Pension Effective Date that is on or after Normal Retirement Age shall apply for any additional benefits accrued through reemployment after that date.

Section 1.20. A "Pensioner" means a former Employee to whom a pension is being paid under this Plan or to whom a pension would be paid but for the time required for administrative processing. A Pensioner who has returned to Covered Employment and is accruing benefits on the same basis as other Employees as of the effective date of a benefit increase will not be considered a Pensioner for purposes of that benefit increase.

Section 1.21. "Pension Fund" or "Fund" means the Trust created and established by the Trust Agreement.

Section 1.22. "Pension Plan" or "Plan" means this Pension Plan and any modification, amendment, extension or renewal thereof.

Section 1.23. "Plan Year" means the Trust Fund's fiscal year, as follows:

- a. Prior to June 1, 2001, the twelve-month period from June 1 of any year through May 31 of the following year; and
- b. The seven-month period from June 1, 2001 through December 31, 2001; and
- c. Beginning January 1, 2002, the twelve-month period from January 1 of any year through December 31 of the same year.

Section 1.23a. "Rehabilitation Plan" is a plan that includes revised benefit structures and revised contribution structures in the form of Alternative Schedules and a Default Schedule, based on reasonably anticipated experience and reasonable actuarial assumptions, to enable the Plan to cease to be in critical status by the end of the rehabilitation period, in accordance with the Pension Protection Act of 2006.

Section 1.24. "Required Beginning Date" means:

- a. For a Participant who is not a 5-percent (5%) owner and who attains age 70 1/2 on or after January 1, 1999, the Required Beginning Date will be the April 1 following the Calendar Year in which the Participant attains age 70 1/2 or, if later, the Calendar Year in which the Participant stops working in Covered Employment, whichever the Participant chooses.
- b. For a Participant who is a 5-percent (5%) owner (regardless of when such Participant attains age 70 1/2) or for a Participant who attains age 70 1/2 before January 1, 1999, the Required Beginning Date will be the April 1 following the Calendar Year in which the Participant attains age 70 1/2.
- c. As provided in Code Section 416(i)(1)(B)(i), a 5-percent (5%) owner means either (1) any person who owns (or is considered as owning under the Code) more than 5-percent (5%) of the outstanding stock of a contributing corporation or stock possessing more than 5-percent (5%) of the total combined voting power of all stock of the contributing corporation, or (2) any person who owns more than 5-percent (5%) of the capital or profits interest in a Contributing Employer which is not a corporation.

Section 1.25. "Resilient Floor Covering Industry" means the industry which is involved in the manufacture, distribution and sales, whether retail or wholesale of carpet, linoleum, rubber and all other resilient floor coverings, and which involves the handling, measuring cutting and laying of new and old carpet, linoleum, rubber, cork carpet, oil cloth, mastipave, matting, linen and crash; rubber, mastic, linoleum vinyl, plastic, cork and asphalt tile, and all resilient floor covering, whether in sheets, squares, rolls or interlocked; drilling holes for sockets and pins; linoleum, rubber and cork carpet on walls and ceilings; fitting devices for the attachment of carpet, linoleum, rubber and all other resilient floor coverings, fitting of metal edgings, metal corners and caps used in the installation of linoleum, rubber and all resilient floor coverings on floors, walls, sinks, counters, tables and steps, the preparatory work for all the aforesaid work, including the application of vinyl tile, plastic tile, plastic laminates, metal tile, and liquid and/or plastic floor and wall covering and any other work covered by a Collective Bargaining Agreement which is of the type for which Contributions are made under such conditions and manner specified by the Board of Trustees.

Section 1.26. "Signatory Association" means any employer organization, other than the individual Employers, which signs the Trust Agreement on behalf of its members or executes on behalf of such members a written acceptance of an agreement to be bound by the terms of the Trust Agreement.

Section 1.27. "Spouse" means a person to whom a Participant is legally married.

Section 1.28. "Trust Agreement" means the Master Trust Declaration establishing the Resilient Floor Covering Pension Fund and any modification, amendment, extension or renewal thereof.

Section 1.29. "Trustee" means any natural person designated as such pursuant to the terms of the Trust Agreement. The term "Board of Trustees" or "Board" means the Board of Trustees established by the Trust Agreement

Section 1.30. "Union" or "Local Union" means one of the following Local Unions of the International Union of Painters and Allied Trades; Carpet, Linoleum and Soft Tile Workers Local Union No. 12; Linoleum, Carpet, Resilient Floor Covering and Sign Workers Local No. 1237; Carpet, Linoleum and Soft Tile Layers' Union No. 1238; Linoleum, Carpet, Tile and Plastic Applications, Local No. 1236; Local No. 1399; Carpet, Linoleum and Resilient Tile Layers Local Union No. 419. Except as specifically provided herein, the term "Union" or "Local Union" includes any labor organization which is a successor or parent to a Union named in this paragraph.

Section 1.31. A "Vested Participant" means an Employee who has attained vested status in accordance with the provisions of Section 6.09.

Section 1.32. Other terms are specifically defined as follows:

Term	Section
a. ERISA	2.01
b. Regular Pension	3.02 and 3.03
c. Early Retirement Pension	3.04 and 3.05
d. Disability Pension	3.06 and 3.07
e. Service Pension	3.12 and 3.13
f. Special 125 Pension	3.14 and 3.15
g. Partial Pension	4.05 and 4.08
h. Years of Credited Service	6.02 and 6.03
i. Benefit Units	6.04
j. Break in Service (One Year Break in Service, Permanent Break in Service)	6.07
k. Separation from Covered Employment	6.08
l. Vesting	6.09
m. Spousal Pension	7.01
n. Level Income Option	9.01
o. Retired or Retirement	10.11
p. Maternity/Paternity Leave	6.07(e)

ARTICLE 2. PARTICIPATION

Section 2.01. Purpose. This Article contains definitions to meet certain requirements of the Employee Retirement Income Security Act of 1974 (otherwise referred to as ERISA). Once an Employee (as defined in Section 1.11) has become a Participant, such Employee receives Credited Service and Benefit Units for employment before he or she became a Participant, in accordance with the provisions of Article 6.

Section 2.02. Participation. An Employee who works in Covered Employment after the Contribution Date shall become a Participant in the Plan on the January 1 or July 1 next following a twelve-month-consecutive period (which includes his or her first Hour of Service in Covered Employment) during which he or she has at least 500 Hours of Service in Covered Employment or in Continuous Non-Covered Employment with a Contributing Employer.

Section 2.03. Termination of Participation. A Participant who incurs a One-Year Break in Service (defined in Section 6.07) shall cease to be a Participant as of the last day of the Calendar Year which constituted the One-Year Break in Service, unless he or she is a Pensioner or Vested Participant.

Section 2.04. Reinstatement of Participation. An Employee who has lost his or her status as a Participant in accordance with Section 2.03 shall again become a Participant at such time as he or she accumulates at least 500 Hours of Service in Covered Employment during a twelve-consecutive-month period which includes his or her first Hour of Service in Covered Employment after the Calendar Year during which Participation Terminated. The 500-hour requirement may also be completed with Hours of Service in Continuous Non-Covered Employment with a Contributing Employer.

A former Participant who reinstates his or her Participation in accordance with this Section 2.04 prior to incurring a Permanent Break in Service (defined in Section 6.07) will reinstate such Participation retroactively to the date of his or her reemployment.

ARTICLE 3. PENSION ELIGIBILITY AND AMOUNTS

Section 3.01. General. This Article sets forth the eligibility conditions and amounts payable for the pensions provided by the Plan. (Eligibility conditions and amounts payable for Employees as defined in Subsection 1.11.b. are set forth in Article 5.) The accumulation and retention of Benefit Units and Credited Service for eligibility are subject to the provisions of Article 6. The pension amounts are subject to reduction on account of the Spousal Pension (Article 7). Entitlement of an eligible Participant to receive pension benefits is subject to the Participant's Retirement and application for a pension, as provided in Article 10.

Eligibility depends in most instances upon Credited Service, which is defined in Sections 6.02 and 6.03, and takes into account credited employment both before and after the Contribution Date. Pension amounts (and in some instances, eligibility) are based on accumulated Benefit Units, as defined in Section 6.04, which also take into account creditable employment both before and after the Contribution Date.

Section 3.02. Regular Pension - Eligibility. A Participant who has retired shall be entitled to receive a Regular Pension upon meeting the following requirements:

- a. He or she has attained age 60 and is vested in accordance with Section 6.09, or
- b. He or she has attained Normal Retirement Age as defined in Section 1.17.

For a Participant who retires subject to an Alternative Schedule, a Regular Pension shall not be available until the attainment of Normal Retirement Age and the early retirement provisions under Section 3.05 pertaining to retirement under an Alternative Schedule shall apply.

For a vested Participant who retires subject to the Default Schedule, a Regular Pension is available at age 60 only as to amounts accrued before January 1, 2011. For amounts accrued on or after January 1, 2011, the early retirement provisions under Section 3.05 pertaining to retirement prior to Normal Retirement Age under the Default Schedule shall apply.

Section 3.03. Amount of Regular Pension.

- a. Effective June 1, 2000 (and applicable only to benefits accrued after the most recent Separation from Covered Employment, if any, before that date), the amount of a Regular Pension with a Pension Effective Date on or after January 1, 2001, shall be the sum of the following Subsections (1), (2) and (3).
 - (1) \$25.00 for each Non-Contributory Benefit Unit.
 - (2) \$90.00 for each Contributory Benefit Unit earned prior to the January 1 coincident with or next following the increase in the Participant's Bargaining Unit Contribution Rate to more than \$1.00 per hour. However, if the Participant's Bargaining Unit Contribution Rate increased to more than \$1.00 per hour by November 1, 1976, the \$90.00 shall be paid for each Contributory Benefit Unit earned by the Participant prior to January 1, 1976.
 - (3) With respect to the Participant's hours of work in Covered Employment after the January 1 coincident with or next following the increase in the Participant's Bargaining Unit Contribution Rate to more than \$1.00 per hour:

- (a) 5.25% of Contributions made for such hours of work prior to January 1, 2003; plus
- (b) 4.2% of Contributions made for such hours of work on and after January 1, 2003 and prior to April 1, 2003; plus
- (c) 1.5% of Contributions made for such hours of work on or after April 1, 2003 and prior to September 1, 2005; plus
- (d) 1% of Contributions made for such hours of work on and after September 1, 2005.

If the Participant's Bargaining Unit Contribution Rate increased to more than \$1.00 per hour by November 1, 1976, the monthly amount of the Regular Pension earned for the 1976 Calendar Year will be based on 5.0% of the Contributions made with respect to the Participant's hours of work in Covered Employment in 1976.

No Regular Pension benefits will accrue under this Subsection (3) in any Calendar Year in which the Participant works less than 500 Contributory Hours, except that his or her Regular Pension will be increased by the applicable percentage of all Employer Contributions paid on his or her behalf for work in a Calendar Year in which he or she earns a Year of Credited Service and in a Calendar Year in which his or her Pension Effective Date occurs. Disability hours which are credited under Section 6.05 shall be excluded unless such hours, plus any actual Contributory Hours worked, total 500 or more.

Exception: For hours worked in Covered Employment during Calendar Years 1988, 1989, and 1990 for which the Contribution Rate of \$1.00 or less is made, the benefit rate is 2% of Contributions made for such hours of work. For such hours of worked in Covered Employment during the period January 1, 1991 through May 31, 1998, the benefit rates are the benefit rates in effect for the Employees covered by Article 5 during the period in which such Contribution Rates of \$1.00 or less are made. For such hours of work in Covered Employment during the period of June 1, 1998 through August 31, 2005, the benefit rate is 2.8% of Contributions. Beginning September 1, 2005, the benefit rate is 1% of Contributions made for such hours of work in Covered Employment.

- b. If there has been a separation from Covered Employment as defined in Section 6.08, the Regular Pension shall be a monthly amount equal to the sum of (1) and (2) below:
 - (1) For work in Covered Employment which follows the most recent Separation from Covered Employment before June 1, 2000, a monthly amount determined in accordance with Subsection (a) above.
 - (2) For work in Covered Employment which precedes the most recent Separation from Covered Employment before June 1, 2000, a monthly amount determined as follows:
 - (a) If the Separation from Covered Employment is prior to January 1, 1999, a monthly amount determined in accordance with the terms of the Plan in effect at the end of the separation period; or
 - (b) If the Separation from Covered Employment is after January 1, 1999, a monthly amount determined in accordance with the terms of the Plan in effect at the end of the Calendar

Year in which the Participant last earned Credited Service based on Contributory Hours worked prior to such separation period.

- c. If there has been a Permanent Break in Service prior to January 1, 1989, for which Section 6.07.g. applies, the Regular Pension attributable to the period preceding the Permanent Break in Service shall be determined in accordance with the reinstatement provisions of that Subsection.
- d. For Pensions with a Pension Effective Date on or after January 1, 1991, the monthly Regular Pension amount shall not be less than the Minimum Monthly Benefit determined in accordance with Section 3.16
- e. ***Notwithstanding this Section 3.03, the amount of a Regular Pension shall not include Employer Contribution allocated to reduce the Plan's funding deficit as described in Section 1.07 of the Plan.***

Section 3.04. Early Retirement Pension -- Eligibility. A Participant who is retired shall be entitled to an Early Retirement Pension upon meeting the following requirements:

- a. He or she has attained age 55 but not yet attained age 60;
- b. He or she has ten Years of Credited Service without a Permanent Break in Service, exclusive, however, of any Credited Future Service earned as a result of Continuous Non-Covered Employment; and
- c. He or she has worked at least 1,400 Contributory Hours after his or her Contribution Date.

Section 3.05. Amount of the Early Retirement Pension. The Early Retirement Pension shall be a monthly amount determined as follows:

- a. The first step is to determine the amount of the Regular Pension to which the Participant would be entitled in accordance with Subsection 3.03.a., b., and c. if he or she had attained age 60 on the Pension Effective Date.
- b. The second step, to take account of the fact that the Participant is younger than age 60, is to reduce the first amount by 1/2 of 1% for each month that the Participant is younger than age 60 on the Pension Effective Date of his or her Early Retirement Pension.

For Pensions with a Pension Effective Date on or after January 1, 1991, the monthly Early Retirement Pension amount shall not be less than the Minimum Monthly Benefit determined in accordance with Section 3.16.

For a Participant who retires subject to an Alternative Schedule, Subsection 3.05.b. shall not be applicable as to any amounts accrued under the Plan and the amount of the Early Retirement Pension shall be actuarially equivalent to the age 65 benefit. Such actuarial reduction for early commencement shall not give rise to an early retirement subsidy.

For a Participant who retires on or after January 1, 2011 subject to the Default Schedule, Subsection 3.05.b. shall apply only as to amounts accrued before January 1, 2011. For amounts accrued on or after January 1, 2011, the amount of the Early Retirement Pension shall be actuarially equivalent to the age 65 benefit and such actuarial reduction for early commencement shall not give rise to an early retirement subsidy.

Section 3.06. Disability Pension -- Eligibility. A totally and permanently disabled Participant shall be entitled to receive a Disability Pension upon meeting the following requirements:

- a. He or she has not attained age 60;
- b. He or she has ten Years of Credited Service without a Permanent Break in Service, exclusive, however, of any Credited Future Service earned as a result of Continuous Non-Covered Employment; and
- c. He or she has, as a result of actual work in Covered Employment, earned at least two quarters of Credited Future Service in the two consecutive Calendar Years prior to or including the Calendar Year in which he or she became disabled from working in the Resilient Floor Covering Industry.

In accordance with the Rehabilitation Plan, the Disability Pension is discontinued as of January 1, 2011 and shall not be available to any Participant who becomes totally and permanently disabled, as determined under the Plan, on or after such date. The Disability Pension shall continue for any Participant who applied for a Disability Pension as of January 1, 2011 and is entitled to such Disability Pension in accordance with the terms of the Plan.

Section 3.07. Amount of the Disability Pension. The monthly amount of a Disability Pension with a Pension Effective Date on or after January 1, 2001 is equal to 90% of the monthly amount of the Regular Pension for which the Participant would be eligible if he or she had attained age 60 when he or she became disabled.

Section 3.08. Total and Permanent Disability Defined. A Participant shall be deemed totally and permanently disabled only if the Trustees, in their sole and absolute judgment, find that:

- a. On the basis of such competent medical evidence as the Trustees may require to be shown, the Participant is totally and permanently unable, as a result of bodily injury or disease, to engage in or perform any of the duties of any occupation for which he or she may reasonably be fitted by reason of education, training or experience;
- b. Such bodily injury or disease is not due to such Participant's willful engagement in any illegal activity or occupation or the self-infliction of such or any other injury, or resulting from chronic alcoholism or the use of narcotics, unless the same were administered pursuant to the orders of a licensed physician; and
- c. Such disability will be permanent and continuous for the remainder of the life of the Participant.

The Trustees may, in their sole and absolute judgment and discretion, require or accept as proof of total and permanent disability a determination by the Federal Social Security Administration that the Participant is entitled to a Social Security Disability Benefit in connection with his or her Old Age and Survivors Insurance Coverage. The Trustees may at any time, or from time to time, require evidence of continued entitlement to such Social Security Disability Benefit, and may at any time, notwithstanding the prior granting of a Disability Pension under the Plan on the basis of such Social Security Disability Benefit, require that the Participant satisfy the provisions of sub-paragraphs a., b., and c. of this Section as a prerequisite to the continuance of the Disability Pension granted under the Plan.

If there is a difference in the medical evidence submitted through the Social Security Administration or by an individual doctor or doctors, the Fund may select at its own expense a doctor to examine the Participant and submit the report of his or her findings in order to assist the Trustees with a determination as to whether the Participant is totally and permanently disabled as defined above.

Section 3.09. Disability Pension Payments.

- a. Payment of the Disability Pension shall not commence until five full calendar months of Total and Permanent Disability have elapsed. Payment of the Disability Pension will continue as long as the disabled Pensioner remains totally and permanently disabled as herein defined, except that upon becoming age 60, the disabled Pensioner shall have his or her benefits continued regardless of whether he or she remains totally and permanently disabled.
- b. If the Pension Effective Date for a Participant who is totally and permanently disabled as defined in Section 3.08 is after the date payment would have begun in accordance with paragraph a. above, the Participant shall be entitled to a one-time cash payment equal to the monthly amount of the Disability Pension, in the payment form elected, multiplied by the number of calendar months between the date determined in accordance with paragraph a. above and the Pension Effective Date.
- c. Disability Pension payments shall continue during a period of trial work in which the Pensioner is determined by the Social Security Administration to be entitled to a Social Security Disability benefit.

Section 3.10. Recovery of a Disability Pensioner. If a Disability Pensioner loses entitlement to a Social Security Disability Benefit, or recovers from a disability prior to attaining age 60, such fact shall be reported by the Pensioner in writing to the Board within 31 days of the date he or she receives notice from the Social Security Administration or the date of such recovery, whichever occurs first. If such written notice is not provided, the Pensioner will upon subsequent retirement not be eligible for benefits for a period of 3 months following the date of his or her subsequent retirement. The 3-month waiting period shall not apply if the subsequent retirement occurs after Normal Retirement Age.

Overpayments attributable to Disability Pension benefits paid for any month or months for which the Pensioner was no longer entitled to such benefits shall be deducted from any subsequent pension payments to which the Pensioner becomes entitled. A deduction from a monthly benefit for a month after the Pensioner attains Normal Retirement Age shall not exceed 25 percent of the pension amount. If a Pensioner dies before recoupment of overpayments has been completed, deductions shall be made from the benefits payable to his or her beneficiary or surviving Spouse, as the case may be, subject to the 25% limitation on the rate of deduction.

Section 3.11. Reemployment of a Disability Pensioner. A Disability Pensioner who is no longer permanently and totally disabled may again return to Covered Employment and resume the accrual of Credited Service and Benefit Units and be entitled to a Regular, Service, Special Service (if he or she recovers from his or her disability and reenters Covered Employment before at 55) or Early Retirement Pension unaffected by the prior receipt of a Disability Pension, subject to the Rehabilitation Plan.

A former Disability Pensioner who has returned to Covered Employment may be eligible to again receive a Disability Pension, if subsequent to his or her return to Covered Employment he or she again satisfies all provisions under the Plan for the granting of a Disability Pension, subject to the Rehabilitation Plan. In accordance with the Rehabilitation Plan, the Disability Pension is discontinued as of January 1, 2011 and shall not be available to any Participant who becomes totally and permanently disabled, as determined under the Plan, on or after such date.

Section 3.12. Service Pension -- Eligibility.

a. A Participant who has retired shall for benefits accrued prior to September 1, 2005 be entitled to receive a Service Pension upon meeting all of the following requirements:

- (1) He or she has not yet attained age 60;
- (2) He or she has at least 25 Years of Credited Service without a Permanent Break in Service exclusive of any Credited Service earned in Continuous Non-Covered Employment (Service Credit earned under a Related Plan shall not be counted toward meeting this requirement for a Service Pension, the provisions of Section 4.05, notwithstanding);
- (3) He or she had not previously been in receipt of an Early Retirement Pension; and
- (4) Contributions of \$0.50 per hour or more had been made for at least six months for the retired Participant's Bargaining Unit.

A Participant who retires and receives a Service Pension with respect to his benefits accrued prior to September 1, 2005 must also concurrently receive any benefits accrued between September 1, 2005 and his or her Pension Effective Date.

b. A Participant who has retired shall for benefits accrued on or after September 1, 2005 be entitled to receive a Service Pension upon meeting all of the following requirements:

- (1) He or she is at least age 50 but has not yet attained age 60;
- (2) He or she has at least 25 Years of Credited Service without a Permanent Break in Service exclusive of any Credited Service earned in Continuous Non-Covered Employment (Service Credit earned under a Related Plan shall not be counted toward meeting this requirement for a Service Pension, the provisions of Section 4.05, notwithstanding);
- (3) He or she had not previously been in receipt of an Early Retirement Pension; and
- (4) Contributions of \$2.50 per hour or more had been made for at least six months for the retired Participant's Bargaining Unit.

c. Notwithstanding the above, a Participant who has retired and is subject to an Alternative Schedule shall be entitled to receive a Service Pension upon meeting one of the following requirements, provide he or she had not previously been in receipt of an Early Retirement Pension:

- (1) Has accrued at least 60,000 Hours of Service that constitute Credited Service;
- (2) Is at least age 55 but has not yet attained age 62 and has accrued at least 54,000 Hours of Service that constitute Credited Service; or
- (3) Is at least age 62 but has not yet attained age 65 and has accrued at least 45,000 Hours of Service that constitute Credited Service.

The service requirement under Subsections (1), (2) and (3) above must be exclusive of any Hours of Service constituting Credited Service prior to any Permanent Break in Service and exclusive of any Credited Service earned in Continuous Non-Covered Employment (Service Credit earned under a Related Plan shall not be counted toward meeting this requirement for a Service Pension, the provision of Section 4.05, notwithstanding).

- d. For a Participant who retires on or after January 1, 2011 subject to the Default Schedule, the Service Pension shall be available under the terms described in Subsections 3.12.a. and 3.12.b. only as to amounts accrued before January 1, 2011. Such Participant may continue to accrue Years of Credited Service on and after January 1, 2011.
- e. Notwithstanding the above, if a Participant (i) stops working in the Resilient Floor Covering Industry prior to December 1, 2010, (ii) is within 1 year of earnings 25 Years of Credited Service and (iii) otherwise meets the requirements under Section 3.12.a. and/or b. above, such Participant shall be entitled to a Service Pension in accordance with subsection a. and/or b., provided he or she applies for such Service Pension on or after April 1, 2010 and before December 1, 2010.

Section 3.13. Amount of the Service Pension. The monthly amount of the Service Pension is determined in the same way as the monthly amount of the Regular Pension is determined.

Section 3.14. Special Service Pension - Eligibility. A Participant who retired on or after January 1, 1997 shall be entitled to receive a Special Service Pension for benefits accrued prior to September 1, 2005 upon meeting the following requirements:

- a. He or she has at least 30 Years of Credited Service without a Permanent Break in Service exclusive of any Credited Service earned in Continuous Non-Covered Employment (Service Credit earned under a Related Plan shall not be counted toward meeting this requirement for a Special Service Pension, the provisions of Section 4.05 notwithstanding); and
- b. He or she has not previously received any type of pension under the Plan. (This requirement shall not apply to a Disability Pensioner who recovers from his or her disability and reenters Covered Employment before age 55).

A participant who retires and receives a Special Service Pension for benefits earned before September 1, 2005 must also concurrently receive any benefits accrued between September 1, 2005 and his or her Pension Effective Date.

For a Participant who retires subject to an Alternative Schedule, a Special Service Pension shall not be available as to any amounts accrued under the Plan. For a Participant who retires on or after January 1, 2011 subject to the Default Schedule, the Special Service Pension shall be available under the terms described in this Section 3.14 notwithstanding the Rehabilitation Plan, and such Participant may continue to accrue Years of Credited Service on and after January 1, 2011 for purposes of earning a Special Service Pension.

Section 3.15. Amount of the Special Service Pension. The monthly amount of the Special Service Pension is:

- a. 110% of the Regular Pension amount calculated in accordance with Subsections 3.03.a., b., and c.; or

- b. 125% of the Regular Pension amount calculated in accordance with Subsections 3.03.a., b., and c. if the Participant, on his or her Pension Effective Date, is at least age 60 or has at least 35 Years of Credited Service without a Permanent Break in Service exclusive of any Credited Service earned in Continuous Non-Covered Employment (Service Credit earned under a Related Plan shall not be counted toward meeting this requirement, the provisions of Section 4.05 notwithstanding).

For Pensions with a Pension Effective Date on or after January 1, 1991, the monthly Special Service Pension amount shall not be less than the Minimum Monthly Benefit determined in accordance with Section 3.16.

Section 3.16. Minimum Monthly Benefit. The Minimum Monthly Benefit for Pensions with a Pension Effective Date on or after January 1, 1991 shall be determined as follows:

- a. The first step is to determine the amount of the Regular Pension in accordance with Subsections 3.03.a., b., and c.
- b. The second step is to increase the amount in a. above by 25%.
- c. The third step is to reduce the amount in b. above by 6-2/3% for each year that the Participant is younger than age 65 but not younger than age 62 and by 5% for each year that the Participant is younger than age 62.

If the first month for which the Pension is payable does not coincide with the month of the Participant's birthday, the appropriate factor shall be determined on a pro-rata basis, taking into account the number of completed months since the Participant's last birthday.

For a Participant who retires subject to an Alternative Schedule, the Minimum Monthly Benefit shall not be applicable as to any amounts accrued under the Plan and the amount of the Early Retirement Pension shall be determined under Section 3.05.

For a Participant who retires on or after January 1, 2011 subject to the Default Schedule, the Minimum Monthly Benefit shall apply only as to amounts accrued before January 1, 2011. For amounts accrued on or after January 1, 2011, the amount of the Early Retirement Pension shall be determined under Section 3.05.

Section 3.17. Non-duplication of Pensions. A person shall not be entitled to the payment of more than one type of pension under this Plan at any one time.

Section 3.18. Pensioner Increases.

- a. The amount of a Pension in pay status as of December 1, 1988, shall be increased effective January 1, 1989, as follows:
 - (1) Pensions having an Effective Date which is prior to the date the Pensioner's Bargaining Unit Contribution Rate was increased to more than \$1.00 shall be increased by 12%.
 - (2) Pensions having an Effective Date which is after the date the Pensioner's Bargaining Unit Contribution Rate was increased to more than \$1.00 shall be increased by 6%.

- b. For Pensioners who retired between January 1 and December 31, 1989 with respect to hours of work in Covered Employment in the 1989 Calendar Year only, for which the Contribution Rate was more than \$1.00, benefits shall be accrued at 2.65% of Contributions.
- c. The amount of a pension in pay status as of December 1, 1990 shall be increased effective January 1, 1991 by 1 1/2% for each full Calendar Year since the later of the Pension Effective Date or the date of Resumption of pension payments following the most recent Suspension of pension payments.

For purposes of this Subsection c., a "Full Calendar Year" shall mean a Calendar Year in which twelve monthly pension payments were made.

- d. The amount of a pension in pay status as of December 1, 1991 shall be increased effective January 1, 1992 according to the following schedule:

<u>Monthly Pension Amount</u> <u>as of December 1, 1991</u>	<u>Benefit Increase</u>
Under \$400.00	5%
\$400.00 but less than \$800.00	3%
\$800.00 or more	1%

A Pensioner who retires on or after January 1, 1991 must have at least 500 Contributory Hours in the two Calendar Years immediately prior to his or her Pension Effective Date in order to be eligible for the above increase.

- e. The amount of a pension in pay status as of December 1, 1993 shall be increased effective January 1, 1994 by 1 1/2% for each full Calendar Year since the later of the Pension Effective Date or the date of Resumption of pension payments following the most recent Suspension of pension payments.

For the purposes of this Subsection e., a "full Calendar Year" shall mean a Calendar Year in which twelve monthly pension payments were made.

A Pensioner who retired on or after January 1, 1991 must have at least 500 Contributory Hours in the two Calendar Years immediately prior to his or her Pension Effective Date in order to be eligible for the above increase.

- f. The amount of a pension in pay status as of December 1, 1994 shall be increased effective January 1, 1995 by \$5.00; with the exception that the amount of a Surviving Spouse Pension shall be increased by 50%, 75%, or 100% of this amount, whichever is applicable to the type of Surviving Spouse Pension the Spouse is receiving.

A Pensioner who retires on or after January 1, 1991 must have at least 500 Contributory Hours in the two Calendar Years immediately prior to his or her Pension Effective Date in order to be eligible for the above increase.

- g. The monthly amount of a pension in pay status as of December 1, 1996 shall be increased effective January 1, 1997 according to the following schedule:

Total Benefit Units Earned

<u>Under this Plan as of December 1, 1996</u>	<u>Additional Monthly Benefit</u>
25 or more	\$52.50
15 but less than 25	\$35.00
Less than 15	\$17.50

The monthly amount of a Surviving Spouse Pension shall be 50%, 75% or 100% of the above additional monthly benefit, whichever is applicable to the type of Surviving Spouse Pension the Spouse is receiving.

A Pensioner who retires on or after January 1, 1991 must have at least 500 Contributory Hours in the two Calendar Years immediately prior to his or her Pension Effective Date in order to be eligible for the above increase.

- h. The 500-hour eligibility requirement set forth in paragraphs d., e., f., and g. above and in paragraphs 9, 10, 11, 12, 13 and 14 of Appendix I shall be waived for any Pensioner who demonstrates to the satisfaction of the Board of Trustees that he or she has refrained from employment with a non-contributing employer performing work described in Section 1.25.
- i. The monthly amount of a pension in pay status as of December 1, 1997 shall be increased effective January 1, 1998 according to the following schedule:

<u>Total Benefit Units Earned Under this Plan as of December 1, 1997</u>	<u>Additional Monthly Benefit</u>
25 or more	\$90.00
15 but less than 25	60.00
Less than 15	30.00

The monthly amount of a Surviving Spouse Pension shall be 50%, 75% or 100% of the above additional monthly benefit, whichever is applicable to the type of Surviving Spouse Pension the Spouse is receiving.

A Pensioner who retires on or after January 1, 1991 must have at least 500 Contributory Hours in each of the two consecutive Calendar Years immediately prior to or including the Calendar Year in which his or her Pension Effective Date occurred in order to be eligible for the above increase.

- j. The monthly amount of a pension in pay status as of December 1, 1998 shall be increased effective January 1, 1999 according to the following schedule:

<u>Total Benefit Units Earned Under this Plan as of December 1, 1998</u>	<u>Additional Monthly Benefit</u>
25 or more	\$135.00
15 but less than 25	90.00
Less than 15	45.00

The monthly amount of a Surviving Spouse Pension shall be 50%, 75% or 100% of the above additional monthly benefit, whichever is applicable to the type of Surviving Spouse Pension the Spouse is receiving.

A Pensioner who retires on or after January 1, 1991 must have at least 500 Contributory Hours in each of the two consecutive Calendar Years immediately prior to or including the Calendar Year in which his or her Pension Effective Date occurred in order to be eligible for the above increase.

- k. The monthly amount of a pension in pay status as of May 31, 1999 shall be increased effective June 1, 1999 according to the following schedule:

<u>Total Benefit Units Earned Under this Plan as of May 31, 1999</u>	<u>Additional Monthly Benefit</u>
25 or more	\$75.00
15 but less than 25	50.00
Less than 15	25.00

The monthly amount of a Surviving Spouse Pension shall be 50%, 75% or 100% of the above additional monthly benefit, whichever is applicable to the type of Surviving Spouse Pension the Pension the Spouse is receiving.

A Pensioner who retires on or after January 1, 1991 must have at least 500 Contributory Hours in each of the two consecutive Calendar Years immediately prior to or including the Calendar Year in which his or her Pension Effective Date occurred in order to be eligible for the above increase.

- l. The 500-hour eligibility requirement set forth in paragraphs i., j., and k. above and in paragraphs 15, 16, 17, 18 and 19 of Appendix I shall be waived for any Pensioner who demonstrates to the satisfaction of the Board of Trustees that he or she has refrained from employment with a non-contributing employer performing work described in Section 1.25. If the same 500-hour eligibility requirement is made applicable to other benefit improvements adopted on or after June 1, 2001, the same waiver shall be available unless the Plan specifically provides otherwise.

Section 3.19. Merger Rules for the Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan. To accomplish the merger of the Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan into this Plan effective August 1, 2001, the following rules will apply:

- a. **Assumption of Liabilities.** This Plan assumes the Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan's obligation to pay its benefits which were accrued prior to August 1, 2001. No benefits will accrue under that plan after August 1, 2001 but benefits already accrued will continue to vest as provided in that plan.
- b. **Power to Amend.** If after July 31, 2001, it is necessary to amend the terms of the Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan to retain this Plan's tax qualification status, this Plan shall have full authority to make such amendments.
- c. **Benefits Preserved.** To the extent required by law or applicable regulations, the merger shall not eliminate or reduce the accrued benefit of any participant under the Carpet, Linoleum and Soft Tile

Local Union 1926 Pension Plan as of July 31, 2001, specifically including any early retirement benefit or retirement-type subsidy or optional forms of benefits applicable to such accrued benefits.

Benefits accrued by participants under the Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan during the period January 1, 2001 through July 31, 2001 will be accrued in accordance with the provisions of the Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan or the Resilient Floor Covering Pension Plan, whichever produces the higher benefit amount.

- d. ***Vesting of Benefits Accrued Under Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan.*** The following rules shall apply with respect to Participants who have accrued benefits through July 31, 2001:
- (1) Effective August 1, 2001, all Covered Employment under the Resilient Floor Covering Pension Plan shall be considered Covered Employment under the Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan for vesting and break in service purposes.
 - (2) The benefits of a Participant will become 100% vested when the Participant accumulates 5 Years of Vesting Service if the Participant earned at least one Hour of Service on or after January 1, 1999. If the Participant did not earn at least one Hour of Service of or after January 1, 1999, the vesting schedule of the Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan in effect on July 31, 2001 shall continue to apply to those benefits.
- e. ***Incorporation by Reference.*** In order to assure that all benefits earned under the Carpet, Linoleum and Soft Tile Local Union 1926 Pension Plan prior to August 1, 2001 are maintained, that plan, as it exists on July 31, 2001 is hereby incorporated into this Plan by reference to the extent necessary to preserve those benefits.

ARTICLE 4. *PARTIAL PENSIONS*

Section 4.01. Purpose. Partial Pensions are provided under this Plan for Employees who would otherwise lack sufficient service credit to be eligible for any pension because their years of employment were divided between different pension plans or, if eligible, whose pensions would be less than the full amount because of such division of employment. To provide such Partial Pensions, this Plan is signatory to the "Reciprocal Agreement for Joint Industry Pension Funds of all District Councils and Local Unions Affiliated with the International Union of Painters and Allied Trades." Wherever referred to in this Article, "signatory plans" shall mean plans that are signatory to that Agreement.

Section 4.02. Recognized Pension Credits. For purposes of this Plan, the term "Pension Credits" shall mean those periods of service during which credit is granted for benefit accrual purposes. Pension Credits shall not necessarily cover periods for which a plan grants credit for vesting purposes under ERISA. Pension Credits accumulated and maintained by an employee under this Plan shall be recognized by the other signatory plans. Pension Credits under each plan shall be based on the rules in effect in that plan at the time the employment occurred.

Section 4.03. Total Pension Credit. The Pension Credit granted under this Plan and other signatory plans together comprise the Employee's total Pension Credit. In no case will more than one (1) year of Pension Credit be counted for any twelve (12) consecutive calendar months.

Section 4.04. Combined Service Credit. If an Employee has, in a Calendar Year, worked under two (2) or more plans and accumulated fractional years of Pension Credit which together add up to more than one (1) year of credit for that Calendar Year, then the Pension Credit recognized under all plans shall be limited to one (1) year. Pension Credit will first be counted under the plan to provide the highest benefit level. The other plan(s) shall count as Pension Credit the necessary fractional year(s), in a declining benefit level order, which will bring the total to exactly one (1) year of Pension Credit for the employee.

Section 4.05. Eligibility. An employee shall be eligible for a Partial Pension under this Plan upon satisfying all of the following requirements:

- a. He or she would be eligible for any type of pension under this Plan if his or her total Pension Credits were treated as service under this Plan; and
- b. He or she has, under each of the signatory plans, in which he or she has credited service, at least one (1) year of Future Service Credit (prior to June 30, 1982, two (2) years of Future Service Credit with this Plan); and
- c. In the case of an employee applying for a pension based on disability, he or she is able to meet the definition of disability in this Plan; and
- d. In the case of an employee applying for a pension based on age, he or she meets the minimum age requirements in this Plan.

Section 4.06. Breaks in Service. In applying the rules of this Plan with respect to cancellation of Pension Credits, any Pension Credit earned during a period in which the employee worked in the jurisdiction of another signatory plan, shall be considered in determining whether there has been a Permanent Break in Service. However, once an employee has left the coverage of all the signatory plans, the determination as to whether he or she has a Permanent Break in Service under each signatory plan shall be determined by each plan based solely on the vesting service earned under that plan, not on the combined Pension Credit.

Section 4.07. Election of Pensions. If an employee is eligible for more than one type of pension under this Plan, he or she shall be entitled to select the type of pension he or she is to receive.

Section 4.08. Partial Pension Amount. The amount of the Partial Pension payable under this Plan for which an employee qualified shall be the benefit amount he or she accrued under this Plan during the period he or she earned the Pension Credit.

Section 4.09. Payment of Partial Pensions. The payment of Partial Pension shall be subject to all of the conditions contained in this Plan applicable to other types of pensions.

Section 4.10. Other Benefits. The obligation of each of the signatory plans is limited to pension benefits, including Surviving Spouse Pensions after Retirement payable as a result of election of a Spousal Pension or guaranteed period payments and benefits to surviving Spouses under Section 7.05. This "Partial Pensions" provision shall not apply to any pre-retirement death benefits except the Surviving Spouse Pension under Section 7.05. Other benefits provided by any of the plans, after retirement, such as lump-sum death benefits, level income of lump-sum options, health benefits, etc., are not covered by this provision. However, nothing in this provision shall prohibit any plan(s) from providing such benefits in accordance with its own rules and regulations.

Section 4.11. Benefit Increases. If an employee leaves the jurisdiction of one of the signatory plans and the benefit level in that plan is later increased, benefits from that plan shall be computed at the benefit level in effect at the time the employee last earned Pension Credits under that plan.

Section 4.12. Application Procedure. The plan under which an employee first makes application for the benefits shall initiate the processing of a Partial Pension with the other signatory plans based upon information supplied by the employee as to where he or she worked. Each plan agrees to provide the other plans with complete data, certified by an authorized administrator or plan employee, in order to process Partial Pensions promptly.

ARTICLE 5.
ELIGIBILITY AND PENSION BENEFITS FOR CORPORATE CONTRIBUTING
EMPLOYERS AND THEIR NON-BARGAINED EMPLOYEES
(Section 1.11.b. Employees)

Section 5.01. Purpose. This Article sets forth the requirements for eligibility and amounts payable for pensions provided by this Plan for Employees described in Section 1.11.b. Except as specifically covered in this Article 5, all other provisions of this Plan shall apply.

Section 5.02. Eligibility. To be eligible for any benefits provided by this Plan based on Benefit Units earned and/or Contributions made on his or her behalf while a Section 1.11.b. Employee, a Participant must have at least two Years of Contributory Credited Service based on hours worked as a Section 1.11.b. Employee.

Exception. A Regular Pension at Normal Retirement Age and a Surviving Spouse Pension as provided by Section 7.05 are payable based on the Benefit Units earned and/or Contributions made on a Participant's behalf while a Section 1.11.b. Employee regardless of the number of Years of Contributory Credited Service he or she earned as a Section 1.11.b. Employee.

Section 5.03. Non-Contributory Credited Service and Benefit Units. If an Employee was a Participant in this Plan at any time prior to becoming a Section 1.11.b. Employee, such Employee shall not be entitled to Non-Contributory Credited Service or Non-Contributory Benefit Units under this Article 5 during such periods of prior Participation.

Section 5.04. Regular Retirement Age. The Regular Retirement Age is age 60, subject to the provisions of the Rehabilitation Plan and its Schedules.

Section 5.05. Amount of Regular Pension. Effective June 1, 2000 (and applicable only to benefits accrued after the most recent Separation from Covered Employment, if any, before that date), the amount of the Regular Pension effective on or after June 1, 2001, based on the Benefit Units earned and/or Contributions made on the Participant's behalf while he or she worked as a Section 1.11.b. Employee, shall be determined according to the following Subsections:

- a. \$25.00 for each Non-Contributory Benefit Unit, up to a maximum of 10 Benefit Units; plus
- b. 5.25% of Employer Contributions made on the Participant's behalf for hours worked prior to January 1, 2003; plus
- c. 4.2% of Employer Contributions made on the Participant's behalf for hours worked on and after January 1, 2003 and prior to April 1, 2003; plus
- d. 1.5% of Contributions made for such hours of work on or after April 1, 2003 and prior to September 1, 2005; plus
- e. 1% of Contributions made for such hours of work on and after September 1, 2005.

Notwithstanding this Section 5.05, the amount of a Regular Pension shall not include Employer Contribution allocated to reduce the Plan's funding deficit as described in Section 1.07 of the Plan.

No Regular Pension benefits will accrue under Subsections b., c., d. and e. in any Calendar Year in which the Participant works less than 500 Contributory Hours, except that such Participant's Regular Pension will be increased by the applicable percentages above for any Calendar Year in which he or she earns a year of Credited Service or in the Calendar Year in which his or her Pension Effective Date occurs. Disability hours which are credited under Section 6.05 shall be excluded unless such hours, plus any actual Contributory Hours worked, total 500 or more.

ARTICLE 6. ACCUMULATION OF BENEFIT UNITS & YEARS OF CREDITED SERVICE, BREAKS IN SERVICE, AND VESTING REQUIREMENTS

Section 6.01. The purpose of this Article is to define the basis on which Participants accumulate Benefit Units and Years of Credited Service and to define the basis on which accumulated Benefit Units, Years of Credited Service and accrued benefits may be canceled. This Article also describes the basis upon which a Participant attains vested status.

Section 6.02. Years of Credited Service Prior to the Contribution Date.

- a. A Participant shall be entitled to Credited Service for the period prior to his or her Contribution Date on the basis of employment in the geographical jurisdiction of the Union of the type for which Contributions are made to the Pension Fund. A Participant shall be entitled to a Year of Credited Service for each Calendar Year in which he or she was so employed for at least 1,400 hours or more. If a Participant was so employed and worked less than 1,400 hours but at least 350 hours in a Calendar Year, he or she shall receive one quarter of a Year of Credited Service for each full 350 hours he or she worked in such employment.
- b. It is recognized that it may be difficult or impossible for many Employees to obtain verification of their employment in past years. Accordingly, a presumption is created that an Employee was engaged in Covered Employment throughout the period of his or her membership in the Union or its predecessor, and may be given a Year of Credited Service for each calendar year prior to his or her Contribution Date during which he or she was a member of the Union or its predecessor.
- c. A Participant who worked in Covered Employment at the Resilient Floor Covering Pension Fund Office on or after January 1, 2001 shall be eligible for Credited Service for periods prior to his or her Resilient Floor Covering Pension Fund Office employment, during which time he or she was employed by an administrative office performing administrative services on behalf of the Fund. The amount of such Credited Service shall be determined in accordance with Subsection a. above.

Section 6.03. Years of Credited Service After the Contribution Date.

- a. A Participant shall receive Credited Service for Hours of Service in Covered Employment between the Contribution Date and January 1, 1976, in accordance with the following schedule:

<u>Hours of Service in Calendar Year</u>	<u>Credited Service</u>
Less than 350 hours	None
350 to 699 hours	1/4
700 to 999 hours	2/4
1000 hours or more	One Year

- b. A Participant shall receive Credited Service for Hours of Service in Covered Employment after January 1, 1976 in accordance with the following schedule:

<u>Hours of Service in Calendar Year</u>	<u>Credited Service</u>
Less than 500 hours	None
500 to 749 hours	2/4
750 to 999 hours	3/4
1000 hours or more	One Year

If a Participant works for a Contributing Employer in Continuous Non-Covered Employment, his or her Hours of Service in such Continuous Non-Covered Employment after December 31, 1975 (or after the Contribution Date, if later) shall be counted in accordance with the above schedule toward a Year of Credited Service. If the Participant does not work sufficient Hours of Service for Contributing Employer(s) to earn a full Year of Credited Service in a Calendar Year, he or she shall not be entitled to any portion of a Year of Credited Service for Hours of Service in Continuous Non-Covered Employment.

- c. A Participant will be entitled to Credited Service for any period after his or her Contribution Date during which he or she was employed in work for which Participants with a later Contribution Date are granted Credited Service in accordance with Section 6.02.
- d. **Exceptions:** A Participant shall not be entitled to Credited Service for the following:
 - (1) Years preceding a Permanent Break in Service, as defined in Subsection 6.07.a. for periods prior to January 1, 1976; and
 - (2) Years preceding a Permanent Break in Service, as defined in Subsection 6.07.c. and 6.07.d. for periods beginning on or after January 1, 1976.
 - (3) Beginning September 1, 2005, for any Employer Contributions received on behalf of any Participant, if the minimum contribution rate for journeymen in the Participant's Bargaining Unit covering his or her geographical area, is not at least \$2.50 per hour. These hours will be applied to Vesting only, as set forth in **Section 6.09**.

Section 6.04. Benefit Units.

- a. **Non-Contributory Benefit Units Earned Before the Contribution Date.** A Participant shall receive one Non-Contributory Benefit Unit (or portion thereof) for each Year of Credited Service (or portion thereof) to which he or she is entitled under Section 6.02.
- b. **Contributory Benefit Units Earned Between the Contribution Date and January 1, 1976.** A Participant shall receive one Contributory Benefit Unit (or portion thereof) for Contributory Hours worked between the Contribution Date and January 1, 1976, according to the following schedule:

Contributory Hours Worked in <u>Calendar Year</u>	Contributory <u>Benefit Units</u>
Less than 350 hours	None
350 to 699 hours	1/4
700 to 1,049 hours	2/4
1,050 to 1,399 hours	3/4
1400 hours or more	One

For Contributory Hours worked between January 1, 1962 and January 1, 1976, a Participant age 60 or older will receive one quarter of a Contributory Benefit Unit for each 350 Contributory Hours whether or not all of such 350 Contributory Hours were worked within one Calendar Year. In no event, however, shall a Participant receive more than one full Contributory Benefit Unit in any one Calendar Year.

- c. ***Contributory Benefits Units Earned After January 1, 1976 and Before January 1, 1997.*** A Participant will receive Contributory Benefit Units (or portions thereof) for Contributory Hours worked after January 1, 1976 and before January 1, 1997, according to the following schedule:

Contributory Hours Worked in <u>Calendar Year</u>	Contributory <u>Benefit Units</u>
Less than 500 hours	None
500 to 599 hours	5/14
600 to 699 hours	6/14
700 to 799 hours	7/14
800 to 899 hours	8/14
900 to 999 hours	9/14
1000 to 1,099 hours	10/14
1,100 to 1,199 hours	11/14
1,200 to 1,299 hours	12/14
1,300 to 1,399 hours	13/14
1,400 or more hours	One

If a Participant earns a Year of Credited Service in a Calendar Year after December 31, 1975, and works less than 500 Contributory Hours, he or she shall be credited with a prorated portion of a full Benefit Unit, in the ratio which his or her Contributory Hours of work bear to 2,000 hours. However, such portion of a Benefit Unit cannot be used to determine eligibility for a Service Pension.

- d. ***Other Benefit Units Earned After the Contribution Date.*** A Participant will be entitled to Non-Contributory Benefit Units for any period after his or her Contribution Date during which he or she was employed in work for which Participants with a later Contribution Date are granted Non-Contributory Benefit Units. The number of Benefit Units granted on this basis will be determined in accordance with Subsection 6.04.a.
- e. ***Exception:*** A Participant shall not be entitled to Benefit Units for the following periods:
 - (1) For the period preceding a Permanent Break in Service as defined in Subsection 6.07.a. for periods prior to January 1, 1976; and
 - (2) For the period preceding a Permanent Break in Service, as defined in Subsections 6.07.c. and 6.07.d.

Section 6.05. Disability Credit for Non-Working Periods After the Contribution Date. Periods of absence from Covered Employment will be credited toward the accumulation of Credited Service, Benefit Units and benefit accruals at the rate of 30 hours per week, if they were due to the following circumstances:

- a. Non-occupational disability for the period in which California Unemployment Compensation Disability Benefits were paid or which constitutes a valid waiting period for such benefits up to a maximum of 26 weeks for each separate and distinct disability.
- b. Non-occupational disability which prevented the Participant from working in Covered Employment, if certified by a physician or surgeon, a Participant shall be entitled to credit for up to a maximum of 26 weeks for each such separate and distinct disability.
- c. Occupational disability for the period for which Workers' Compensation disability temporary benefits are paid or which constituted a valid waiting period for such benefits; provided, however, that no more than three Years of Credited Service, three Benefit Units, or three years of accrued benefits shall be allowed for any one such disability.

In order to secure Credited Service, Benefit Units and benefit accruals for periods of disability, the Participant must give such information and proof concerning such disability as the Trustees may, in their sole discretion, determine.

Section 6.06. Military Credit for Non-Working Periods After the Contribution Date. Under the Uniformed Services Employment and Reemployment Rights Act of 1994 a Participant shall be credited with Years of Credited Service, Benefit Units and benefit accruals for periods of absence from Covered Employment due to qualifying service in any of the Armed Forces of the United States, provided the Participant returns to seek and ultimately obtains work in Covered Employment within the period during which he or she retains reemployment rights under Federal law. Years of Credited Service, Benefit Units and benefit accruals shall be credited for such qualifying military service based on the average number of hours worked in a week by the Participant during the twelve-month period immediately preceding such military service but not less than 30 hours per week for such military service.

If a Participant dies or becomes totally and permanently disabled, as determined under Section 3.08 of the Plan, while performing qualified military service on or after January 1, 2009, the Participant will be treated as if employment had been resumed the day prior to the death or disabling event and terminated on the actual date of the death or disability for benefit accrual purposes. The amount of accrued benefits will be based on the 12-

month period of employment immediately prior to the qualified military service or the actual length or continuous employment if less than 12 months on reasonably equivalent terms to all military members who are on active duty.

In order to secure Credited Service, Benefit Units and benefit accruals for periods of military service, the Participant must give such information and proof concerning such military service as the Trustees may, in their sole discretion, determine.

Section 6.07. Breaks in Service.

General. If a person has a Break in Service before becoming a Vested Participant, it has the effect of canceling his or her Participation, previous Years of Credited Service, Benefit Units and accrued benefits. However, One-Year Breaks in Service may be temporary, subject to repair by a sufficient amount of subsequent Credited Service. A longer Break in Service may be permanent. The Break in Service rule does not apply to a Pensioner or a Vested Participant.

- a. ***Permanent Breaks in Service Before January 1, 1976.*** Between the Contribution Date and January 1, 1976, a person incurred a Permanent Break in Service and his or her Credited Service and Benefit Units were canceled if after the January 1 coincident with or next following his or her Contribution Date he or she failed to earn at least one quarter of Credited Future Service (350 hours) as a result of Contributory Hours of work in either one of two consecutive Calendar Years.

Exception: If a Participant accumulated one Contributory Benefit Unit prior to incurring a Permanent Break in Service which occurred before January 1, 1976 and returned to Covered Employment before that date, all of his or her Credited Service and Benefit Units which were canceled prior to January 1, 1976 will be reinstated on the first day of the month prior to January 1, 1985, coincident with or next following completion of both of the following requirements:

- (1) He or she earns at least five additional Contributory Benefit Units; and
- (2) Beginning with the first Calendar Year before January 1, 1976 in which he or she earned one quarter of Credited Service after his or her return to Covered Employment, he or she earned Credited Service in each subsequent Calendar Year during the time he or she earned said five Contributory Benefit Units.

If the Participant failed to earn Credited Service in any Calendar Year as required in (2) above, such Participant may not at any future date qualify under this "Exception", unless he or she was entitled to a grace period under this Section.

Grace Periods Before January 1, 1976. A Participant may be allowed grace periods under the following circumstances, if he or she failed to earn at least one quarter of Credited Service in either one or two consecutive Calendar Years before January 1, 1976.

- (1) A Participant shall be allowed a grace period if his or her failure to earn Credited Service was due to disability or involuntary unemployment. This grace period is to consist of up to three years if the Participant failed to earn Credited Service because of any one separate and distinct disability or involuntary unemployment.
- (2) A Participant claiming disability or involuntary unemployment must present such evidence and submit to such examination as the Trustees may determine, in their sole discretion.

Grace periods are periods which are to be disregarded in determining whether there was a period of two consecutive Calendar Years during which the Participant failed to earn one quarter of Credited Service in either year.

b. ***One-Year Break in Service Beginning January 1, 1976.***

- (1) A person has a One-Year Break in Service in any Calendar Year after 1975 in which he or she fails to complete 500 Hours of Service. (Hours of Service in Continuous Non-Covered Employment after December 31, 1975 shall be counted in determining whether a Break in Service has been incurred.)
- (2) A One-Year Break in Service is repairable, in the sense that its effects are eliminated if, before incurring a Permanent Break in Service, the Employee subsequently earns two quarters of Credited Service. More specifically, previously earned Years of Credited Service, Benefit Units and accrued benefits are restored. Nothing in this paragraph shall change the effect of a Permanent Break in Service.

c. ***Permanent Break in Service Beginning January 1, 1976, and Before June 1, 1987.*** A person had a Permanent Break in Service if he or she had consecutive One-Year Breaks in Service, including at least one after 1975, that equaled or exceeded the number of full Years of Credited Service which he or she had previously accumulated.

d. ***Permanent Break in Service after May 31, 1987.*** A person shall have a Permanent Break in Service if he or she has consecutive One-Year Breaks in Service, including at least one after May 31, 1987, that equal the greater of five or the aggregate number of full Years of Credited Service which were previously accumulated.

The foregoing rule will apply to a Non-Bargaining Employee participating in this Plan only if the Break in Service occurs before he or she has earned 5 Years of Credited Service.

e. ***Grace Periods after May 31, 1987.*** A Participant who is absent from Covered Employment after May 31, 1987, because of Maternity or Paternity Leave shall be credited with a maximum of 501 Hours of Service for the period of such leave.

Maternity/Paternity Leave Defined. A Participant shall be deemed to be on Maternity or Paternity Leave if the Participant is absent from work by reason of the pregnancy of the Participant, by reason of the birth of a child of the Participant, by reason of the placement of a child with the Participant in connection with the adoption of the child by such Participant, or for the purpose of caring for such child during the period immediately following such birth or placement.

A grace period does not add to a Participant's Credited Service; it is a period which is to be disregarded in determining whether the Participant has worked sufficient hours in Covered Employment to prevent a Permanent Break in Service.

f. ***Effect of a Permanent Break in Service.*** If a person who has not achieved status as a Vested Participant has a Permanent Break in Service, his or her Participation, previous Years of Credited Service, Benefit Units and accrued benefits are canceled.

- g. **Reinstatement of Lost Credit.** A person who is a Participant on or after January 1, 1989, who had previously incurred a Permanent Break in Service shall have his or her canceled Credited Service, Benefit Units and accrued benefits determined in accordance with Section 3.03.a. and b. reinstated, provided he or she returns to Covered Employment and earns additional Years of Credited Service, according to the following schedule:

Years of Credited Service Earned After Permanent <u>Break in Service</u>	<u>Benefit Units and Accrued Benefits Reinstated</u>
At least 10	100%
At least 9 but less than 10	90%
At least 8 but less than 9	80%
At least 7 but less than 8	70%
At least 6 but less than 7	60%
At least 5 but less than 6	50%
Less than 5	0%

Once a Participant has accumulated 5 additional Years of Credited Service, 100% of the previously canceled Years of Credited Service shall be reinstated.

This Subsection g. shall operate to reinstate credits canceled by the most recent Permanent Break in Service only. Multiple Permanent Breaks in Service are not covered. In addition, this Subsection g. shall not apply to Credited Service, Benefit Units or accrued benefits attributable to periods before the Contribution Date, and shall not apply to Pensioners whose original Pension Effective Date occurred prior to January 1, 1989.

Section 6.08. Separation from Covered Employment.

- a. A Participant will be deemed to be Separated from Covered Employment after June 1, 1976 at the end of any two-consecutive-Calendar-Year period in which he or she does not work at least 500 Contributory Hours in one Calendar Year.
- b. A Participant will be deemed to have Separated from Covered Employment before June 1, 1976 if he or she failed to earn one quarter of Credited Future Service as a result of Contributory Hours of work, in any two-consecutive-Calendar-Year period.

Section 6.09. Vesting.

A Participant shall achieve vested status upon meeting the requirements described below.

- a. After January 1, 1999, a Participant will have achieved vested status if he or she:
- (1) Has accumulated at least five Years of Credited Service without a Permanent Break in Service, has worked at least 1,400 hours in Covered Employment after his or her Contribution Date and has at least one Hour of Service on or after January 1, 1999; or

- (2) Has accumulated at least seven Years of Credited Service without a Permanent Break in Service, has worked at least 1,400 hours in Covered Employment after his or her Contribution Date and has at least one Hour of Service on or after January 1, 1997; or
- (3) Has accumulated at least ten Years of Credited Service, without a Permanent Break in Service, and has worked at least 1,400 hours in Covered Employment after his or her Contribution Date.

However, a Non-Bargained Employee who has at least one Hour of Service after May 31, 1988, will attain vested status after he or she has accumulated five Years of Credited Service without a Permanent Break in Service.

b. After January 1, 1997, a Participant will have achieved vested status if he or she:

- (1) Has accumulated at least seven Years of Credited Service without a Permanent Break in Service, has worked at least 1,400 hours in Covered Employment after his or her Contribution Date and has at least one Hour of Service on or after January 1, 1997; or
- (2) Has accumulated at least ten Years of Credited Service, without a Permanent Break in Service, and has worked at least 1,400 hours in Covered Employment after his or her Contribution Date.

However, a Non-Bargained Employee who has at least one Hour of Service after May 31, 1988 will attain vested status after he or she has accumulated five Years of Credited Service without a Permanent Break In Service.

c. After June 1, 1976, a Participant will have achieved vested status if he or she has accumulated at least ten Years of Credited Service, without a Permanent Break in Service, and has worked at least 1,400 hours in Covered Employment after his or her Contribution Date. However, a Non-Bargained Employee who has at least one Hour of Service after May 31, 1988, will attain vested status after he or she has accumulated five Years of Credited Service without a Permanent Break in Service.

d. Between November 14, 1969 and June 1, 1976, a Participant achieved vested status if he or she (i) had accumulated at least ten Benefit Units, without a Permanent Break in Service, and (ii) had worked at least 1,400 hours in Covered Employment after his or her Contribution Date.

e. Between July 1, 1964 and November 1, 1969, a Participant achieved vested status if he or she (i) became age 45, (ii) had accumulated at least fifteen Benefit Units, without a Permanent Break in Service, and (iii) had worked at least 1,400 hours in Covered Employment after his or her Contribution Date.

f. Before July 1, 1964, a Participant achieved vested status if he or she (i) had attained age 55, (ii) had accumulated at least fifteen Benefit Units, and (iii) had worked at least 1,400 hours in Covered Employment after his or her Contribution Date.

ARTICLE 7. SPOUSAL PENSIONS

Section 7.01. General. Upon Retirement, a 50%, 75% or 100% Spousal Pension provides a lifetime pension for a married Pensioner who meets the eligibility requirements for any type of Pension under the provisions of Articles 3, 4, and 5, plus a lifetime pension for his or her surviving Spouse, starting after the death of the Pensioner. In the event of death before Retirement, a 50% Spousal Pension provides a lifetime pension to the surviving Spouse of a married Participant who is vested in accordance with Section 6.09.

The monthly amount to be paid to the surviving Spouse in a 50% Spousal Pension is one-half the monthly amount which was payable or would have been payable to the deceased Pensioner or Participant.

The monthly amount to be paid to the surviving Spouse in a 75% Spousal Pension is seventy-five percent of the monthly amount which was payable or would have been payable to the deceased Pensioner.

The monthly amount to be paid to the surviving Spouse in a 100% Spousal Pension is the monthly amount which was payable or would have been payable to the deceased Pensioner.

When a Spousal Pension is in effect, the monthly amount of the Participant's pension is reduced in accordance with the provisions of Section 7.06 from the full amount otherwise payable.

The November 1, 2013 Amended and Restated Plan, adopted by the Board of Trustees on November 15, 2013, removed the term "Husband-and-Wife Pension" occurring approximately 60 times throughout the document and replaced each such term with "Spousal Pension" and replaced certain other gender specific terms with gender neutral terms, in accordance with the Supreme Court decision in *United States v. Windsor*, 570 U.S. 744, 133 S.Ct. 2675 (2013). Pursuant to Internal Revenue Service Notice 2014-19 issued on April 4, 2014, the Board wishes to deem such amendment effective as of June 26, 2013.

Section 7.02. Effective Date. The provisions of this Article do not apply:

- a. To a Pensioner, the Effective Date of whose Pension was before January 1, 1985;
- b. To a Vested Participant who has not earned one Hour of Service after August 22, 1984.

Section 7.03. Upon Retirement.

- a. All pensions shall be paid in the form of a 50% (or 75% or 100%, if elected by the Participant) Spousal Pension, unless the Participant has filed with the Board, in writing, a timely rejection of that form of pension, subject to all of the conditions of this Section. No rejection shall be effective unless the Spouse of the Participant has consented in writing to such rejection, and acknowledged the effect thereof, and such rejection is witnessed by a Notary Public. No consent shall be required if it has been established to the satisfaction of the Board that there is no Spouse or the Spouse cannot be located or if such consent cannot be obtained for extenuating reasons satisfactory to the Board. A Participant and his or her Spouse may reject the Spousal Pension (or revoke a previous rejection) at any time but not more than 180 days or less than 30 days before the Pension Effective Date, that is, before the first day of the first month for which a pension is payable. A Participant and his or her Spouse shall in any event have the right to exercise this choice up to 180 days after they have been advised, by the Board, of the effect of such choice on the pension.

In the absence of a Participant's election as to any form of benefit payable under the Plan, the 50% Spousal Pension shall apply.

- b. No less than thirty (30) days and no more than 180 days prior to the Pension Effective Date, the Plan shall provide to each Participant a written explanation including (1) a general description of the material features, and an explanation of the relative values of, the optional forms of benefit available under the Plan in manner that would satisfy the notice requirements of Code section 417(a)(3) and Treas. Reg. 1.417(a)(3)-1, (2) the terms and conditions of the 50% Spousal Pension, (3) the Participant's right to make, and the effect of, an election to waive the 50% Spousal Pension, (4) the spouse's right to consent to the employee's election to waive the 50% Spousal Pension, and (5) the right to make, and the effect of, a revocation of an election to waive the 50% Spousal Pension.
- c. Notwithstanding the forgoing, a Participant may affirmatively elect a Retroactive Pension Effective Date, provided the following requirements are met:
 - (1) The Participants' spouse (including an alternative payee who is treated as the spouse pursuant to a qualified domestic relations order (QDRO) as defined in Code Section 414(p)) consents to the distribution in a manner that satisfies Code Section 417(a)(2), unless the amount of the spouse's survivor annuity payments under the Retroactive Pension Effective Date election is not less than the survivor payments under the 50%, 75%, or 100% Spousal Pension with a Pension Effective Date after the date the written explanation was provided.
 - (2) The distribution (including appropriate interest adjustments) provided based on the Retroactive Pension Effective Date satisfies the requirements of Code Section 415 as of the date the distribution commences, with the applicable interest rate and mortality table determined as of that date, unless the date the distribution commences is more than twelve (12) months after the Retroactive Pension Effective Date.
 - (3) The written explanation of the 50% Spousal Pension must be provided no more than 180 days before the date of the first actual payment of benefits based on the Retroactive Pension Effective Date, and must be provided at least thirty (30) days before the date of such first actual payment, unless the Participant, with any applicable spousal consent, elects to waive the thirty (30) day minimum election period requirement and distribution commences more than seven (7) days after the date that the written explanation is provided.
- d. Retroactive Pension Effective Date means a Pension Effective Date that occurs on or before the date the Participant is provided with the written explanation of the 50% Spousal Pension. The Plan may treat a Participant as having elected a Retroactive Pension Effective Date only if the following requirements are met:
 - (1) Future periodic payments with respect to the Participant must be the same as the future periodic payments, if any, that would have been paid with respect to the Participant had payments actually commenced on the Retroactive Pension Effective Date.
 - (2) The Participant receives a make-up payment equal to the amount of the missed payment or payments for the period from the Retroactive Effective Date to the date of the make-up payment, with an appropriate adjustment for interest, at a rate determined by the Trustees, from the date that the missed payment or payments would have been made to the date of the make-up payment.

- (3) The benefit determined as of the Retroactive Pension Effective Date complies with the requirements of Code Section 415, with the applicable interest rate and applicable mortality table determined as of that date.
- (4) The Retroactive Pension Effective Date does not precede the date upon which the Participant could have otherwise commenced receiving benefits under the terms of the Plan in effect as of the Retroactive Pension Effective Date.

If the Participant's spouse as of the Retroactive Pension Effective Date is not the Participant's spouse as of the date distributions commence, consent of the former spouse is not required for the Participant to waive the 50% Spousal Pension with respect to the retroactive annuity starting date, unless otherwise provided under a qualified domestic relations order (as defined in Code Section 414(p)).

Section 7.04. Retirement on a Service Pension or a Disability Pension before Age 55. If the Pension Effective Date of a married Participant's Spousal Pension occurs before the Participant attains age 55 and the Participant should die before attaining age 55, the surviving Spouse, if any, shall have the choice of (a) receiving payment of the Surviving Spouse Pension beginning with the month following the death of the Pensioner or (b) deferring the Pension Effective Date of the Surviving Spouse Pension to the month following the date when the Pensioner would have attained age 55 had he or she lived. In the event payments will commence under (a), the amount of the monthly payments shall be adjusted to reflect the actuarial equivalent of the amount which could have been deferred.

Section 7.05. Surviving Spouse Pension.

- a. If a married Participant dies after achieving Vested Status and before Retirement, and after earning one or more Hours of Service after August 22, 1984, his or her surviving Spouse shall be entitled to a Surviving Spouse Pension.

If the Participant's death occurred after attainment of age 55 or after becoming eligible for a Service or Special Service Pension, the Spouse shall be paid a Surviving Spouse Pension as if the Participant had retired on a 50% Spousal Pension on the day before death.

If the Participant's death occurred before attainment of age 55 and before becoming eligible for a Service or Special Service Pension, the Spouse shall have the choice of receiving the Surviving Spouse Pension commencing (a) with the month following the death of the Participant or (b) the month following the date the Participant would have attained age 55 had he or she lived. If the Surviving Spouse Pension is deferred until the month following the month in which the Participant would have reached age 55 had he or she lived, the amount of such pension shall be determined as if the Participant had left Covered Employment on the date of death (or the date last worked in Covered Employment, if earlier) retired on a 50% Spousal Pension upon reaching age 55, and died on the last day of the month in which age 55 was reached. If the Surviving Spouse Pension is paid beginning with the month following the Participant's death and prior to the date the Participant would have attained age 55, the amount of such pension shall be the Actuarial Equivalent of the amount which could have been deferred.

This Section shall also apply to an inactive Participant who has achieved Vested Status, has one or more Hours of Service on or after September 2, 1974 and dies after August 22, 1984.

- b. Notwithstanding any other provision of this Section, a Surviving Spouse Pension shall not be paid in the form, manner or amount described above if one of the alternatives set forth in this Subsection applies.

- (1) If the Actuarial Present Value of the benefit is \$5,000 or less, the Board shall make a single-sum payment to the Spouse in an amount equal to that Actuarial Present Value in full discharge of the Surviving Spouse Pension.
 - (2) The Spouse may elect in writing, filed with the Board, and on whatever form it may prescribe, to defer commencement of the Surviving Spouse Pension until a specified date that is no later than the first of the month on or immediately following the date the Participant would have attained Normal Retirement Age. The amount payable at that time shall be determined as described in Subsection a. above, except that the benefit shall be paid in accordance with the terms of the Plan in effect when the Participant last worked in Covered Employment, as if the Participant had retired with a 50% Spousal Pension on the day before the surviving Spouse's payments are scheduled to start, and died the next day.
- c. A surviving Spouse who is the Participant's Beneficiary under Section 8.01 and 8.02 may elect to receive one of those death benefits in lieu of the Surviving Spouse Pension provided by this Section 7.05.
- d. If a Surviving Spouse dies before the Pension Effective Date of the Surviving Spouse Pension, that benefit will be forfeited and there will be no payments to any other person.

Section 7.06. Adjustment of Pension Amount. For Pensions effective on and after June 1, 1999, when a Spousal Pension becomes effective, the amount of the Participant's monthly pension is reduced by the appropriate factor(s) in the tables of Spousal Pension factors (Appendices A through E) attached to and made part hereof.

Section 7.07. Additional Conditions. A Spousal Pension is not effective under any of the following circumstances:

- a. A Spousal Pension shall not be effective in the case of the surviving Spouse of a Participant who is not a Pensioner unless the Spouse was married to the Participant throughout the year preceding the Participant's death.
- b. A Spousal Pension shall not be effective in the case of the surviving Spouse of a Pensioner unless the Pensioner and Spouse were married to each other on the Pension Effective Date of the Participant's pension, and for at least a one year period any time before the Pensioner's death.
- c. Subject to the requirements for documentation described in Section 7.03, the Participant must file, before his or her Pension Effective Date, a written representation, on which the Board or other Plan Representative is entitled to rely, concerning that Participant's marital status which, if false, gives the Board the discretionary right to adjust the dollar amount of the pension payments made to the alleged surviving Spouse so as to recoup any excess benefits which may have been erroneously paid.
- d. An effective election to waive the Spousal Pension or a revocation of such an election must be:
 - (1) Made (or revoked) prior to the Pension Effective Date;
 - (2) Made on forms furnished by the Fund Office; and
 - (3) Filed with the Fund Office.

- e. The designation of the spouse as beneficiary shall automatically be revoked in the event that the Pensioner and his or her spouse become divorced. If the divorce occurs after the Pension Effective Date, the Pensioner's benefit amount shall not be increased by reason of the divorce, except as provided in a Qualified Domestic Relations Order.
- f. The rights of a former spouse or other alternate payee to any share of a Participant's pension, as set forth under a Qualified Domestic Relations Order, shall take precedence over any claims of the Participant's Spouse at the time of retirement or death, to the extent provided by such order or by any law of the United States.
- g. Notwithstanding any other provisions of the Plan, a waiver of the Spousal Pension shall not be effective if given more than 180 days before the Pension Effective Date.

Section 7.08. Automatic Single Life Reversion Provision. For a married Participant who retires on or after January 1, 1991, and whose pension is to be paid in the form of a 50% Spousal Pension or for a married Participant who retires on or after January 1, 1993 and whose pension is to be paid in the form of a 75% or 100% Spousal Pension, if such Participant's Spouse predeceases him or her, the monthly benefit payable as a Spousal Pension shall revert to the full monthly amount otherwise payable in the absence of the application of the provisions of Section 7.06. That full amount is payable for the lifetime of the Pensioner.

All other provisions of Article 7 shall apply to this provision unless specifically indicated otherwise.

Section 7.09. Spousal Consent Not Necessary

- a. Notwithstanding any other provision of the Plan, spousal consent in accordance with Section 7.03 is not required if the Participant establishes to the satisfaction of the Trustees:
 - (1) That there is no Spouse;
 - (2) That the Spouse cannot be located;
 - (3) That the Participant and Spouse are legally separated; or
 - (4) That the Participant has been abandoned by the Spouse as confirmed by court order.
- b. If the Spouse is legally incompetent, consent under Section 7.03 may be given by his or her legal guardian, including the Participant if authorized to act as the Spouse's legal guardian.

ARTICLE 8. DEATH BENEFITS

Section 8.01. Pre-Retirement Death Benefit. Upon the death of a Participant who meets the requirements described below, 36 monthly payments will be made to the Participant's Beneficiary in an amount determined in accordance with Section 3.03.

- a. The Participant must have accumulated at least ten Years of Credited Service (without a Permanent Break in Service) exclusive, however, of any Credited Future Service earned as a result of Continuous Non-Covered Employment; and
- b. The Participant's death occurred at least 24 months after his or her Contribution Date; and
- c. Application is made within 120 days following the date of the Participant's death.

If at the time the Participant dies, the Participant meets the requirements of both Sections 8.01 and 8.02, the Participant's Beneficiary shall receive the benefits as described in either Section 8.01 or 8.02, but not both.

The benefits provided by this Section shall not be payable if payments are due under the Spousal Pension. However, if the Beneficiary under this Section 8.01 is the Participant's surviving Spouse and he or she is entitled to a Pre-retirement Surviving Spouse Pension under Section 7.05 he or she may elect to receive the death benefits provided by this Section 8.01 in lieu of the Surviving Spouse Pension payable under Section 7.05.

If a person entitled to receive payments following the death of the Participant dies before all benefits due have been paid, the remaining payments shall be made to such person's estate or heirs as provided in accordance with the applicable law of the State of California. If the commuted value of the remaining payments due is \$5,000 or less, such payments shall be made in the form of a single lump sum.

In accordance with the Rehabilitation Plan, the Pre-Retirement Death Benefit under this Section 8.01 is discontinued as of January 1, 2011 and shall not be available upon the death of a Participant on or after January 1, 2011. The Pre-Retirement Death Benefit shall continue for any such benefit in pay status as of January 1, 2011.

Section 8.02. Pre-Retirement Lump Sum Death Benefit. If an Employee dies before his or her Pension Effective Date, a lump sum death benefit will be payable to the Employee's Beneficiary in an amount equal to the total Employer Contributions paid on the Employee's behalf up to a maximum of \$10,000.00, if the Employee meets the following requirements:

- a. He or she has at least two Years of Credited Service without a Permanent Break in Service; and
- b. He or she has, as a result of actual work in Covered Employment or Continuous Non-Covered Employment, at least two quarters of Credited Future Service in the two consecutive Calendar Years prior to the Calendar Year in which he or she died.

If at the time the Participant dies, the Participant meets the requirements of both Sections 8.01 and 8.02, the Participant's Beneficiary shall receive the benefits as described in either Section 8.01 or 8.02, but not both.

The benefits provided by this Section shall not be payable if payments are due under the Spousal Pension. However, if the Beneficiary under this Section 8.02 is the Participant's Surviving Spouse, and he or she is entitled to the Surviving Spouse Pension under Section 7.05, he or she may elect to receive the death benefits provided by this Section 8.02 in lieu of the Pre-retirement Surviving Spouse Pension payable under Section 7.05.

In accordance with the Rehabilitation Plan, the Pre-Retirement Lump Sum Death Benefit under this Section 8.02 is discontinued as of January 1, 2011 and shall not be available upon the death of a Participant on or after January 1, 2011.

Section 8.03. Pensioners' Benefits Guaranteed for Thirty-Six Months. If a Pensioner dies prior to having received 36 monthly payments, the remainder of the 36 payments will be paid in equal monthly installments to the Pensioner's Beneficiary, or the person or persons determined in accordance with Section 8.06 except that:

- a. The monthly payments made to a Beneficiary of a Pensioner who has waived all or a portion of his or her pension shall be paid to his or her Beneficiary in the full monthly amount to which the Pensioner was entitled. Any payments or portions of payments waived by the Pensioner shall be deemed to have been made to the Pensioner for the purpose of this Section.
- b. This benefit shall be payable only in the amount, if any, by which payments on a Level Income Option total less than 36 times the monthly amount to which the Pensioner would have been entitled had he or she not elected the Level Income Option. This benefit shall be payable in monthly installments equal to the amount to which the Pensioner would have been entitled if he or she had not elected such Option.
- c. The benefit provided by this Section shall not be payable if payments were due under the Spousal Pension (Article 7) at the time of death.
- d. If an Early Retirement Pensioner dies before receiving 36 payments, the amount of the monthly benefit payable to his or her Beneficiary shall be in the amount of the Regular Pension to which the Early Retirement Pensioner would have been entitled had he or she attained at least age 60 on his or her Pension Effective Date.

If a person entitled to receive payments following the death of the Pensioner dies before all benefits due have been paid, the remaining payments shall be made to such person's estate or heirs as provided in accordance with the applicable law of the State of California. If the commuted value of the remaining payments due is \$5,000 or less, such payments shall be made in the form of a single lump sum.

For a Participant who dies and is subject to an Alternative Schedule, the 36-month guaranteed benefit under this Section 8.03 shall not be available as to any amounts accrued under the Plan. For a Participant who dies on or after January 1, 2011 and is subject to the Default Schedule, the 36-month guaranteed benefit under this Section 8.03 shall be available only as to amounts accrued before January 1, 2011 and shall not be available as to amounts accrued on or after January 1, 2011.

Section 8.04. Five or Ten-Year Guarantee Option. In lieu of the pension otherwise available, a Participant may elect to receive a lifetime pension with payments guaranteed for five or ten years, whereby if the Participant dies before receiving 60 or 120 pension payments, as the case may be, payments will continue to his or her Beneficiary until an aggregate of 60 or 120 payments have been made to the Pensioner and his or her Beneficiary.

When this Option becomes effective, the amount of the Participant's monthly pension is reduced by the appropriate factor in the tables of Five and Ten-Year Guarantee Option factors (Appendices F and G) attached and made part hereof.

The Five-Year Guarantee Option is not available for benefits accrued on and after January 1, 1997.

For a Participant who retires subject to an Alternative Schedule, the Five or Ten-Year Guarantee Option under this Section 8.04 shall not be available as to any amounts accrued under the Plan. For a Participant who retires on or after January 1, 2011 and is subject to the Default Schedule, the Ten-Year Guarantee Option shall be available only as to amounts accrued before January 1, 2011 and the Five-Year Guarantee Option shall be available only as to amounts accrued before January 1, 1997.

Section 8.05. Designation of Beneficiary

- a. Subject to the provisions of Subsection b., a Pensioner or other Participant may designate a Beneficiary or Beneficiaries to receive any payments due and payable but not actually paid prior to the death of the Pensioner or any benefits provided in accordance with Sections 8.01, 8.02, 8.03 or 8.04 by forwarding such designation on a form acceptable to the Board or to the Pension Fund Office. A Pensioner or other Participant shall have the right to change his or her designation of Beneficiary without the consent of the Beneficiary, but no such change shall be effective or binding on the Board unless it is received by the Board prior to the time any payments are made to the Beneficiary whose designation is on file with the Fund Office. Any payments due and payable but not actually paid prior to the death of the Pensioner or any benefits provided in accordance with this Article shall be paid to such designated Beneficiary. If such designated Beneficiary who had survived the Pensioner or other Participant, and is therefore entitled to the benefits and payments stated in Sections 8.01, 8.02, 8.03, or 8.04, dies prior to the receipt of one or more of the payments or benefits, such payments or benefits shall then be paid in accordance with the procedure provided in Section 8.06.
- b. A married Pensioner or other Participant who designated anyone other than his or her Spouse as Beneficiary shall be required to obtain his or her Spouse's consent to such designation or any change in such designation, in a form or manner prescribed by the Board.

Section 8.06. Lack of a Designated Beneficiary. If no designated Beneficiary is alive at the time any benefits are payable as a result of a Participant's or Pensioner's death, any benefits due and payable but not actually paid prior to his or her death or any benefits provided under this Article shall be paid to the Spouse of the Participant or Pensioner if then living or, if there is no Spouse then alive, such payments may be made to the Participant's or Pensioner's estate, or to his or her heirs, as provided under applicable law of the State of California.

Section 8.07. Benefit if Death Occurs During Qualified Military Service. If a Participant dies while performing qualified military service on or after January 1, 2007, the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service, except as provided under Section 6.06) provided under the Plan had the Participant resumed employment and then terminated employment on account of death.

ARTICLE 9. LEVEL INCOME OPTION

Section 9.01. Purpose. In lieu of the pension otherwise payable, a Participant entitled to a Regular or Early Retirement Pension may elect a Level Income Option in accordance with which he or she will receive a higher monthly amount for each month before the month in which he or she attains age 62 or 65, according to the age at which he or she expects to receive his or her Social Security Benefit, and reduced thereafter. The adjustment will be determined in such a way as to provide a pension before age 62 or 65, as nearly equal as possible to his or her combined retirement income after that age.

The Level Income Option is not available to a Pensioner in receipt of a Spousal Pension.

The Level Income Option is not available for benefits accrued on and after January 1, 1997.

Section 9.02. Amount of the Level Income Option.

- a. The amount by which such a Participant's pension may be increased until age 62 or 65 for each \$10 by which the increased pension is to be reduced thereafter shall be in accordance with the following table:

<u>Age Increased Pension Effective</u>	<u>Age Reduced Pension Effective</u>	
	<u>62</u>	<u>65</u>
55	\$5.26	3.85
56	5.73	4.20
57	6.26	4.58
58	6.84	5.01
59	7.50	5.49
60	8.24	6.03
61	9.06	6.64
62	-	7.32
63	-	8.10
64	-	8.99

- b. If the first month for which the Level Income Option is payable does not coincide with the month of the Participant's birthday, the appropriate factor shall be determined from the above table on a pro rata basis, taking into account the number of completed months since the Participant's last birthday.

Payment of the Level Income Option shall be subject to the following conditions:

- (1) The Participant must have elected the Level Income Option in writing, in a form prescribed by the Trustees and filed with the Trustees, before the first month for which the pension is payable.
- (2) The Option may not be revoked once benefit payment in the optional form has commenced.

- (3) If the adjustment described above would reduce the monthly amount payable after age 62 or 65 to less than \$20 a month, it shall not be applied and in such event, the benefit amount payable before age 62 or 65 shall be adjusted so that the benefit payable to the Participant on and after attainment of age 65 shall be at least \$20 a month.
- (4) The Option shall in no event be less than the Actuarial Present Value of a straight life annuity.

Section 9.03. Level Income Option No Longer Available under Rehabilitation Plan. For a Participant who retires subject to an Alternative Schedule or to the Default Schedule, the Level Income Option shall not be available as to any amounts accrued under the Plan.

ARTICLE 10. APPLICATIONS, BENEFIT PAYMENTS, AND RETIREMENT

Section 10.01. Applications.

- a. A pension must be applied for in writing on a form and in the manner prescribed by the Board and the application filed with the Board at the Fund Office in advance of its Pension Effective Date. Except as provided in Section 10.05, a pension shall first be payable for the first month after the month in which the application is filed, if the Participant is otherwise eligible.

Beginning with the sixth full month of Total and Permanent Disability, Disability Pension benefits will be payable for all months during which the Participant remains totally and permanently disabled as defined in Section 3.08.

- b. If a Pensioner submits evidence of entitlement to additional Benefit Units and/or accrued benefits, his or her increased pension, if any, will become effective:
 - (1) Retroactively to his or her Pension Effective Date, if the application for additional Benefit Units and/or accrued benefits was filed within one year after the first pension payment was made; or
 - (2) The first of the month following the date such application was made, if it was filed more than one year after the first pension payment was made.
- c. If a Participant previously denied a pension submits evidence of entitlement to additional Credited Service, Benefit Units and/or accrued benefits which subsequently qualifies him or her for a pension, his or her pension will become effective:
 - (1) Retroactively to the date determined under Subsection a. above, if the evidence of additional Credited Service, Benefit Units and/or accrued benefits was submitted within one year after he or she was advised of the denial of a pension.
 - (2) On the first of the month following the submission of such evidence, if it was filed more than one year after he or she was advised of the denial of a pension.

Section 10.02. Information and Proof. Every Participant or Pensioner shall furnish, at the request of the Board, any information or proof reasonably required to determine his or her benefit rights. If the claimant willfully makes a false statement material to an application or furnishes fraudulent information or proof material to his or her claim, or fails to provide the notifications required, then to the extent permitted by ERISA, benefits under this Plan may be denied, suspended, reduced or discontinued. The Board shall have the right to recover any benefit payments made (1) in reliance on any willfully made false or fraudulent statement, information or proof submitted by a Participant or Pensioner or (2) prior to the receipt of any required notifications.

Section 10.03. Action of the Board. The Board shall, subject to the requirements of the law, be the sole judge of the standard of proof required in any case and the application and interpretation of this Plan, and decisions of the Board shall be final and binding on all parties.

Wherever in the Plan the Board is given discretionary powers, the Board shall exercise such powers in a uniform and non-discriminatory manner.

Section 10.04. Denial of Benefits and Right of Appeal.

- a. ***Denial of Benefits.*** If an application for benefits is denied in whole or in part by the Fund Office, the applicant will be notified of such denial, in writing, within a reasonable period of time but not later than 90 days after receipt of the application unless the Fund Office determines that special circumstances require an extension of time for processing the application. In such case, a written notice of the extension will be furnished to the applicant prior to the end of such 90-day period. In no event shall such extension exceed a period of 90 days from the end of such initial 90-day period. The extension will indicate the special circumstances requiring an extension of time and the date by which the plan expects to render a decision.

If an application for disability benefits is denied by the Fund Office, the applicant will be notified of the denial, in writing, within a reasonable period of time but not later than 45 days after receipt of the application for disability benefits. This 45-day period may be extended for up to an additional 30 days provided that the Fund Office determines that such an extension is necessary due to matters beyond the control of the Plan and notifies the applicant, prior to the end of the initial 45-day period, in writing, of such extension and the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If prior to the end of the first 30-day extension period, the Fund Office determines that, due to matters beyond the control of the Plan, a decision cannot be made within the extension period, the period for making the decision may be extended for up to an additional 30 days, provided that the Fund Office notifies the applicant, prior to the end of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the Plan expects to make a decision. This notice will be in writing and will specifically explain the Plan provisions on which the entitlement to disability benefits is based, the unresolved issues that prevent a decision, and the additional information needed to resolve those issues; and the applicant will be given at least 45 days within which to provide the specified information.

The period of time within which a benefit determination is required to be made will begin at the time an application for benefits is filed with the Fund Office without regard to whether all the information necessary to make a benefit determination accompanies the filing. In the event that a period of time is extended, as permitted above, due to an applicant's failure to submit information necessary to make a determination, the period for making the benefit determination will be tolled from the date on which the notification of the extension is sent to the applicant until the date on which the applicant responds to the request for additional information.

The written notification of the benefit denial will set forth, in a manner calculated to be understood by the applicant:

- (1) The specific reason(s) for the adverse determination;
- (2) Reference to the specific Plan provision(s) on which the denial is based;
- (3) A description of any additional material or information necessary for the applicant to perfect the claim and an explanation of why such material or information is necessary;
- (4) A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

In the case of a denial of a disability benefit, the notification will include the above. It will also include the specific rule, guideline, protocol or other similar criterion relied upon in making the adverse determination.

- b. ***Right of Appeal.*** Any person whose application for benefits under this Plan has been denied in whole or in part by the Board of Trustees, or whose claim to benefits is otherwise denied by the Board of Trustees, may petition the Board of Trustees to reconsider its decision. A petition for reconsideration:
- (1) Must be in writing; and
 - (2) Must state in clear and concise terms the reason(s) for disagreement with the decision of the Board of Trustees; and
 - (3) May include documents, records, and other information related to the claim for benefits; and
 - (4) Must be filed by the petitioner or the petitioner's duly authorized representative or received by the Fund Office within sixty (60) days after the date the notice of denial was received by the petitioner. In the case of a claim for disability benefits, the petitioner or the petitioner's duly authorized representative must file his or her petition for reconsideration within 180 days.

Upon good cause shown, the Board of Trustees may permit the petition to be amended or supplemented. The failure to file a petition for reconsideration within such sixty (60) day period shall constitute a waiver of the petitioner's right to reconsideration of the decision. Such failure shall not, however, preclude the petitioner from establishing his or her entitlement at a later date based on additional information and evidence which was not available to him or her at the time of the decision of the Board of Trustees.

Upon request, the petitioner or the petitioner's duly authorized representative will be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the petitioner's claim for benefits. A document, record or other information shall be considered relevant to a petitioner's claim if it was relied upon in making the benefit determination; was submitted, considered or generated in the course of making the benefit determination, without regard to whether it was relied upon in making the benefit determination; demonstrates that the benefit determination was made in accordance with the Plan provisions and that such provisions have been applied consistently with respect to similarly situated claims; and, in regards to a disability benefit, the Plan's policy or guidance with respect to the benefit denial (whether or not it was relied upon in making the benefit determination) and other relevant information. Relevant information also includes identification of any medical or vocational expert whose advice was obtained on behalf of the Plan in connection with the adverse benefit determination, without regard to whether the advice was relied upon in making the benefit decision.

The review of the determination will take into account all comments, documents, records and other information submitted by the claimant relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.

In the case of a disability determination, the petitioner shall have access to relevant documents, records and other information, including any statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit for the applicant's diagnosis, without regard to whether such advice or statement was relied upon in making the benefit determination. The Board of Trustees will not afford any deference to the initial benefit determination. If the adverse benefit determination is based in whole or in part on a medical judgment, the Board of Trustees shall consult with a health care professional with appropriate training and

experience in the field of medicine involved in the medical judgment. Such consultant shall be different from any individual consulted in connection with the initial determination and shall not be the subordinate of any such person.

A benefit determination on review will be made by the Trustees or by a committee designated by them no later than the date of the quarterly meeting of the Officers of the Board of Trustees that immediately follows the Plan's receipt of the request for review unless the request for review is filed within thirty (30) days preceding the date of such meeting. In such case, a benefit determination will be made no later than the date of the second meeting following the Fund Office's receipt of the request for review. If special circumstances require a further extension of time for processing, a benefit determination will be rendered no later than the third meeting following the Fund Office's receipt of the request for review and the Board of Trustees will provide the petitioner with a written notice of the extension, describing the special circumstances and the date as of which the benefit determination will be made, prior to the commencement of the extension. The Board of Trustees will notify the petitioner of the benefit determination as soon as possible but not later than 5 days after the benefit determination is made.

The notification of a benefit determination upon review will be in writing and will include the reason(s) for the determination, including references to the specific Plan provisions on which the determination is based. It will also include a statement that the petitioner is entitled to receive, upon request and free of charge, reasonable access to, and copies of all documents, records and other information relevant to the claim for benefits. The notification of a benefit determination in regards to a disability benefit will include the above, along with the specific rule, guideline, protocol or other similar criterion relied upon in making the adverse determination.

The denial of an application or claim after the right to review has been waived or the decision of the Trustees on petition for review has been issued shall be final and binding upon all parties, including the Claimant. No lawsuit may be filed without first exhausting the above appeals procedure. In any such lawsuit, the determinations of the Board of Trustees are subject to judicial review only for abuse of discretion. No legal action may be commenced or maintained against the Fund or the Plan more than two (2) years after the claim has been denied. Legal actions shall be subject to the Waiver of Class, Collective, and Representative Actions in Section 12.04.

Section 10.05. Benefit Payments Generally. A Participant who is eligible to receive a pension under this Plan and makes application in accordance with the rules of this Plan shall be entitled upon retirement to receive the monthly benefits provided for the remainder of his or her life, subject to the provisions of this Plan. Pension payments shall be payable commencing with the first day of the month following the month in which the Participant has fulfilled all the conditions of entitlement to benefits, including the filing of an application. Such first day shall be the Pension Effective Date as that term is defined in Section 1.19.

However, in no event, unless the Participant elects otherwise, shall the payment of benefits begin later than the 60th day after the *later of* the close of the Calendar Year in which:

- a. The Participant attains Normal Retirement Age; or
- b. The Participant terminates his or her Covered Employment and retires, as that term is defined in Section 10.11.

Failure of a Participant to apply for benefits is an election to defer commencement of benefits beyond the date such benefits would otherwise begin, provided that no such election may postpone the commencement of benefits to a date later than the Participant's Required Beginning Date.

If a Participant's Beneficiary is not his or her surviving Spouse, the payment of any benefits under the Plan that becomes payable on account of the Participant's death shall begin no later than one year from the date of such death or, if later, as soon as practicable after the Board learns of the death.

Pension payments shall not be made in a form other than equal monthly installments for the Pensioner's lifetime, except as provided in Article 9, or to effect (1) retroactive adjustments or (2) increases in the monthly pension amount applicable to all Pensioners in a specified class.

Pension payments shall end with the payment for the month in which the death of the Pensioner occurs except as provided in accordance with a Spousal Pension, or if applicable, upon the completion of the guaranteed payments provided for in Section 8.03 and 8.04.

Section 10.06. Mandatory Commencement of Benefits

- a. Notwithstanding any provision of the Plan to the contrary, effective April 1, 1990, the Fund will begin benefit payments to all Participants by their Required Beginning Dates, whether or not they apply for benefits.
- b. If a Participant fails to file a completed application for benefits on a timely basis, and his or her whereabouts are known by the Fund, the Fund will establish the Participant's Required Beginning Date as the Pension Effective Date and begin benefit payments as follows:
 - (1) If the Actuarial Present Value of the Participant's benefit (determined in accordance with Section 10.09 on small benefit cashouts) is \$5,000 or less, in a single-sum payment.
 - (2) In any other case, in the form of a 50% Spousal Pension calculated on the assumptions that the Participant is and has been married for at least one year by the date payments start and that the Participant is 3 years older than the Spouse.
 - (3) The benefit payment form specified here will be irrevocable once it begins, with the sole exception that it may be changed to a single-life annuity if the Participant proves that he or she did not have a qualified spouse (including an alternate payee under a QDRO) on the Required Beginning Date; also, the amounts of future benefits will be adjusted based on the actual age difference between the Participant and Spouse if proven to be different from the foregoing assumptions.
 - (4) Federal, state and local income tax, and any other applicable taxes, will be withheld from the benefit payments as required by law or determined by the Board to be appropriate for the protection of the Board and the Participant.
- c. Notwithstanding the foregoing, the provisions of Article 15 will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

Section 10.07. Benefits Accrued After Retirement.

- a. ***Before Normal Retirement Age.*** Effective as of June 1 1989, additional benefits earned by a Participant in Covered Employment before Normal Retirement Age will be determined as of the Participant's new Pension Effective Date, unaffected by previously suspended pension benefits which may be resumed in accordance with Section 10.13.
- b. ***After Normal Retirement Age.*** Effective as of June 1 1989, any additional benefits earned by a Participant in Covered Employment after Normal Retirement Age will be determined at the end of each Calendar Year and will payable as of February 1 following the end of the Calendar Year in which it accrued, provided payment of benefits at that time is not suspended pursuant to Section 10.12 or postponed due to the Participant's continued employment.

Subject to Subsection 10.13.d., additional benefits that are not suspended or postponed will be paid in the payment form in effect for the Participant as of the Pension Effective Date most recently preceding the date the additional benefits became payable if such Pension Effective Date has been recently established after Normal Retirement Age; otherwise the additional benefits shall be determined as of the Participant's new Pension Effective Dates.

Section 10.08. Actuarial Adjustment for Delayed Retirement.

- a. Effective as of June 1, 1989, if the Pension Effective Date is after the Participant's Normal Retirement Age, the monthly benefit will be the accrued benefit at Normal Retirement Age, actuarially increased for each complete calendar month between Normal Retirement Age and the Pension Effective Date for which benefits were not suspended, and then converted as of the Pension Effective Date to the benefit payment form elected or to the automatic form of Spousal Pension if the Participant is married.
- b. If a Participant first becomes entitled to additional benefits after Normal Retirement Age, whether through additional service or because of a benefit increase, the actuarial increase in those benefits will start from the date they would first have been paid rather than Normal Retirement Age.
- c. The actuarial increase will be 0.75% per month for each month after Normal Retirement Age or such later date as may be determined in b. above.
- d. Notwithstanding the above, instead of an actuarially increased benefit, a Participant may choose to receive, at his or her Pension Effective Date:
 - (1) A monthly benefit equal to his or her accrued benefit at Normal Retirement Age, adjusted to include any additional benefits to which he or she becomes entitled after his or her Normal Retirement Age and before his or her Pension Effective Date as described in b. above; plus
 - (2) A one-time cash payment equal to the total of the amounts payable for the months between his or her Normal Retirement Age and Pension Effective Date for which benefits are not suspended.
- e. Any benefits paid pursuant to d. above are subject to the requirements of Section 7.03.

Section 10.09. Lump-Sum Payment in Lieu of Monthly Benefit. If at the time the monthly benefit becomes payable to a Participant or surviving Spouse, the Actuarial Present Value of such monthly benefit is \$5,000 or less, the Board shall pay to the Participant or surviving Spouse in a lump sum the amount of the Actuarial Present Value in lieu of the monthly benefit otherwise payable.

For purposes of this Section, Actuarial Present Value shall be determined in accordance with Section 1.02, except that the following procedure shall apply to benefits payable to a Participant if it results in a larger lump sum amount:

- a. For a Participant who is eligible for a Regular or Early Retirement Pension, the lump-sum amount shall be \$118.00 for each \$1.00 of pension if the Participant is age 60. The factor is increased by \$0.18 for each month the Participant is younger than age 60; or decreased by \$0.23 for each month the Participant is older than age 60.
- b. For a Participant who is eligible for a Disability Pension, the lump-sum amount shall be \$99.00 for each \$1.00 of pension if the Participant is age 45. The factor is increased by \$0.04 for each month the Participant is younger than age 45; or decreased by \$0.11 for each month the Participant is older than age 45.

Section 10.10. Rounding of Benefit Amount. If the amount of any monthly benefit payable under the Plan is not a multiple of \$0.50, the amount shall be rounded up to the next multiple of \$0.50.

Section 10.11. Retirement.

- a. **Before Normal Retirement Age.** To be deemed retired, a person must refrain from any work wherever performed, whether or not under a Collective Bargaining Agreement, for wages or profit in the Resilient Floor Covering Industry, or in the type of work for which Contributions have been made to the Pension Fund.

Exception. If a Pensioner receiving a Regular, Service, Special Service, or Early Retirement Pension becomes employed by a Resilient Floor Covering Industry currently Contributing Employer to this Fund, (except for work for which Employer Contributions are required to be made to the Fund as set forth in Section 1.25, which work is limited to 499 hours in a Calendar Year) his or her pension payments shall not be suspended for any calendar month in which he or she is so employed.

- b. **After Normal Retirement Age but before the Required Beginning Date.** To be deemed retired after attaining Normal Retirement Age and before the Required Beginning Date, a Pensioner must refrain from employment of 40 hours or more during any calendar month, or during each four- or five-week payroll period ending in a calendar month:

- (1) In the geographic jurisdiction covered by the Plan; and
- (2) In work in the Resilient Floor Covering Industry, as defined in Section 1.25.

Exception. A Pensioner who returns to work for a Contributing Employer may work without limitation in any capacity, except in employment of the type for which contributions to the Fund are required, which is limited to 499 hours in a Calendar Year.

- c. ***After the Required Beginning Date.*** A Pensioner shall be deemed retired upon attainment of his or her Required Beginning Date irrespective of the type of employment performed.

Section 10.12. Suspension of Pension Payments.

- a. ***Before Normal Retirement Age.*** If a Pensioner (other than a Disability Pensioner) becomes employed in work in the Resilient Floor Covering Industry for a Non-Contributing Employer, or works more than 499 hours in a Calendar Year in work of the type for which Contributions are required to be made to the Fund, his or her pension payments shall be suspended for any calendar month of such employment.

Exception. A Pensioner receiving a Regular, Service, Special Service, or Early Retirement Pension may return to work in the Resilient Floor Covering Industry for a Non-Contributing Employer without having his or her benefits suspended if such employment is pursuant to a salting agreement. The salting agreement must be approved by the local area Union, and must be presented to the committee designated by the Trustees for approval.

- b. ***After Normal Retirement Age and Before the Required Beginning Date.*** If a Pensioner subsequently becomes employed in work of the type described in Subsection 10.11.b. for more than the number of permissible work hours set forth therein, his or her pension payments shall be suspended for any calendar month of such employment. After the Pensioner ceases such employment, his or her pension shall commence with the first month following the cessation of prohibited employment described in Section 10.11.b.

Exception. A Pensioner receiving a Regular, Service, Special Service or Early Retirement Pension may return to work in the Resilient Floor Covering Industry for a Non-Contributing Employer without having his or her benefits suspended if such employment is pursuant to a salting agreement. The salting agreement must be approved by the local area Union, and must be presented to the committee designated by the Trustees for approval.

- c. ***After the Required Beginning Date.*** Pension payments shall not be suspended for employment after the Required Beginning Date. Any additional pension amount earned by Pensioners who continue to work after the Required Beginning Date shall be determined at the end of each Calendar Year and payable by the end of the first month of the Calendar Year following the Calendar Year in which it accrued.

- d. ***Notices.***

- (1) Upon commencement of pension payments and annually thereafter, the Trustees shall notify the Pensioner of the Plan rules governing suspension of benefits.
- (2) A Pensioner shall notify the Plan in writing prior to starting any work of a type that is or may be prohibited under the provisions of Section 10.11 and without regard to the amount of earnings or the number of hours of such work.

If a Pensioner has worked in prohibited employment in any month after Normal Retirement Age, and has failed to give timely notice to the Plan of such employment, the Trustees shall presume that he or she worked in violation of Subsection 10.11.b. in such month and any subsequent month before the Pensioner gives notice that he or she has ceased prohibited employment. The

Pensioner shall have the right to overcome such presumption by establishing that his or her work was not in fact an appropriate basis, under the Plan, for suspension of benefits.

By May 31 of every year, each Pensioner younger than age 68 whose Pension became effective on or after February 1, 1974, is required to furnish the Board of Trustees with his or her Social Security Work History. If a Pensioner fails to furnish such information by May 31 of any year, his or her pension will be suspended until he or she provides such copy, unless he or she is disqualified in accordance with Subsection a. or b. above.

- (3) A Pensioner whose pension has been suspended shall notify the Plan when prohibited employment has ended. The Trustees shall have the right to hold back benefit payments until such notice is filed with the Plan.
 - (4) The Plan shall inform a Pensioner of any suspension of his or her benefits by notice given by personal delivery or first class mail during the first calendar month in which such Pensioner's benefits were withheld. Such notice shall include a description of the specific reasons for the suspension, copy of the relevant provisions of the Plan, reference to the applicable regulation of the U.S. Department of Labor, and a statement of the procedure for securing a review of the suspension. In addition, the notice shall describe the procedure for the Pensioner to notify the Plan when his or her prohibited employment ends. If the Plan intends to recover prior overpayments by offset under Subsection f.(2), the suspension notice shall explain the offset procedure and identify the amount expected to be recovered, and the periods of employment to which they relate.
- e. **Review.** A suspension of benefits pursuant to this Section shall be subject to the right of appeal provided in Section 10.04.
- f. **Resumption of Benefit Payments.**
- (1) Benefits shall be resumed for months after the last month for which benefits were suspended, with payments beginning no later than the third month after the last calendar month for which the Pensioner's benefit was suspended, provided the Pensioner has complied with the notification requirements of paragraph d.(3) above.
 - (2) Overpayments attributable to payments made for any month or months for which the Pensioner had prohibited employment shall be deducted from pension payments otherwise paid or payable subsequent to the period of suspension. A deduction from a monthly benefit for a month after the Pensioner attained Normal Retirement Age shall not exceed 25 percent of the pension amount, except for the first pension payment made upon resumption after a suspension. If a Pensioner dies before recoupment of overpayments has been completed, deductions shall be made from the benefits payable to his or her beneficiary or surviving Spouse, as the case may be, subject to the 25% limitation on the rate of deduction.
- g. **Continued Employment After Normal Retirement Age.** Subsection b., providing for suspension of benefits after Normal Retirement Age, shall not apply to a Participant who remains in Covered Employment and does not retire until after Normal Retirement Age, unless such Participant subsequently returns to prohibited employment after he or she retires. This subsection shall not apply to any Pensioner who works in prohibited employment pursuant to subsections a. and b. above.

- h. ***Work in Washington and Oregon in 2008 and 2009.*** Local Area Trustees have determined that there is currently a shortage of qualified labor in Washington and Oregon. The provisions of §10.12(a) and (b) shall not apply to any Pensioner who performs work in the Resilient Floor Covering Industry (as defined in Section 1.25) in calendar years 2008 and 2009 provided that the Pensioner works for a Contributing Employer in Washington and/or Oregon and notifies the administrator in writing of his intent to return to work. Under this provision, a Pensioner, who does not have an ownership interest in a Contributing Employer, may work unlimited hours in the Resilient Floor Covering Industry for Contributing Employers in Washington and Oregon during the calendar year 2008 and 2009 without having his benefits suspended.

This provision shall be effective from January 1, 2008 to December 31, 2009.

- i. ***Work in Colorado in July through December 31, 2010.*** Local Area Trustees have determined that there is currently a shortage of qualified labor in Colorado. Effective July 1, 2010, pension payments will not be suspended pursuant to the provisions of sec. 10.12(a) and (b) for any pensioner who performs work in the Resilient Floor Covering Industry (as defined in Section 1.25 of the Plan) on or after July 1, 2010 provided that the Pensioner works for a Contributing Employer in Colorado and notifies the administrator in writing of his intent to return to work. Under this provision, a Pensioner, who does not have an ownership interest in Contributing Employer, may work unlimited hours for Contributing Employers in Colorado beginning on or after July 1, 2010 and until December 31, 2010 without his benefits suspended. This provision shall be effective from July 1, 2010 to December 31, 2010.
- j. ***Work in Hawaii, Colorado, and Seattle, Washington Area in 2017, 2018, and 2019.*** Local Area Trustees have determined that there is currently a shortage of qualified labor in Hawaii, Colorado, and the Seattle, Washington area. Effective January 1, 2017, pension payments will not be suspended pursuant to the provisions of Section 10.12(a) and (b) for any Pensioner who performs work in the Resilient Floor Covering Industry (as defined in Section 1.25 of the Plan) on or after January 1, 2017 and on or before December 31, 2019, provided that the Pensioner works for a Contributing Employer in Hawaii, Colorado, or the Seattle, Washington area and notifies the administrator in writing of his intent to return to work. Under this provision, a Pensioner who does not have an ownership interest in a Contributing Employer may work unlimited hours for Contributing Employers in Hawaii, Colorado, and Seattle, Washington area beginning on or after January 1, 2017 and until December 31, 2019 without having his benefits suspended. This provision shall be effective from January 1, 2017 to December 31, 2019.
- k. ***Work in Oregon Area in 2018 and 2019.*** Local Area Trustees have determined that there is currently a shortage of qualified labor in the Oregon area. Effective January 1, 2018, pension payments will not be suspended pursuant to the provisions of Section 10.12(a) and (b) for any Pensioner who performs work in the Resilient Floor Covering Industry (as defined in Section 1.25 of the Plan) on or after January 1, 2018 and on or before December 31, 2019, provided that the Pensioner works for a Contributing Employer in the Oregon area and notifies the administrator in writing of his intent to return to work. Under this provision, a Pensioner who does not have an ownership interest in a Contributing Employer may work unlimited hours for Contributing Employers in the Oregon area beginning on or after January 1, 2018 and until December 31, 2019 without having his benefits suspended. This provision shall be effective from January 1, 2018 to December 31, 2019.

Section 10.13. Benefits Payable Following Suspension.

- a. The monthly amount and type of pension when resumed after suspension shall be in the same form and amount received prior to suspension, subject to Subsection 10.13.d.
- b. Suspension of pension payments before Normal Retirement Age in accordance with Subsection 10.12.a., because of employment of the type for which a pension would not be suspended after Normal Retirement Age, shall not reduce the value of the Pensioner's pension below the actuarial equivalent of the pension payable at this or her Normal Retirement Age; to the extent necessary to avoid such reduction, the monthly amount of the pension shall be adjusted so as not to deprive the Pensioner of the value of the pension payable at his or her Normal Retirement Age, subject to Subsection 10.13.d.
- c. A Spousal Pension in effect immediately prior to suspension of benefits, the Pensioner's Thirty-Six Month guarantee of Benefits, or any optional form of payment selected, shall remain effective if the Pensioner's death occurs while his or her benefits are in suspension. If a Pensioner returns to Covered Employment, he or she shall not be entitled to a new election as to the Spousal Option, or any other optional form of benefit provided under the Plan with respect to benefits accrued prior to his Pension Effective Date.
- d. Notwithstanding the above, a Participant who retires on or after May 1, 2010 and prior to January 1, 2011 who returns to work in suspendible employment prior to receiving 12 monthly pension payments shall be subject to the terms of the Rehabilitation Plan and its Schedules as to his or her entire unpaid accrued benefits as if he or she had retired on or after January 1, 2011.

Section 10.14. Non-Forfeitability.

- a. The Employee Retirement Income Security Act requires that certain of the benefits under this Plan be non-forfeitable.
- b. A Participant acquires a non-forfeitable right to a Regular Pension at Normal Retirement Age or if earlier at age 65 upon attainment of vested status (in accordance with Section 411 of the Internal Revenue Code and Section 203 of ERISA and as further defined by applicable regulations). Periods of service and breaks in service are defined for that purpose under this Plan on the basis of all hours of service.

A Participant's right to his or her Regular Pension is non-forfeitable upon attainment of Normal Retirement Age, except to the extent that benefits are canceled pursuant to Section 12.05 because the Employer has ceased to contribute to the Plan with respect to the employment unit in which the Participant was employed.

- c. ERISA also provides certain limitations on any plan amendment that may change the Plan's vesting schedule. In accordance with those legal limitations, no amendment of this Plan may take away a Participant's non-forfeitable right to a Regular Pension at Normal Retirement Age, if he or she has already earned it at the time of the amendment. Also, an amendment may not change the schedule on the basis of which a Participant acquired such a right, unless each Participant who has at least five Years of Service (three Years of Service for a Participant who is a Non-Bargained Employee) at the time the amendment is adopted or effective (whichever is later) is given the option of achieving such a non-forfeitable right on the basis of the pre-amendment schedule.

That option may be exercised within 60 days after the latest of the following dates:

- (1) When the amendment was adopted;

- (2) When the amendment became effective; or
- (3) When the Participant was given written notice of the amendment.

Section 10.15. Incompetence or Incapacity of a Pensioner or Beneficiary. In the event it is determined to the satisfaction of the Board that a Pensioner or Beneficiary is unable to care for his or her affairs because of mental or physical incapacity, any payment due may be applied, in the discretion of the Board, to the maintenance and support of such Pensioner or Beneficiary or to such person as the Board in its sole discretion finds to be an object of the natural bounty of the Pensioner or Beneficiary in the manner decided by the Board, unless, prior to such payments, claim shall have been made for such payment by a legally-appointed guardian, committee, or other legal representative appropriate to receive such payments on behalf of the Pensioner or Beneficiary.

Section 10.16. Non-Assignment of Benefits. No Participant, Pensioner or Beneficiary entitled to any benefits under this Plan shall have the right to assign, alienate, transfer, encumber, pledge, mortgage, hypothecate, anticipate, or impair in any manner his or her legal or beneficial interest, or any interest in assets of the Fund, or benefits of this Plan.

Neither the Fund nor any of the assets thereof, shall be liable for the debts of any Participant, Pensioner or Beneficiary entitled to any benefits under this Plan, nor be subject to attachment or execution, or process in any court of action or proceeding.

Notwithstanding the foregoing, benefits shall be paid in accordance with the applicable requirements of any Qualified Domestic Relations Order as defined by Section 206(d)(3) of ERISA and Section 414(p) of the Internal Revenue Code.

Section 10.17. No Right to Assets. No person other than the Trustees shall have any right, title or interest in any of the income, or property of any funds received or held by or for the account of the Plan, and no person shall have any vested right to benefits provided by the Plan except as expressly provided herein.

Section 10.18. Mergers. Subject only to the extent determined by the Pension Benefit Guaranty Corporation, the following shall apply: In the case of any merger or consolidation of the Plan with or transfer, in whole or in part, of the assets and liabilities of the Pension Fund to any other Pension Fund, after September 2, 1974, each Participant shall (if the Plan then terminated) receive a benefit immediately after the merger, consolidation or transfer which is at least equal to the benefit he or she would be entitled to receive immediately before such merger, consolidation or transfer if the Plan had then terminated.

ARTICLE 11. SPECIAL PROVISIONS FOR ELIGIBLE ROLLOVER DISTRIBUTIONS

Section 11.01. Purpose. This Article applies to distributions made on or after January 1, 1993.

- a. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Article, a Distributee may elect, at the time and in the manner prescribed by the Plan administrator to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover, except that a Distributee may not elect a Direct Rollover of a distribution, (or series of distributions) of less than \$200.00 in a single Calendar Year.
- b. Effective January 1, 2008, a participant or spouse beneficiary with an adjusted gross income of less than \$100,000 who is not married or who has filed a joint tax return with his spouse, will be permitted to rollover all or a portion of an eligible rollover distribution to a Roth Individual Retirement Account established under 408 (A) of the Internal Revenue Code via a direct trustee-to-trustee transfer. Effective January 1, 2010 a participant or spouse beneficiary will be permitted to rollover all or a portion of an eligible rollover distribution to a Roth Individual Retirement Account via a direct trustee-to-trustee transfer regardless of his adjusted gross income and regardless of his tax filing status.
- c. Effective January 1, 2009, if a Participant dies leaving a benefit to a designated beneficiary who is not his spouse, the designated beneficiary may roll over the assets to an inherited Individual Retirement Account in accordance with the following rules:
 - (1) The rollover must meet all the requirements of an eligible rollover distribution as defined in Section 11.02, except that the distributee may be a non-spouse beneficiary.
 - (2) The rollover must be accomplished by a direct trustee-to-trustee transfer.
 - (3) The Individual Retirement Account must be established as an inherited Individual Retirement Account.
 - (4) The rollover must comply with the minimum distribution rules found in § 401(a)(9) of the Internal Revenue Code. If the Participant dies before his required beginning date, the rollover must be made in accordance with either the five-year rule described in § 401 (a)(9)(B)(ii) or the life expectancy rule described in § 401 (a)(9)(B)(iii). Rollovers made in accordance with the five-year rule must be completed by the end of the calendar year which contains the fifth anniversary of the date of the Participant's death. Rollovers made in accordance with the life expectancy rule must be made by the end of the calendar year following the year of the Participant's death.
 - (5) The plan may make a direct rollover to an inherited Individual Retirement Account on behalf of a trust in accordance with these rules where the trust is the named beneficiary of the Participant.
 - (6) The rollover must otherwise be in accordance with applicable law.

Section 11.02. Definitions.

- a. An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the Distributee, except that an eligible rollover distribution does not include:
- (1) Any distribution that is one of a series of substantially equal periodic payments (not less frequent than annually) made for the life (or life expectancy) of the Distributee, or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more; or
 - (2) Any distribution to the extent such distribution is required under section 401(a)(9) of the Internal Revenue Code; or
 - (3) The portion of any distribution that is not includible in a Distributee's gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); or
 - (4) Any distribution made on account of hardship.
- b. An "eligible retirement plan" is:
- (1) An individual retirement account described in section 408(a) of the Internal Revenue Code; or
 - (2) An individual retirement annuity described in section 408(b) of the Internal Revenue Code; or
 - (3) A qualified trust described in section 403(a) of the Internal Revenue Code; or
 - (4) A qualified trust described in section 401(a) of the Internal Revenue Code; or
 - (5) An annuity contract described in section 403(b) of the Internal Revenue Code; or
 - (6) An eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that accepts the Distributee's Eligible Rollover Distribution and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code.
- c. A "distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving Spouse and Employee's or former Employee's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Internal Revenue Code, are distributees with regard to the interest of the Spouse or former Spouse.
- d. A "direct rollover" is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

ARTICLE 12. MISCELLANEOUS

Section 12.01. Non-Reversion. It is expressly understood that in no event shall any of the corpus or assets of the Fund revert to the Employers or be subject to any claims of any kind or nature by the Employers, except for the return of an erroneous contribution within the time limits prescribed by law.

Section 12.02. Limitation of Liability. This Plan has been established on the basis of an actuarial calculation which has established, to the extent possible, that the contributions will, if continued, be sufficient to maintain the Plan on a permanent basis, fulfilling the funding requirements of ERISA. Except for liabilities which may result from provisions of ERISA, nothing in this Plan shall be construed to impose any obligation to contribute beyond the obligation of the Employer to make contributions as stipulated in its Collective Bargaining Agreement with the Union.

There shall be no liability upon the Trustees individually, or collectively, or upon the Union to provide the benefits established by this Plan, if the Fund does not have assets to make such payments.

Section 12.03. Participation of New Groups of Employees.

- a. **Trustees' Review.** The Trustees may review the relevant actuarial data with respect to any group of employees for whom a Collective Bargaining Agreement first requires Contributions to a Pension Trust after January 1, 1957 and who seek to be covered under the Trust Agreement and this Plan. If the Trustees conclude that (a) such a group will not subject the Fund or Plan to obligations which may necessitate modification of funding assumptions previously adopted by the Trustees, or (b) changes in the amounts of pension benefits hereunder would not result from the inclusion of such group, then all of the provisions of this Pension Plan may be made available to such group upon such terms and such conditions as the Trustees may specify. However, if the Trustees conclude that modification of previously adopted funding assumptions or changes in the amount of pension benefits hereunder would result from the inclusion of such group, then the Trustees may refuse to accept Contributions for such group or may include such group with such modifications of the provisions of the Plan for such group only if the Fund and the Plan will not be adversely affected by the inclusion of such group.
- b. **Modification of the Plan for New Groups.** Any modifications made in the Pension Plan with respect to a new group of Employees as a result of the actuarial review described herein shall be determined by the Board of Trustees acting on the advice of an actuary and applied in a non-discriminatory manner.
- c. **Trust not Obligated to Include New Groups of Employees.** Anything in the foregoing paragraph to the contrary notwithstanding, the Trustees shall have no obligation to include any such group under the Trust Agreement and the Plan.

Section 12.04. Waiver of Class, Collective, and Representative Actions. By participating in the Plan, participants, employees, and beneficiaries waive, to the fullest extent permitted by law, whether or not in court, any right to commence, be a party in any way, or be an actual or putative class member of any class, collective, or representative action arising out of or relating to any dispute, claim or controversy relating to the Plan, and participants, employees, and beneficiaries agree that any dispute, claim or controversy may only be initiated or maintained and decided on an individual basis.

Section 12.05. Terminated Employer. If an Employer terminates its participation in the Plan with respect to a Bargaining Unit, the Board is empowered to reduce or cancel any obligation of the Fund with respect to that

part of any pension for which a person was made eligible because of employment in such Bargaining Unit prior to the time that Contributions to the Fund began with respect to that unit. Neither the Board, the remaining Contributing Employers nor the Union shall be obliged to make such payments.

Such reduction or cancellation shall apply in every case in which an Employer withdraws or otherwise ceases to contribute to the Plan, provided that:

- (1) The Employer's cessation of contributions shall be deemed to have an adverse actuarial impact, and to the extent that the Plan's actuary determines that it will reduce the Plan's then-current margin, and
- (2) The reduction shall not apply to Pensioners.

Section 12.06. Termination.

- a. **Right to Terminate.** The Board shall have the right to discontinue or terminate this Plan in whole or in part. The rights of all affected Participants to benefits accrued to the date of the termination, partial termination or discontinuance to the extent funded as of such date shall be non-forfeitable.
- b. **Priorities of Allocation.** In the event of termination, the assets then remaining in the Plan, after providing for any administrative expense, shall be allocated among the Pensioners, Beneficiaries, Participants, and former Participants who have not incurred a Permanent Break in Service, in the following order:

- (1) First, in the case of benefits payable as a pension:
 - (A) In the case of the pension of a Participant or Beneficiary which was in pay status as of the beginning of the three-year period ending on the termination of the Plan, to each such pension, based on the provisions of the Plan (as in effect during the five-year period ending on such date) under which such pension would be the least.

The lowest pension in pay status during the three-year period shall be considered the pension in pay status for such period.
 - (B) In the case of a pension of a Participant or Beneficiary which would have been in pay status as of the beginning of such three-year period if the Participant had retired prior to the beginning of the three-year period and if his or her pension had commenced (in the standard form) as of the beginning of such period, to each such pension based on the provisions of the Plan (as in effect during the five-year period ending on such date) under which the pension would be the least.
- (2) Second, to all other benefits (if any) of individuals under the Plan guaranteed under Title IV of ERISA.
- (3) Third, to all other vested benefits under this Plan.
- (4) Fourth, to all other benefits under this Plan.

c. **Allocation Procedure.** For purposes of Subsection b. hereof:

- (1) The amount allocated under any paragraph of Subsection b. with respect to any benefit shall be properly adjusted for any allocation of assets with respect to that benefit under a prior paragraph of that Subsection.
- (2) If the assets available for allocation under any paragraph of Subsection b., other than paragraphs (3) and (4), are insufficient to satisfy in full the benefits of all individuals which are described in that paragraph, the assets shall be allocated pro rata among such individuals on the basis of the present value (as of the termination date) of their respective benefits described in that paragraph.
- (3) This paragraph applies if the assets available for allocation under Subsection (4) are not sufficient to satisfy in full the benefits of individuals described in that paragraph.
 - (A) If this paragraph applies, except as provided in subparagraph (B) below, the assets shall be allocated to the benefits of individuals described in Subsection b.(3) on the basis of the benefits of individuals which would have been described in such Subsection b.(3) under the Plan as in effect at the beginning of the five-year period ending on the date of Plan termination.
 - (B) If the assets available for allocation under subparagraph (A) above, are sufficient to satisfy in full the benefits described in such paragraph (without regard to this subparagraph), then for purposes of subparagraph (A), benefits of individuals described in such paragraph shall be determined on the basis of the Plan as amended by the most recent Plan amendment effective during such five-year period under which the assets available for allocation are sufficient to satisfy in full the benefits of individuals described in subparagraph (A) and any asset remaining to be allocated under subparagraph (A) on the basis of the Plan as amended by the next succeeding Plan amendment effective during such period.

Section 12.07. Free Five Year Look. Pursuant to ERISA Section 4210, an Employer who withdraws from the Plan in complete or partial withdrawal is not liable to the Plan if the following conditions are met:

- (1) The Employer first had an obligation to contribute to the Plan on or after November 14, 2014 through November 14, 2020; and
- (2) The Employer had an obligation to contribute to the Plan for no more than five consecutive plan years preceding the date on which the Employer withdraws; and
- (3) The Employer was obligated to make contributions to the Plan for each such plan year in an amount that was equal to less than two percent (2%) of the sum of all employer contributions made to the Plan for each such year; and
- (4) The Employer has never avoided withdrawal liability from the Plan under this provision; and
- (5) Reduction under Section 411(a)(3)(E) of the Internal Revenue Code applies with respect to the Employees of the Employer; and

- (6) The ratio of assets of the Plan for the plan year preceding the first plan year for which the Employer was required to contribute to the Plan to the benefit payments made during that plan year was at least 8-to-1.

ARTICLE 13. CONTINGENT TOP HEAVY RULES

Section 13.01. General Rules. If the Plan is determined to be Top-Heavy (as defined in Section 13.02) for any Plan Year, then for any such year the special vesting, minimum benefit and compensation limitations of Section 13.03 shall apply to any Employee not included in a unit of Employees covered by a Collective Bargaining Agreement between the Union and one or more Employers.

Section 13.02. Determination of Top-Heavy Status.

- a. **Determination Date.** The determination date for any Plan Year is the last day of the preceding Plan Year.
- b. **Top-Heavy Status.** The Plan is Top-Heavy for any Plan Year if as of the determination date the present value of the cumulative accrued benefits under the Plan for Key Employees exceeds 60 percent of the present value of the cumulative accrued benefits under the Plan for all employees. For this purpose, the Actuarial Present Value of the cumulative accrued benefits will be determined on the basis of five percent (5%) interest and the 1971 group annuity mortality table.
- c. **Key Employees.** Whether or not a Participant is a Key Employee depends on his or her status with the Contributing Employer that employs the Participant. Key employee means any employee or former employee (including any deceased employee) who at any time during the plan year that includes the determination date was an officer of the employer having annual compensation greater than \$130,000 (as adjusted under section 416(i)(1) of the Code for plan years beginning after December 31, 2002), a 5-percent owner of the employer, or a 1-percent owner of the employer having annual compensation of more than \$150,000. For this purpose, annual compensation means compensation within the meaning of section 415(c)(3) of the Code. The determination of who is a key employee will be made in accordance with section 416(i)(1) of the Code and the applicable regulations and other guidance of general applicability issued thereunder.
- d. **Aggregation Rules.** In determining if the Plan is Top-Heavy, the Plan shall be aggregated with each other plan in the required aggregation group as defined in Section 416(g)(2)(A)(i) of the Internal Revenue Code and may, in the Trustees' discretion, be aggregated with any other plan in the permissive aggregation group as defined in Section 416 (g)(2)(A)(ii) of the Internal Revenue Code.
- e. **Special Rules.**
 - (1) The present values of accrued benefits and the amounts of account balances of an employee as of the determination date shall be increased by the distributions made with respect to the employee under the plan and any plan aggregated with the plan under section 416(g)(2) of the Code during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the plan under section 416(g)(2)(A)(i) of the Code. In the case of a distribution made for a reason other than severance from employment, death, or disability, this provision shall be applied by substituting 5-year period for 1-year period.
 - (2) If an individual is not a Key Employee for any Plan Year but was a Key Employee for any prior Plan Year, any accrued benefit for such Employee shall not be taken into account for purposes of determining if the Plan is Top-Heavy.

- (3) For purposes of this Article 13, "Compensation" for a Plan Year means the amount required to be included in the Employee's Form W-2 for the calendar year that ends within that Plan Year.
- (4) Top-Heavy valuation date means the Plan's most recent valuation date for computing Plan costs for minimum funding purposes that occurs during the twelve-month period ending on the Determination Date.
- (5) The Plan shall include nondeductible employee contributions for purposes of determining the present value of the accrued benefit and for the five-year distribution, in accordance with Sections 416(g)(3) of the Internal Revenue Code and I.T. Regs. 1.416-1, T-28 and T-30.
- (6) The accrued benefits and accounts of any individual who has not performed services for the Employer during the 1-year period ending on the determination date shall not be taken into account.
- (7) Except to the extent provided in regulations, any rollover contribution (or similar transfer) initiated by the Employee and made after 1983 to the plan shall not be taken into account with respect to the transferee plan for purposes of determining whether such plan is a top-heavy plan (or whether any aggregation group which includes such plan is a top-heavy group).
- (8) The Board is authorized to adopt any other rules or regulations necessary to insure that the Plan complies in all respects with the Top-Heavy rules of the Internal Revenue Code.

Section 13.03. Special Vesting, Minimum Benefit, and Compensation Rules. The following rules will apply only to Employees not included in a unit of Employees covered by a Collective Bargaining Agreement requiring Contributions to this Plan and only if the Plan as a whole becomes Top-Heavy. Such Employees are referred to herein as Top-Heavy Employees.

a. **Vesting.**

- (1) **Applicability.** If the Plan becomes Top-Heavy the vesting schedule set forth in Subsection a.(2) below shall apply to the accrued benefit of every Top-Heavy Employee who has at least one Hour of Work while the Plan is Top-Heavy. Participants who do not have an Hour of Work while the Plan is Top-Heavy will have their vesting determined under the regular vesting schedule. Any accrued benefits which were forfeited before the Plan became Top-Heavy will remain forfeited.
- (2) **Special Vesting Schedule.** If the Plan becomes Top-Heavy, the following vesting schedule shall apply instead of the Plan's regular vesting schedule to the Participants defined in subparagraph (1):

<u>Years of Vesting Service</u>	<u>Percentage</u>
2	20
3	40
4	60
5	80
6 or more	100

- (3) **End of Top-Heavy Status.** If, after being determined to be Top-Heavy, the Plan ceases to be Top-Heavy, then:
 - (A) The non-forfeitable percentage of a Participant's accrued benefit before the Plan ceased to be Top-Heavy will not be reduced;
 - (B) Any Top-Heavy Employee with five or more Years of Credited Service at the time the Plan ceased to be Top-Heavy will have the vesting schedule of paragraph (2) above applied to his or her accrued benefits whenever earned; and
 - (C) Any Top-Heavy Employee with less than five Years of Credited Service at the time the Plan ceased to be Top-Heavy will have the Plan's regular vesting provisions apply to all benefits accrued after the Plan ceased to be Top-Heavy.

b. **Special Minimum Benefit Rules.**

- (1) **Applicability.** If the Plan becomes Top-Heavy, then for the first year that the Plan is Top-Heavy, and for all subsequent years during which it is Top-Heavy, the minimum benefit set forth in Subsection b.(2) below shall apply to all Top-Heavy Employees (other than Key Employees) who have a Year of Credited Service during any such Plan Year.
- (2) **Special Minimum Benefit.** If the Plan becomes Top-Heavy, the minimum Regular Pension benefit for Top-Heavy Employees (other than Key Employees) shall be the greater of (a) the Plan's basic Regular Pension benefit determined under Section 3.03 or Section 5.05 (whichever is applicable), or (b) two percent of the Participant's Average Top-Heavy Compensation for each Year of Credited Service beginning after May 31, 1984 during which the Plan was Top-Heavy, up to a maximum of 10 such years.
- (3) Average Top-Heavy Compensation shall mean the average Compensation for work performed while a Participant in this Plan for the period of consecutive Top-Heavy Years, not exceeding five, during which the Participant had the greatest aggregate Compensation. Top-Heavy Years are those Plan Years beginning on or after June 1, 1984 for which the Plan is determined to be Top-Heavy.
- (4) For purposes of satisfying the minimum benefit requirements of Section 416(c)(1) of the Code and the Plan, in determining years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of Section 410(b) of the Code) no key employee or former key employee.

- c. **Compensation Limitation.** If the Plan is Top-Heavy for any Plan Year, the amount of any Top-Heavy Employee's Compensation for all purposes of the Plan, other than determining Key Employee Status, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

ARTICLE 14. *MAXIMUM BENEFITS*

Section 14.01. General Rule.

- a. Notwithstanding any other provision of this Plan, the annual Accrued Benefit relating to employment with a contributing Employer payable with respect to any Participant shall not exceed \$160,000.
- b. This limit shall not apply to any benefit payable in a year that does not exceed \$1,000 a year for each year in which the Participant earns a Year of Credited Service, up to a maximum of \$10,000. If the Participant does not earn a Year of Credited Service, but earns a fraction, not exceeding 1.0, of a Year of Credited Service, the \$1,000 amount for the year is reduced by multiplication by that fraction. This subsection b. shall not apply if the Participant has also been covered by an individual account plan to which the Employer contributed on the Participant's behalf, and such plan was maintained as a result of collective bargaining involving the same employee representative as this Plan. The special \$10,000 exception set forth in this subsection b. applies to a Participant without regard to whether that Participant ever participated in one or more other plans maintained by an employer who also maintains this Plan, provided that none of such other plans were maintained as a result of collective bargaining involving the same employee representative as the multiemployer plan.
- c.
 - (1) The \$160,000 limit in subsection a. is adjusted, effective January 1 of each year, under section 415(d) of the Code in such manner as the Secretary shall prescribe, and payable in the form of a straight life annuity. A limitation as adjusted under section 415(d) will apply to limitation years ending with or within the calendar year for which the adjustment applies.
 - (2) Benefit payments that are limited by this Article shall be increased annually to the level permitted by the limitations of this Article as adjusted for later years in accordance with this subsection, but in no event to a level higher than the benefits attributable to accrued benefits earned by the Participant.
- d. Effective for Limitation Years beginning before July 1, 2007 and pursuant to the grandfather rules in Section 1.415(a)-1(g)(4) of the Treasury Regulations, this paragraph shall not apply to benefits accrued on or after January 1, 2008. For the purpose of administering the Plan, the maximum benefit limitation under this Article shall be tested on the basis that the Participant's benefit is attributable to service with a single Contributing Employer. If on the above basis the Participant's benefit would be limited because of the maximum benefits under this Article, then the provisions of this Article shall be applied separately for employment with different Contributing Employers. For this purpose, the benefit under this Plan considered as payable with respect to a Participant and an Employer shall equal the excess of the benefit over the benefit computed as if the Participant had no covered service with the Employer.
- e. Effective for Limitation Years beginning before July 1, 2007 and pursuant to the grandfather rules in Section 1.415(a)-1(g)(4), notwithstanding the provisions of Section 7.03, once the maximum benefit limitation under this Article 14 for each applicable form of payment provided by this Plan has been tested by applying the provisions of this Article separately for employment with different Contributing Employers, the Participant may elect to change his or her previously elected form of payment. Such election must be made in writing within 90 days after the date the Participant is notified of the benefit limitations of the forms of payment for which he or she qualifies based on such separate testing and will be made retroactive to the Participant's Pension Effective Date. If the Participant is married and

elects to receive a form of payment other than the Spousal Pension, his or her election shall require the Spouse's written consent, which must acknowledge the effect of such election and name both a designated beneficiary and the specific form of payment elected. Such spousal consent must be witnessed by a Notary Public.

- f. Benefit increases resulting from the increase in the limitations of section 415(b) of the Code will be provided to all current and former Participants (with benefits limited by section 415(b)) who have an accrued benefit under the Plan immediately prior to the effective date (other than an accrued benefit resulting from a benefit increase solely as a result of the increases in limitations under section 415(b)).
- g. In addition to any other limitations set forth in the Plan and notwithstanding any other provisions of the Plan, effective for Limitation Years beginning on or after July 1, 2007, benefits under the Plan shall be limited in accordance with Section 415 of the Code and the Treasury Regulations thereunder, in accordance with this Article. This Article 14 is intended to incorporate the requirements of Section 415 of the Code by reference except as otherwise specified herein. If and to the extent that the rules set forth in this Article 14 are not longer required for qualification of the Plan under Section 401(a) and related provisions of the Code and the Treasury Regulations thereunder, they shall cease to apply without the necessity of an amendment to the Plan.

Section 14.02. Adjustment of Dollar Limit for Early or Late Retirement.

- a. If the benefit of a Participant begins prior to age 62, the defined benefit dollar limitation applicable to the Participant at such earlier age is:
 - (1) If the Pension Effective Date is in a limitation year beginning before July 1, 2007, the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's Pension Effective Date that is the actuarial equivalent of the dollar limitation under Section 415(b)(1)(A) (as adjusted under Section 415(d)), with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (i) the interest rate and mortality table or other tabular factor specified in the Plan for determining actuarial equivalence for early retirement purposes; or (ii) a 5 percent interest rate assumption and the applicable mortality table.
 - (2) If the Pension Effective Date is in a limitation year beginning on or after July 1, 2007, the lesser of (i) the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's Pension Effective Date that is the actuarial equivalent of the dollar limitation under section 415(b)(1)(A) (as adjusted under section 415(d)), with actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table (and expressing the Participant's age based on completed calendar months as of the Pension Effective Date); and (ii) the product of the dollar limitation under section 415(b)(1)(A) (as adjusted under section 415(d)) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan to the Participant's Pension Effective Date to the annual amount of the immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of section 415.

Notwithstanding the above, if the Plan does not have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity

starting date that is the actuarial equivalent of the defined benefit dollar limitation (adjusted for years of participation less than 10, if required) with actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table for the annuity starting date as defined in Section 1.02 of the Plan (and expressing the Participant's age based on completed calendar months as of the annuity start date).

b. If the benefit of a Participant begins after the Participant attains age 65, the defined benefit dollar limitation:

- (1) If the Pension Effective Date is in a limitation year beginning before July 1, 2007, the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's Pension Effective Date this is the actuarial equivalent of the dollar limitation under Section 415(b)(1)(A) (as adjusted under Section 415(d)), with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (i) the interest rate and mortality table or other tabular factor specified in the Plan for determining actuarial equivalence for delayed retirement purposes; or (2) a 5 percent interest rate assumptions and the applicable mortality table.
- (2) If the Pension Effective Date is in a limitation year beginning on or after July 1, 2007, is the lesser of (i) the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's Pension Effective Date that is the actuarial equivalent of the dollar limitation under section 415(b)(1)(A) (as adjusted under section 415(d)), with actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table (and expressing the Participant's age based on completed calendar months as of the Pension Effective Date); and (ii) the product of the dollar limitation under section 415(b)(1)(A) (as adjusted under section 415(d)) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's Pension Effective Date to the annual amount of the immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of section 415.

Notwithstanding the above, if the Plan does not have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the defined benefit dollar limitation (adjusted for years of participation less than 10, if required), with actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table for that annuity starting date as defined in Section 1.02 of the Plan (and expressing the Participant's age based on completed calendar months as of the annuity starting date).

The applicable mortality table is the mortality table prescribed by Section 415(b)(2)(E)(v) of the Code.

Section 14.03. Adjustment for Optional Payment Form. If the Participant's accrued annuity benefit is paid in any form other than a single-life annuity or a Spousal Pension, the limitation in Section 14.01.a. (as otherwise modified under this Article) is applied to the accrued annuity benefit before it is converted to the alternative payment form, so that the amount payable under the payment form selected will be the Actuarial Equivalent of the accrued annuity benefit (which is defined as a single-life annuity) as limited by Section 14.01.a. Actuarial Equivalent is determined for this purpose based on a 5 (five) percent interest assumption and the 1983 Group Annuity Mortality Table based on a 50% male/50% female gender blend.

Notwithstanding the above, for purposes of applying the limitation in Section 14.01.a. in limitation years beginning on or after July 1, 2007, a retirement benefit that is payable in any form other than a single-life annuity and that is not subject to Section 417(e)(3) of the Code must be adjusted to an actuarially equivalent straight life annuity that equals the greater of the annual amount of the straight life annuity (if any) payable under the Plan at the same Pension Effective Date, and the annual amount of a straight life annuity commencing at the same Pension Effective Date that has the same actuarial present value as the Participant's form of benefit computed using an interest rate of 5 (five) percent and the applicable mortality table under Section 417(e)(3) of the Code.

Section 14.04. Phase-In Over Years of Participation. If a Participant has fewer than 10 years of participation in this Plan the \$160,000 limitation in Section 14.01.a. shall be multiplied by a fraction, the numerator of which is the Participant's total years of participation in this Plan and the denominator of which is 10. The limitation thus obtained shall not be less than 10% of the \$160,000 limitation.

Section 14.05. Limitation Year. The annual limits of this Article shall be applied on a calendar year basis.

Section 14.06. Protection of Prior Benefits.

- a. For any year before 1983, the limitations prescribed by Section 415 of the Code as in effect before enactment of the Tax Equity and Fiscal Responsibility Act of 1982 shall apply, and no benefit earned under this Plan shall be reduced on account of the provisions of this Article if it would have satisfied those limitations under the prior law.
- b. For any year before 1992, the limitations prescribed by Section 415 of the Code as in effect before enactment of the Tax Reform Act of 1986 shall apply, and no benefit earned under this Plan as of the close of the last Limitation Year beginning before January 1, 1987 shall be reduced on account of the provisions of this Article if it would have satisfied those limitations under the prior law.
- c. The application of the provisions of this Article 14 shall not cause the maximum permissible benefit for any Participant to be less than the Participant's accrued benefit under all the defined benefit plans of the Employer or a predecessor employer as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, Regulations, and other published guidance relating to Code Section 415 in effect as of the end of the last Limitation Year beginning before July 1, 2007, as described in Section 1.415(a)-1(g)(4) of the Treasury Regulations.

Section 14.07. Adjustments Following Commencement of Benefits. If on a Participant's Pension Effective Date, his or her benefit exceeds the maximum limitation as allowed under Internal Revenue Code Section 415 for that Calendar Year, said Participant's benefit for subsequent Calendar Years shall be increased up to the maximum limitation as adjusted for the particular Calendar Year. Any excess benefit amounts not payable during the initial or subsequent Calendar Years shall be held by the Fund, and accumulated with interest to the end of the year (at the prime rate as published in the Wall Street Journal as of January 1 of each Calendar Year) in an account for the Participant.

In the event that the maximum limitation for a Calendar Year exceeds the Participant's original benefit that would have been payable in the absence of Section 415, the Participant shall be entitled to recover benefits,

which were previously determined to be in excess and held by the Fund, up to the current Calendar Year's maximum limitation. Subject to any subsequent Calendar Year's maximum limitation, the Participant shall be entitled to the continued recovery of excess benefits until such time as all excess benefit amounts have been paid.

Upon the death of a Participant, any remaining excess benefit amounts in the Participant's account shall be paid to the Participant's Spouse or, if there is no surviving Spouse, to the Participant's designated beneficiary to the extent such payment is permitted by Internal Revenue Service regulations.

Effective the first day of the second month after the last collective bargaining agreement providing for contributions to the Resilient Floor Covering Pension Fund has been amended to provide for the creation of and contributions to the Resilient Floor Covering Excess Benefit Plan this Section will no longer be operative and any benefits payable under this Section 14.07 shall be offset by amounts paid therefore under the Resilient Floor Covering Excess Benefit Plan.

Section 14.08. Adjustment for Benefits Subject to 417(e)(3) of the Code. For purposes of adjusting any benefit under this Plan that is subject to Section 417(e)(3) of the Code, for distributions made on or after January 1, 2004, the computation of Actuarial Equivalent shall be based on the Applicable Mortality Table, as determined under the Plan, and the greater of the rate specified in the Plan or five and one-half percent (5.5%); and for distributions made on or after January 1, 2006, the computation of Actuarial Equivalent shall be based on the Applicable Mortality Table, and the greatest of (i) 5.5%, (ii) the rate that provides a benefit of not more than 105% of the benefit that would be provided if the “applicable interest rate” as defined in Code Section 417(e)(3) were the interest rate assumption, or (iii) the rate specified in the Plan.

Section 14.09. Interpretation or Definition of Other Terms. All terms used in this Article not otherwise expressly defined in the Plan, shall be defined, interpreted and applied as prescribed in Internal Revenue Code section 415 and the regulations and rulings issued thereunder.

ARTICLE 15. *MINIMUM DISTRIBUTION REQUIREMENTS*

Section 15.01. General Rules.

- a. ***Effective Date.*** The provisions of this Article will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- b. ***Precedence.*** The requirements of this Article and the Treasury Regulations under Section 401 (a)(9) will take precedence over any inconsistent provisions of the Plan.
- c. ***Requirements of Treasury Regulations Incorporated.*** All distributions required under this Article will be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Internal Revenue Code.
- d. ***TEFRA Section 242 (b)(2) Elections.*** Notwithstanding the other provisions of this Article, other than Section 15.01.c., distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to Section 242(b)(2).

Section 15.02. Time and Manner of Distribution.

- a. ***Required Beginning Date.*** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.
- b. ***Death of Participant Before Distributions Begin.*** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
 - (1) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.
 - (2) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (3) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (4) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 15.02.b., other than Section 15.02.b.(1) will apply as if the spouse were the Participant.

For purposes of this Section 15.02 and Section 15.05, distributions are considered to begin on the Participant's required beginning date (or, if Section 15.02.b.(4) applies, the date distributions are required to begin to the surviving spouse under Section 15.02.b. (1)). If annuity payments irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 15.02.b.(1), the date distributions are considered to begin is the date distributions actually commence.

- c. ***Form of Distribution.*** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year, distributions will be made in accordance with Sections 15.03, 15.04, and 15.05 of this Article. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations. Any part of the Participant's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

Section 15.03. Determination of Amount to be Distributed Each Year.

- a. ***General Annuity Requirements.*** If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
 - (1) The annuity distributions will be paid in periodic payments made at intervals not longer than one year.
 - (2) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 15.04 or 15.05.
 - (3) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted.
 - (4) Payments will either be nonincreasing or increase only as follows:
 - (A) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
 - (B) To the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 15.04 dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p);
 - (C) To provide cash or refunds of employee contributions upon the Participant's death; or

- (D) To pay increased benefits that result from a Plan amendment.
- b. ***Amount Required to be Distributed by Required Beginning Date.*** The amount that must be distributed on or before the Participant's required beginning date (or, if the Participant dies before the distributions begin, the date distributions are required to begin under Section 15.02.b.(1) or 15.02.b.(2) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's required beginning date.
- c. ***Additional Accruals After First Distribution Calendar Year.*** Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

Section 15.04. Requirements for Annuity Distributions That Commence During the Participant's Lifetime

- a. ***Joint Life Annuities Where the Beneficiary is Not the Participant's Spouse.*** If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary, annuity payments to be made on or after the Participant's required beginning date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of Section 1.401(a)(9)-6T of the Treasury Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.
- b. ***Period Certain Annuities.*** Unless the Participant's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period as determined under this Section 15.04.b., or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

Section 15.05. Requirements for Minimum Distributions Where Participant Dies Before the Date Distributions Begin

- a. **Participant Survived by Designated Beneficiary.** If the Participant dies before the date distribution of his or her interest begins and there is a designated beneficiary, the Participant's entire interest will be distributed beginning no later than the time described in Section 15.02(b) (1) or 15.02.b.(2), over the life of the designated beneficiary or over a period certain not exceeding:
- (1) Unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or
 - (2) If the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.
- b. **No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- c. **Death of Surviving Spouse Before Distributions to Surviving Spouse Begin.** If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies before distributions to the surviving spouse begin, this Section 15.05 will apply as if the surviving spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 15.02.b.(1).

Section 15.06. Definitions

- a. **Designated Beneficiary.** The individual who is designated as the beneficiary under Section 8.05 of the Plan and is the designated beneficiary under Section 401 (a)(9) of the Internal Revenue Code and Section 1.401(a)(9)-1, Q & A-4, of the Treasury Regulations.
- b. **Distribution Calendar Year.** A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 15.02.b.
- c. **Life Expectancy.** Life expectancy as computed by use of the Single Life Table in Section 1.401 (a)(9)-9 of the Treasury Regulations.

- d. ***Required Beginning Date.*** "Required Beginning Date" means the date specified in Section 1.24 of the Plan.

ARTICLE 16. AMENDMENT

This Plan may be amended at any time by the Board, consistent with the provisions of the Trust Agreement. However, no amendment may decrease the accrued benefit of any Participant, except:

- a. As necessary to establish or maintain the qualification of the Plan or Fund under the Internal Revenue Code and so maintain compliance of the Plan with the requirements of ERISA, or
- b. If the amendment meets the requirements of Section 302(c)(8) of ERISA and Section 412(c)(8) of the Internal Revenue Code, and the Secretary of Labor has been notified of such amendment and has either approved of it, or within 90 days after the date on which such notice was filed, failed to disapprove of it.
- c. Effective for Plan amendments adopted after August 9, 2006, no amendment to the Plan (including a change in the actuarial basis for determining optional or early retirement benefits) shall be effective to the extent that it has the effect of decreasing a Participant's accrued benefit. For purposes of this Section, a Plan amendment that has the effect of (1) eliminating or reducing an early retirement benefit or a retirement-type subsidy, or (2) eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment shall be treated as reducing accrued benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the preamendment conditions for the subsidy. Notwithstanding the preceding sentences, a Participant's accrued benefit, early retirement benefit, retirement-type subsidy, or optional form of benefit may be reduced to the extent permitted under Sections 1.411(d)-3 and 1.411(d)-4 of the Treasury Regulations. Notwithstanding the preceding sentences, the benefits provided under the Plan are subject to the reductions and eliminations provided under the Rehabilitation Plan, pursuant to the Pension Protection Act of 2006.

APPENDIX A – (Table B-9)

SPOUSAL PENSION

*Percentage of Pension Payable to Employee with
50% of Reduced Pension Payable to Spouse*

(Not Applicable for Disability Pensions)

Age of Spouse in Relation to Age of Employee	Percentage
20 years younger	82%
19 years younger	82
18 years younger	83
17 years younger	83
16 years younger	84
15 years younger	84
14 years younger	85
13 years younger	85
12 years younger	86
11 years younger	86
10 years younger	87
9 years younger	87
8 years younger	88
7 years younger	88
6 years younger	89
5 years younger	90
4 years younger	90
3 years younger	91
2 years younger	91
1 year younger	92
Same	93
1 year older	93
2 years older	94
3 years older	94
4 years older	95
5 years older	96
6 years older	96
7 years older	97
8 years older	97
9 years older	98
10 years older	99

3 year certain conversion
wo A/S
1976

APPENDIX B – (Table B-10)

SPOUSAL PENSION

***Percentage of Pension Payable to Employee with
50% of Reduced Pension Payable to Spouse***

(Disability Pensions Only)

Age of Spouse in Relation to Age of Employee	<i>Percentage</i>
20 years younger	67%
19 years younger	68
18 years younger	68
17 years younger	69
16 years younger	69
15 years younger	69
14 years younger	70
13 years younger	70
12 years younger	71
11 years younger	71
10 years younger	72
9 years younger	72
8 years younger	73
7 years younger	74
6 years younger	74
5 years younger	75
4 years younger	75
3 years younger	76
2 years younger	77
1 year younger	77
Same	78
1 year older	78
2 years older	79
3 years older	80
4 years older	80
5 years older	81
6 years older	81
7 years older	82
8 years older	83
9 years older	83
10 years older	84

3 year certain conversion
wo A/S
1976

APPENDIX C

SPOUSAL PENSION

***Percentage of Pension Payable to Employee with 75% or 100%
of Reduced Pension Payable to Spouse***

(Not Applicable for Disability Pensions)

<i>Age of Spouse in Relation to Age of Employee</i>	<i>Percentage</i>	
	<i>75% Option</i>	<i>100% Option</i>
20 years younger	78%	74%
19 years younger	78	74
18 years younger	79	75
17 years younger	79	75
16 years younger	80	76
15 years younger	80	76
14 years younger	81	77
13 years younger	81	77
12 years younger	82	78
11 years younger	82	78
10 years younger	83	79
9 years younger	83	79
8 years younger	84	80
7 years younger	84	80
6 years younger	85	81
5 years younger	86	82
4 years younger	86	82
3 years younger	87	83
2 years younger	87	83
1 year younger	88	84
Same	89	85
1 year older	89	85
2 years older	90	86
3 years older	90	86
4 years older	91	87
5 years older	92	88
6 years older	92	88
7 years older	93	89
8 years older	93	89
9 years older	94	90
10 years older	95	91

3 year certain conversion

APPENDIX D

SPOUSAL PENSION

*Percentage of Pension Payable to Employee with 75% or 100%
of Reduced Pension Payable to Spouse*

(Disability Pensions Only)

<i>Age of Spouse in Relation to Age of Employee</i>	<i>Percentage</i>	
	<i>75% Option</i>	<i>100% Option</i>
20 years younger	63%	59%
19 years younger	64	60
18 years younger	64	60
17 years younger	65	61
16 years younger	65	61
15 years younger	65	61
14 years younger	66	62
13 years younger	66	62
12 years younger	67	63
11 years younger	67	63
10 years younger	68	64
9 years younger	68	64
8 years younger	69	65
7 years younger	70	66
6 years younger	70	66
5 years younger	71	67
4 years younger	71	67
3 years younger	72	68
2 years younger	73	69
1 year younger	73	69
Same	74	70
1 year older	74	70
2 years older	75	71
3 years older	76	72
4 years older	76	72
5 years older	77	73
6 years older	77	73
7 years older	78	74
8 years older	79	75
9 years older	79	75
10 years older	80	76

3 year certain conversion

APPENDIX E – (TABLE D-28)

SPOUSAL PENSION

*Additional Percentage Payable to Employees
Retiring Before Age 55 When Benefit to Spouse is Deferred
To Employee's 55th Birthday*

<u>Attained Age of Employee</u>	<u>Additional Percentage</u>	
	<u>Disability Pensions</u>	<u>Other Pensions</u>
54	–%	1%
53	-	2
52	1	2
51	1	3
50	1	4
49	2	5
48	2	5
47	3	6
46	3	6
45	4	7
44	5	7
43	6	8
42	6	8
41	7	9
40	8	9
39	9	9
38	9	9
37	10	10
36	10	10
35	10	10

APPENDIX F

FIVE AND TEN-YEAR CERTAIN AND LIFE OPTIONS

*Percentage of Pension Payable to Retiring Employee
with Specific Number of Payments Guaranteed*

(Not Applicable for Disability Pension)

<u>Age at Retirement</u>	<u>Percentage</u>	
	<u>5-Year Certain & Life</u>	<u>10-Year Certain & Life</u>
45	99.0	99.0
46	99.0	99.0
47	99.0	99.0
48	99.0	99.0
49	99.0	99.0
50	99.0	99.0
51	99.0	99.0
52	99.0	99.0
53	99.0	99.0
54	99.0	99.0
55	99.0	99.0
56	99.0	99.0
57	99.0	99.0
58	99.0	99.0
59	99.0	98.6
60	99.0	97.5
61	98.8	96.4
62	98.6	95.3
63	98.4	94.2
64	98.2	93.1
65	98.0	92.0
66	97.3	89.5
67	96.6	87.0
68	95.9	84.5
69	95.2	82.0
70	94.5	79.5
71	93.8	77.0
72	93.1	74.5

3 C+L Conversion

APPENDIX G

FIVE AND TEN-YEAR CERTAIN AND LIFE OPTIONS

*Percentage of Pension Payable to Retiring Employee
with Specific Number of Payments Guaranteed*

(Disability Pensions Only)

<u>Age at Retirement</u>	<u>Percentage</u>	
	<u>5-Year Certain & Life</u>	<u>10-Year Certain & Life</u>
35	99.0	91.0
36	98.9	90.8
37	98.8	90.6
38	98.7	90.4
39	98.6	90.2
40	98.5	90.0
41	98.4	89.8
42	98.3	89.6
43	98.2	89.4
44	98.1	89.2
45	98.0	89.0
46	97.9	88.8
47	97.8	88.6
48	97.7	88.4
49	97.6	88.2
50	97.5	88.0
51	97.4	87.8
52	97.3	87.6
53	97.2	87.4
54	97.1	87.2
55	97.0	87.0
56	96.8	86.4
57	96.6	85.8
58	96.4	85.2
59	96.2	84.6
60	96.0	84.0
61	95.8	83.4
62	95.6	82.8
63	95.4	82.2
64	95.2	81.6
65	95.0	81.0

3 C+L Conversion

APPENDIX H

BENEFIT RATE HISTORY

Rates Effective Prior to January 1, 1985

If the Bargaining Unit Contribution Rate was \$1.00 or less:

\$9.00 for each Non-Contributory Benefit Unit; plus

A monthly amount payable for each Contributory Benefit Unit, determined from the following table:

<u>Hourly Contribution Rate Last Paid for Hours Worked in Covered Employment</u>	<u>Benefit Rate</u>
Less than 55¢	\$9.45
55¢ but less than 60¢	10.80
60¢ but less than 65¢	11.15
65¢ but less than 70¢	12.95
70¢ but less than 75¢	13.70
75¢ but less than 80¢	14.50
80¢ but less than 85¢	15.20
85¢ but less than 90¢	15.95
90¢ but less than 95¢	16.60
95¢ but less than \$1.00	17.20
\$1.00	17.85

If the Bargaining Unit Contribution Rate was more than \$1.00:

\$9.00 for each Non-Contributory Benefit Unit; plus

\$17.85 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to January 1 following or coincident with the date the Bargaining Unit Contribution Rate was increased to more than \$1.00; plus

For hour worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00:*

1.1% of Contributions made for hours worked prior to January 1, 1978; and

1.3% of Contributions made for hours worked on and after July 1, 1978 and before January 1, 1980; and

1.6% of Contributions made for hours worked on and after January 1, 1980 and before January 1, 1981; and

1.75% of Contributions made for hours worked on and after January 1, 1981 and before January 1, 1983; and

1.83% of Contributions made for hours worked on and after January 1, 1983 and before January 1, 1984; and

2% of Contributions made for hours worked on and after January 1, 1984 and before January 1, 1985.

Rates Effective January 1, 1985

\$9.00 for each Non-Contributory Benefit Unit; plus

\$17.85 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate was increased to more than \$1.00; plus

2% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00.*

Rates Effective January 1, 1986

\$9.00 for each Non-Contributory Benefit Unit; plus

\$20.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate was increased to more than \$1.00; plus

2.2% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution rate went to more than \$1.00.*

Rates Effective January 1, 1987

\$9.00 for each Non-Contributory Benefit Unit; plus

\$24.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate was increased to more than \$1.00; plus

2.35% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00.*

Rates Effective January 1, 1988

\$9.00 for each Non-Contributory Benefit Unit; plus

\$28.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the

January 1 following or coincident with the date the Bargaining Unit Contribution Rate was increased to more than \$1.00;** plus

2.5% of Contributions made for hour worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00.*

Rates Effective January 1, 1989

\$9.00 for each Non-Contributory Benefit Unit; plus

\$29.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate was increased to more than \$1.00;** plus

2.65% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00.*

Rates Effective January 1, 1990

\$9.00 for each Non-Contributory Benefit Unit; plus

\$29.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate was increased to more than \$1.00;** plus

2.85% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00.*

Rates Effective January 1, 1991

Employees covered under Article 5:

\$25.00 for each Non-Contributory Benefit Unit (up to a maximum of 10 Benefit Units); plus

2% of Contributions made for hours worked in Covered Employment.

All other Employees:

\$9.00 for each Non-Contributory Benefit Unit; plus

\$29.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate was increased to more than \$1.00;** plus

3% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00.*

\$1.00.*

Rates Effective January 1, 1992

Employees covered under Article 5:

No change.

All other Employees:

\$9.00 for each Non-Contributory Benefit Unit; plus

\$30.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate was increased to more than \$1.00;** plus

3.15% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00.*

Rates Effective January 1, 1993

Employees covered under Article 5:

No change.

All other Employees:

\$9.00 for each Non-Contributory Benefit Unit; plus

\$32.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate was increased to more than \$1.00,** plus

3.25% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00.*

Rates Effective January 1, 1994

Employees covered under Article 5:

\$25.00 for each Non-Contributory Benefit Unit (up to a maximum of 10 Benefit Units); plus

2.15% of Contributions made for hours worked in Covered Employment prior to January 1, 1997; plus

2% of Contributions made for hours worked in Covered Employment on and after January 1, 1997.

All other Employees:

\$9.00 for each Non-Contributory Benefit Unit; plus

\$35.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00;** plus

3.5% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00.*

Rates Effective January 1, 1995

Employees covered under Article 5:

No change.

All other Employees:

\$9.00 for each Non-Contributory Benefit Unit; plus

\$38.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00;** plus

3.5% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00* and prior to January 1, 1997; plus

3.2% of Contributions made for hours worked in Covered Employment on and after January 1, 1997 and prior to January 1, 2000; plus

2.50% of Contributions made for hours worked in Covered Employment on and after January 1, 2000.

Rates Effective January 1, 1996

Employees Covered Under Article 5:

\$25.00 for each Non-Contributory Benefit Unit (up to a maximum of 10 Benefit Units); plus

2.15% of Contributions made for hours worked in Covered Employment prior to January 1, 1997; plus

2.2% of Contributions made for hours worked in Covered Employment in 1997; plus

2% of Contributions made for hours worked in Covered Employment on and after January 1, 1998.

All Other Employees:

\$9.00 for each Non-Contributory Benefit Unit; plus

\$38.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00;** plus

3.5% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00* and prior to January 1, 1998; plus

3.2% of Contributions made for hours worked in Covered Employment on and after January 1, 1998 and prior to January 1, 2000; plus

2.5% of Contributions made for hours worked in Covered Employment on and after January 1, 2000.

Rates Effective January 1, 1997

Employees Covered Under Article 5:

\$25.00 for each Non-Contributory Benefit Unit (up to a maximum of 10 Benefit Units); plus

2.2% of Contributions made for hours worked in Covered Employment prior to January 1, 1997; plus

2.25% of Contributions made for hours worked in Covered Employment on and after January 1, 1997 and prior to January 1, 2000; plus

2.32% of Contributions made for hours worked in Covered Employment on and after January 1, 2000 and prior to January 1, 2002; plus

2.0% of Contributions made for hours worked in Covered Employment on and after January 1, 2002.

All Other Employees:

\$25.00 for each Non-Contributory Benefit Unit; plus

\$40.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00**; plus

3.6% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Units Contribution Rate went to more than \$1.00* and prior to January 1, 2000; plus

2.9% of Contributions made for hours worked in Covered Employment on and after January 1, 2000 and prior to January 1, 2002; plus

2.5% of Contributions made for hours worked in Covered Employment on and after January 1, 2002.

Rates Effective June 1, 1997

Employees Covered Under Article 5:

\$25.00 for each Non-Contributory Benefit Unit (up to a maximum of 10 Benefit Units); plus

2.45% of Contributions made for hours worked in Covered Employment prior to January 1, 1997; plus
2.5% of Contributions made for hours worked in Covered Employment on and after January 1, 1997.

All Other Employees:

\$25.00 for each Non-Contributory Benefit Unit; plus

\$45.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00**; plus

4% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Units Contribution Rate went to more than \$1.00*

Rates Effective January 1, 1998

Employees Covered Under Article 5:

\$25.00 for each Non-Contributory Benefit Unit (up to a maximum of 10 Benefit Units); plus

2.45% of Contributions made for hours worked in Covered Employment prior to January 1, 1997; plus

2.5% of Contributions made for hours worked in Covered Employment on and after January 1, 1997.

All Other Employees:

\$25.00 for each Non-Contributory Benefit Unit; plus

\$45.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00**; plus

4% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Units Contribution Rate went to more than \$1.00*.

Rates Effective June 1, 1998

Employees Covered Under Article 5:

\$25.00 for each Non-Contributory Benefit Unit (up to a maximum of 10 Benefit Units); plus

2.8% of Contributions made for hours worked in Covered Employment.

All Other Employees:

\$25.00 for each Non-Contributory Benefit Unit; plus

\$65.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00**; plus

4.5% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Units Contribution Rate went to more than \$1.00*.

Rates Effective June 1, 1999

Employees Covered Under Article 5:

\$25.00 for each Non-Contributory Benefit Unit (up to a maximum of 10 Benefit Units); plus

5.0% of Contributions made for hours worked in Covered Employment.

All Other Employees:

\$25.00 for each Non-Contributory Benefit Unit; plus

\$90.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00**; plus

5.0% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Units Contribution Rate went to more than \$1.00*.

Rates Effective June 1, 2000

Employees Covered Under Article 5:

\$25.00 for each Non-Contributory Benefit Unit (up to a maximum of 10 Benefit Units); plus

5.25% of Contributions made for hours worked in Covered Employment.

All Other Employees:

\$25.00 for each Non-Contributory Benefit Unit; plus

\$90.00 for each Contributory Benefit Unit earned prior to January 1, 1976, or if later, prior to the January 1 following or coincident with the date the Bargaining Unit Contribution Rate went to more than \$1.00**; plus

5.25% of Contributions made for hours worked in Covered Employment on and after the January 1 following or coincident with the date the Bargaining Units Contribution Rate went to more than \$1.00*.

Rates Effective January 1, 2003

Employees Covered Under Article 5:

\$25.00 for each non-contributory benefit unit (up to a maximum of 10 benefit units); plus
5.25% of employer contributions made for hours worked in Covered Employment prior to January 1, 2003; plus

4.2% of employer contributions made for hours worked in Covered Employment on and after January 1, 2003 and prior to April 1, 2003.

All Other Employees:

\$25.00 for each non-contributory benefit unit; plus

\$90.00 for each contributory benefit unit earned prior to the January 1 when the contribution rate was increased to more than \$1.00 per hour; plus

For periods beginning with the January 1 coincident with or next following the date the contribution rate was increased to over \$1.00 per hour:

5.25% of employer contributions made for hours worked in Covered Employment prior to January 1, 2003; plus

4.2% of employer contributions made for hours worked in Covered Employment on and after January 1, 2003 and before April 1, 2003.

Rates Effective April 1, 2003

Employees Covered Under Article 5:

\$25.00 for each non-contributory benefit unit (up to a maximum of 10 benefit units); plus

5.25% of employer contributions made for hours worked in Covered Employment prior to January 1, 2003; plus

4.2% of employer contributions made for hours worked in Covered Employment on and after January 1, 2003 and prior to April 1, 2003; plus

1.5% of employer contributions made for hours worked in Covered Employment on or after April 1, 2003 and prior to September 1, 2005.

All Other Employees:

\$25.00 for each non-contributory benefit unit; plus

\$90.00 for each contributory benefit unit earned prior to the January 1 when the contribution rate was increased to more than \$1.00 per hour; plus

For periods beginning with the January 1 coincident with or next following the date the contribution rate was increased to over \$1.00 per hour:

5.25% of employer contributions made for hours worked in Covered Employment prior to January 1, 2003; plus

4.2% of employer contributions made for hours worked in Covered Employment on and after January 1, 2003 and before April 1, 2003; plus

1.5% of employer contributions made for hours worked in Covered Employment on and after April 1, 2003 and prior to September 1, 2005.

Rates Effective September 1, 2005

Employees Covered Under Article 5:

\$25.00 for each non-contributory benefit unit (up to a maximum of 10 benefit units); plus

5.25% of employer contributions made for hours worked in Covered Employment prior to January 1, 2003; plus

4.2% of employer contributions made for hours worked in Covered Employment on and after January 1, 2003 and prior to April 1, 2003; plus

1.5% of employer contributions made for hours worked in Covered Employment on or after April 1, 2003 and prior to September 1, 2005; plus

1% of employer contributions made for hours worked in Covered Employment on and after September 1, 2005.

All Other Employees:

\$25.00 for each non-contributory benefit unit; plus

\$90.00 for each contributory benefit unit earned prior to the January 1 when the contribution rate was increased to more than \$1.00 per hour; plus

For periods beginning with the January 1 coincident with or next following the date the contribution rate was increased to over \$1.00 per hour:

5.25% of employer contributions made for hours worked in Covered Employment prior to January 1, 2003; plus

4.2% of employer contributions made for hours worked in Covered Employment on and after January 1, 2003 and before April 1, 2003; plus

1.5% of employer contributions made for hours worked in Covered Employment on and after April 1, 2003 and prior to September 1, 2005; plus

1% of employer contributions made for hours worked in Covered Employment on and after September 1, 2005.

Effective January 1, 2005, the Fund's Board of Trustees adopted a funding improvement plan. As part of this funding improvement plan, a portion of employer contributions are used to reduce the Plan's funding deficit. The amount of a participant's monthly pension will not include these deficit reduction contributions. The tables below show the amount of contributions allocated to deficit reduction.

Deficit Reduction Contribution for Bargained

Effective Dates

Employees	
\$.70 per hour	September 1, 2005 to August 31, 2006
\$1.40 per hour	September 1, 2006 to August 31, 2007
\$2.10 per hour	September 1, 2007 to present

Deficit Reduction Contributions for Employees other than Bargained Employees	Effective Dates
13.47% of Employer Contributions	September 1, 2005 to August 31, 2006
27% of Employer Contributions	September 1, 2006 to August 31, 2007
40% of Employer Contribution	September 1, 2007 to present

For Pensions effective on or after January 1, 1991, the monthly Pension amount shall not be less than the Minimum Monthly Benefit determined in accordance with Section 3.16

- * If the Contribution Rate increased to more than \$1.00 per hour by November 1, 1976, the benefits are based on the applicable percentage of Contributions made for hours worked in Covered Employment on and after January 1, 1976.
- ** 1.5% of Contributions made for hours worked in Covered Employment on and after January 1, 1988 for which the Contribution Rate of \$1.00 or less is made.

APPENDIX I

ADDITIONAL PENSION PAYMENTS

1. All Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1982 received a bonus check of \$210.00.
2. All Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1983 received a bonus check of \$200.00.
3. All Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1984 received a bonus check of \$140.00.
4. All Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1985 received a bonus check of \$500.00 if the Pension Effective Date was before January 1, 1976 or a bonus check of \$300.00 if the Pension Effective Date was on or after January 1, 1976.
5. All Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1986 received a bonus check of \$400.00.
6. All Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1987 received a bonus check of \$600.00.
7. All Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1988 received a bonus check of \$575.00.
8. All Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1989 received a bonus check of \$1,000.00.
9. Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1991 received a bonus check of \$750.00, with the following exception:

This bonus check was not payable if the Pensioner retired on or after January 1, 1991 and did not have at least 500 Contributory Hours in the two Calendar Years immediately prior to his or her Pension Effective Date, unless the Pensioner satisfied the requirements of Subsection 3.03.k.

10. Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1992 received a bonus check, based on the following formula:

\$50.00 for each Benefit Unit accumulated by the Pensioner as of November 30, 1992 (not counting Benefit Units permanently canceled by a Permanent Break in Service), subject to a minimum payment of \$500.00 and a maximum payment of \$1,500.00.

This bonus check was not payable if the Pensioner retired on or after January 1, 1991 and did not have at least 500 Contributory Hours in the two Calendar Years immediately prior to his or her Pension Effective Date, unless the Pensioner satisfied the requirements of Subsection 3.03.k.

11. Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1993 received a bonus check of \$1,250.00.

This bonus check was not payable if the Pensioner retired on or after January 1, 1991 and did not have at least 500 Contributory Hours in the two Calendar Years immediately prior to his or her Pension Effective Date, unless the Pensioner satisfied the requirements of Subsection 3.03.k.

12. Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1994 received a bonus check, based on the following formula:

\$50.00 for each full Benefit Unit accumulated by the Pensioner as of November 30, 1994 (not counting Benefit Units permanently canceled by a Permanent Break in Service), subject to a minimum payment of \$500.00 and a maximum payment of \$1,500.00. A Spouse receiving a Surviving Spouse Pension received 50%, 75% or 100% of that amount, depending on the type of Surviving Spouse Pension he or she was receiving.

This bonus check was not payable if the Pensioner retired on or after January 1, 1991 and did not have at least 500 Contributory Hours in the two Calendar Years immediately prior to his or her Pension Effective Date, unless the Pensioner satisfied the requirements of Subsection 3.03.k.

13. Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1995 received a bonus check, based on the following formula:

\$40.00 for each full Benefit Unit accumulated by the Pensioner as of November 30, 1995 (not counting Benefit Units permanently canceled by a Permanent Break in Service), subject to a minimum payment of \$400.00 and a maximum payment of \$1,200.00. A Spouse receiving a Surviving Spouse Pension received 50%, 75% or 100% of that amount, depending on the type of Surviving Spouse Pension he or she was receiving.

This bonus check was not payable if the Pensioner retired on or after January 1, 1991 and did not have at least 500 Contributory Hours in the two Calendar Years immediately prior to his or her Pension Effective Date, unless the Pensioner satisfied the requirements of Subsection 3.03.k.

14. Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1996 received a bonus check based on the following formula:

<u>Monthly Benefit Amount as of December 1, 1996</u>	<u>Amount of Bonus Check</u>
\$2,000.00 or more	\$500.00
\$1,000.00 but less than \$2,000.00	\$1,000.00
Less than \$1,000.00	\$1,500.00

A Spouse receiving a Surviving Spouse Pension received 50%, 75% or 100% of the applicable amount shown

above depending on the type of Surviving Spouse Pension he or she was receiving.

This bonus check was not payable if the Pensioner retired on or after January 1, 1991 and did not have at least 500 Contributory Hours in the two Calendar Years immediately prior to his or her Pension Effective Date, unless the Pensioner satisfied the requirements of Subsection 3.03.k.

15. Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1997 received a bonus check, based on the following formula:

\$60.00 for each Benefit Unit accumulated by the Pensioner as of November 1997 (not counting Benefit Units permanently canceled by a Permanent Break in Service), subject to a minimum payment of \$600.00 and a maximum payment of \$1,800.00. A Spouse receiving a Surviving Spouse Pension received 50%, 75% or 100% of that amount, depending on the type of Surviving Spouse Pension he or she was receiving.

This bonus check was not payable if the Pensioner retired on or after January 1, 1991 and did not have at least 500 Contributory Hours in each of the two consecutive Calendar Years immediately prior to or including the Calendar Year in which his or her Pension Effective Date occurred, unless the Pensioner satisfied the requirements of Subsection 3.03.n.

16. Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1998 received a bonus check, based on the following formula:

\$75.00 for each full Benefit Unit accumulated by the Pensioner as of December 1, 1998 (not counting Benefit Units permanently canceled by a Permanent Break in Service), subject to a minimum payment of \$750.00 and a maximum payment of \$2,250.00. A Spouse receiving a Surviving Spouse Pension received 50%, 75% or 100% of that amount, depending on the type of Surviving Spouse Pension he or she was receiving.

This bonus check was not payable if the Pensioner retired on or after January 1, 1991 and did not have at least 500 Contributory Hours in each of the two consecutive Calendar Years immediately prior to or including the Calendar Year in which his or her Pension Effective Date occurred, unless the Pensioner satisfied the requirements of Subsection 3.03.n.

17. Pensioners and Beneficiaries entitled to a benefit payment for the month of December 1999 received a bonus check, based on the following formula:

\$100.00 for each full Benefit Unit accumulated by the Pensioner as of December 1, 1999 (not counting Benefit Units permanently canceled by a Permanent Break in Service), subject to a minimum payment of \$1,000 and a maximum payment of \$3,000.00. A Spouse receiving a Surviving Spouse Pension received 50%, 75% or 100% of that amount, depending on the type of Surviving Spouse Pension he or she was receiving.

This bonus check was not payable if the Pensioner retired on or after January 1, 1991 and did not have at least 500 Contributory Hours in each of the two consecutive Calendar Years immediately prior to or including the Calendar Year in which his or her Pension Effective Date occurred, unless the Pensioner satisfied the requirements of Subsection 3.18.l.

18. Pensioners and Beneficiaries entitled to a benefit payment for the month of December 2000 received a bonus check, based on the following formula:

\$100.00 for each full Benefit Unit accumulated by the Pensioner as of December 1, 2000 (not counting Benefit Units permanently canceled by a Permanent Break in Service), subject to a minimum payment of \$1,000 and a maximum payment of \$3,000.00. A Spouse receiving a Surviving Spouse Pension received 50%, 75% or 100% of that amount, depending on the type of Surviving Spouse Pension he or she was receiving.

This bonus check was not payable if the Pensioner retired on or after January 1, 1991 and did not have at least 500 Contributory Hours in each of the two consecutive Calendar Years immediately prior to or including the Calendar Year in which his or her Pension Effective Date occurred, unless the Pensioner satisfied the requirements of Subsection 3.18.1.

19. Pensioners and Beneficiaries entitled to a benefit payment for the month of December 2001 received a bonus check in January 2002, based on the following formula:

\$50.00 for each full Year of Credited Service accumulated by the Pensioner as of December 1, 2001 (not counting Years of Credited Service permanently canceled by a Permanent Break in Service), subject to a minimum payment of \$500 and a maximum payment of \$1,500.00. A Spouse receiving a Surviving Spouse Pension received 50%, 75% or 100% of that amount, depending on the type of Surviving Spouse Pension he or she was receiving.

This bonus check was not payable if the Pensioner retired on or after January 1, 1991 and did not have at least 500 Contributory Hours in each of the two consecutive Calendar Years immediately prior to or including the Calendar Year in which his or her Pension Effective Date occurred, unless the Pensioner satisfied the requirements of Subsection 3.18.1.