

# **NORTHWEST SHEET METAL WORKERS PENSION TRUST**



## **SUMMARY PLAN DESCRIPTION**

**And**

## **PLAN DOCUMENT**

**Revised February 1, 2012**

**If you want assistance, contact the  
Administration Office at the address shown below:**

**The Plan Administrator  
Board of Trustees  
Northwest Sheet Metal Workers  
Pension Trust  
1220 SW Morrison St., Suite 300  
Portland, OR 97205-2222  
(503) 222-7694  
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[www.nwsheetmetal.aibpa.com](http://www.nwsheetmetal.aibpa.com)**

# Northwest Sheet Metal Workers Pension Plan

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# Northwest Sheet Metal Workers Pension Plan

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# **NORTHWEST SHEET METAL WORKERS PENSION TRUST**

To All Participants and Their Families:

We, the Board of Trustees of the Northwest Sheet Metal Workers Pension Trust, are pleased to provide this updated booklet effective January 1, 2012 describing your pension plan. We urge you to read this booklet carefully and to refer to it from time to time so that you will be fully aware of the benefits and the conditions under which they are available.

The benefits under this Plan are separate from, and in addition to, the benefits under the federal Social Security Program. They are also separate from, and in addition to, any other plans such as the National Sheet Metal Pension, or the Northwest Sheet Metal 401(k) Plan.

This Summary Plan Description is intended to highlight the basic features of the Plan and provide answers to commonly asked questions. A Plan Document is on file with the Trust Administrator and is available for your review upon written request. In the event there is a conflict between this Summary Plan Description and the Plan Document, the Plan Document will control.

We encourage you to contact the Trust Administrator on any questions at the address, phone number or email shown on the first page.

Sincerely yours,

The Board of Trustees

## YOUR PLAN AT A GLANCE

IMPORTANT: This is only a summary

### NORMAL RETIREMENT

#### ELIGIBILITY

Age 65 or over, and "vested".

#### BENEFITS

Future Service after July 1, 2006:

The Trustees have adopted a Flexible Accrual Index Rate (FAIR) effective for contributions on or after July 1, 2006. See page 4 for a complete description of this new policy. For the period 12/1/08 and later the FAIR rate is 1% per month (1% x 12 months = 12% per year).

Following the close of the Plan's fiscal year on April 30, 2011, the Trustees will review the financial condition of the Plan in accordance with the FAIR policies, and determine whether this initial rate can be increased retroactively for both active and retired participants. The following table lists the accrual rates for each time frame. For an example of how your pension benefit accrues, go to page 13.

Future Service after 12/1/08	1.0% of Contributions
Future Service after 5/1/07	1.5% of Contributions
Future Service after 5/1/06	2.3% of Contributions
Future Service after 5/1/03	2.0% of Contributions
Future Service after 5/1/02	2.7% of Contributions
Future Service after 5/1/01	3.1% of Contributions
Future Service after 5/1/99	4.5% of Contributions
Future Service after 5/1/95*	3.1% of Contributions
*(if Active 5/1/98 or after, earn 4.5% for Future Service after 5/1/98 - 4/30/01) (if Active 5/1/97, earn 4.2% for Future Service after 5/1/95 - 4/30/97)	
Future Service after 5/1/94	4.5% of Contributions
Future Service after 5/1/88	5.0% of Contributions
Future Service before 5/1/88*	4.2% of Contributions
*(if Active on or after 5/1/88)	

If you did not work at least 300 hours in a Plan Year after 5/1/88 your accrual rates for Future Service before 5/1/88 is as follows:

Future Service after 05/01/87	3.9% of Contributions
Future Service after 05/01/86	3.5% of Contributions
Future Service after 05/01/83	3.4% of Contributions
Future Service after 05/01/82	2.9% of Contributions

Past Service: \$10 per year (maximum of \$100)

## **EARLY RETIREMENT**

### **ELIGIBILITY**

Age 55 to 65 with 10 years of Credited Service including at least 1 year of Credited Future Service.

### **BENEFITS**

Calculate your Normal Retirement Benefit (above), and then reduce by  $\frac{1}{4}$  of 1% per month (3% per year) between 62 and 65, plus  $\frac{1}{2}$ % per month (6% per year) between 55 and 62.

## **SPECIAL EARLY RETIREMENT**

### **ELIGIBILITY**

Age 55 to age 65 with 10 years of Credited Service, including 300 or more covered hours of Service in a Plan Year beginning on or after May 1, 1997 and, at least one year of Credited Future Service.

### **BENEFITS**

Retirement at age 62-65: Same as Normal Retirement Benefits  
Retirement before age 62: Normal Retirement Benefit reduced by  $\frac{1}{2}$  of 1% for each month before age 62.

## **DISABILITY RETIREMENT**

### **ELIGIBILITY**

Total and Permanent disability, must be "Active" in the Plan, and 5 years of Credited Service, including at least 2 years of Credited Future Service. must have earned 300 or more covered hours of Service in any one of the four consecutive Plan Years immediately preceding disability date.

### **BENEFITS**

Calculate your Early Retirements (above), and then add 20%. Maximum is Normal Retirement Benefit.

## **DEATH BENEFITS**

### **ELIGIBILITY**

Pre-Retirement Vested at date of death and survived by spouse

Spouse Benefit

Or

Pre-retirement 1 year of Credited Service - Lump Sum Benefit



**BENEFITS**

If spouse is **within** 5 years of participant age, benefit is 50% of Early Retirement Pension.

If spouse is **more** than 5 years younger than participant, then benefit is actuarially reduced.

**IMPORTANT: The above benefit does not begin until the employee would have reached age 55.**

**VESTING FOR NORMAL AND PRERETIREMENT BENEFITS**

**ELIGIBILITY**

Participants with 300 or more Covered Hours of Service in a Plan Year beginning on or after May 1, 1996:

**BENEFITS**

5 years of Credited Service.

**ELIGIBILITY**

Other participants

**BENEFITS**

7 years of Credited Service =	70%
8 years of Credited Service =	80%
9 years of Credited Service =	90%
10 years of Credited Service =	100%

**Related Credit will be considered in determining whether a participant is Vested, provided the participant has earned at least one year of Credited Future Service under this Plan as a result of work in Covered Employment.**

# FLEXIBLE ACCRUAL INDEX RATE (FAIR)

## NEW ACCRUAL RATE EFFECTIVE JULY 1, 2006

### FAIR ACCRUAL RATE

- The “accrual rate” is the rate at which your contributions are converted to a monthly pension. At 1% *per month*, if you work 2,000 hours in a year at a contribution rate of \$3 per hour, the Trust receives \$6,000 (in a year) for your account.
- That amount of money is “converted” to a *monthly* pension of \$60 (1% times \$6,000), or \$720 *per year* (12% times \$6,000).
- That sum of money is paid as a pension to you for the rest of your life upon retirement. Once implemented, that benefit is guaranteed to you for the rest of your life - which, for many young people, is an extraordinarily long time period.

Previously, the Trust had always made a projection of the accrual rate into the future.

Under the FAIR Accrual Rate Policy, however, there is a three-step process that the Trustees believe is in the best interests of you and the Plan for long-term security.

Step 1 - The projected accrual rate for the year is initially established on a conservative basis. Therefore, effective December 1, 2008, the initial accrual rate is 1%. 1% *per month* converts to 12% *per year* (\$720 per year for an annual contribution of \$6,000) - still a very remarkable rate of return on your invested contributions.

Step 2 - at the end of the plan year (May 1), the Trust will complete a special review to determine whether the Trust’s investments and other results allow for the initial accrual rate to be increased (plussed up) to a higher rate for that year.

Step 3 - With good experience, we would expect to be able to increase that initial rate to a final permanent rate that might be as much as the previous 2% rate, or even possibly higher if warranted by the experience.

### WHY ADOPT THE FAIR ACCRUAL RATE?

The most important feature of any pension plan is security. Security for the future depends on strong financial controls.

By adopting a conservative initial rate, making a special review process, and then, if experience warrants, increasing the initial rate to a final permanent rate seems to us as Trustees as the FAIR way to provide benefits to the participants while maintaining strong financial controls. Any increase in the accrual rate that may be approved by the Trustees described in a separate insert to this booklet which will be mailed to all participants.

## RECIPROACITY

For many years, the Northwest Sheet Metal Workers have had Reciprocity Agreements with the following Plans:

- Northern California Sheet Metal Workers Pension Trust  
Effective March 1, 1966
- Southern California Sheet Metal Workers Pension Trust  
Effective November 1, 1987
- Oregon Sheet Metal Workers Pension Trust  
Effective September 1, 1973
- Phoenix, Arizona Local 359  
Effective June 1, 1978
- Sheet Metal Workers International Pension Trust  
Effective January 1, 1988

All of these Agreements are designed to allow you to combine your service in various areas of the country so as to receive benefits you might not have otherwise.

Each person's situation and problems are different so you must contact the Trust Administration Office. You should try and have as complete and careful a record as is possible.

### **Important Note**

In order to be eligible for a pro rata pension benefit, a participant must retire after the effective date of the appropriate Reciprocal Agreement and satisfy the eligibility requirements for a reciprocal pension benefit under each of the related plans.

## SECTION 1 HOW DO I FILE A RETIREMENT CLAIM?

1. You must submit an "Application for Retirement." Forms are available from the Administration Office and online. The form needs to be completed and returned to the Administration Office. You must enclose adequate proof of birth, such as a birth certificate. You must also include your current spouse's name, birth certificate and marriage license, if married.
2. If you apply for Total and Permanent Disability, you must also submit a copy of your Social Security Disability Award or provide information by your doctor, giving a diagnosis, date disability commenced, the certification that the disability is both Total and Permanent. **Important Note: The effective date of your disability pension is the month you are eligible for Social Security Disability Benefits or the month following receipt of your application if you have not yet been awarded a Social Security Disability Pension.**
3. Once your application is received, we will send you a benefit election form explaining the various forms of payment. You have 180 days to return your election to the Trust office for processing.
4. It is recommended that you not terminate your employment until it has been determined that you meet the eligibility requirements for retirement benefits.
5. It is also recommended that you apply at least two months in advance of retirement.

### What Can I Do If My Claim Is Denied?

If your claim for benefits is denied in whole or in part, you will receive written notice giving specific reasons for denial, with references to applicable Plan provisions. This will identify additional material or information which may assist in evaluating your claim.

If you feel you are entitled to a benefit which was denied, you may request review, in accordance with Article IX of the Plan, which provides as follows:

#### 1. Procedures To Be Followed

The Trustees and the Participating Employees and their beneficiaries shall follow these hearing and arbitration procedures.

The procedures specified in this Article shall be the sole and exclusive procedures available to a Participating Employee or beneficiary who is dissatisfied with an eligibility determination or benefit award, or who is otherwise adversely affected by any action of the Trustees.

## **2. Hearing Before Board of Trustees**

Any Participating Employee or beneficiary of a Participating Employee who applies for benefits and is ruled ineligible by the Trustees (or by a committee of Trustees) or who believes he did not receive the full amount of benefits to which he is entitled, or who is otherwise adversely affected by any action of the Trustees, shall have the right to request the Trustees to conduct a hearing in the matter, provided that he make such a request in writing, within sixty (60) days after being apprised of, or learning of, the action. For disability retirements, the request period is one hundred and eighty (180) days. The Trustees shall then conduct a hearing at which the Participating Employee or beneficiary shall be entitled to present his position, and any evidence in support thereof. The Participating Employee may be represented at any such hearing by an attorney or by any other representative of his choosing. Thereafter, the Trustees shall issue a written decision affirming, modifying, or setting aside their former action.

## **3. Appeal to Arbitration**

If the Participating Employee or beneficiary is dissatisfied with the written decision of the Trustees, he shall have the right to appeal the matter to arbitration in accordance with the Labor Arbitration Rules of the American Arbitration Association, provided that he submit a request for arbitration, in writing, within sixty (60) days of receipt of the written decision. If an appeal to arbitration is requested, the Trustees shall submit to the arbitrator a certified copy of the record upon which the Trustees' decision was made.

The question for the arbitrator shall be:

- a. Whether the Trustees were in error upon an issue of law;
- b. Whether they acted arbitrarily or capriciously in the exercise of their discretion; or
- c. Whether their findings of fact were supported by substantial evidence.

The decision of the arbitrator shall be final and binding upon the Trustees, upon the appealing party, and upon all other parties whose interests are affected thereby.

The expenses of arbitration shall be borne equally by the appealing party and by the Trust Fund, unless otherwise ordered by the arbitrator.

Under regulations issued by the U.S. Department of Labor, arbitration is not available for disability retirement applications made on or after January 1, 2002.

It is the policy of the Trustees to provide each applicant with all information and assistance reasonably available so that no fact in support of a claim is overlooked and that each applicant shall receive full and fair consideration.

## **SECTION 2**

### **HOW DO I BECOME ELIGIBLE FOR THE BENEFITS OF THE PLAN?**

The first step in determining your eligibility is to determine your Credited Past Service and your Credited Future Service.

#### **What is meant by Credited Service?**

In general, Credited Service means that service for which you are credited – due to work in the industry and for certain other reasons as set forth below.

There are two basic kinds of Credited Service which are as follows:

- 1.Credited Past Service**
- 2.Credited Future Service**

#### **What is Credited Past Service?**

This is credit for service before the time that contributions to this Plan were made by your employer.

#### **Eligibility for Credited Past Service**

In order to obtain any Credited Past Service, you must be ELIGIBLE. If you are not eligible, then you are NOT entitled to ANY Credited Past Service. To be eligible for Credited Past Service, the Participant must have been a member of a local union on the local union's effective date of coverage in the Plan, and have had:

1. 1,200 or more hours on which contributions have been made to the Northwest Sheet Metal Workers Health Care Plan,  
**OR**
2. 1,200 or more hours in jobs covered by the Collective Bargaining Agreement in the Union, within a 36-month period immediately prior to the Employee's effective date of coverage. If you fail to meet the above requirements, then the Participant is not able to count ANY Credited Past Service.

### **Amount of Credited Past Service**

If you are eligible for Credited Past Service, as set forth above, then the number of such years of Credited Past Service is determined as follows: Credit is given for each year of service prior to the effective date of coverage during which the Employee worked at least 500 hours subject to the following maximum based on the Employee's age at the date of joining:

<b><u>Attained Age on Employee's Effective Date of Coverage</u></b>	<b><u>Maximum Years of Credited Past Service</u></b>
55 and under	10
56	11
57	12
58	13
59	14
60	15
61	16
62	17
63	18
64	19
65	20

### **What is Credited Future Service?**

Credited Future Service is service with an Employer who contributed to this Plan on your behalf.

### **How Do I Determine the Amount of My Credited Future Service?**

Credited Future Service earned after May 1, 1976, shall be earned in accordance with the following schedule:

<b><u>Number of Covered Hours Of Employment per Plan</u></b>	<b><u>Credited Future Service</u></b>
1,000 Hours and Over	1 Year
825-999 Hours	4/5 Year
650-824 Hours	3/5 Year
475-649 Hours	2/5 Year
300-474 Hours	1/5 Year
Under 300 Hours	0

Employees who retired or who had a Break in Service before May 1, 1976, shall have their Credited Future Service determined in accordance with the schedule in effect at their date of retirement or Break in Service.



**SECTION 3**  
**WHEN AM I ELIGIBLE AND WHAT**  
**AMOUNT OF BENEFIT DO I GET?**

**Normal Retirement - At Age 65**

**ELIGIBILITY**

**1. 100% of Pension Benefits**

In order to obtain 100% of your pension benefits, one of the following rules must be met.

- A. At least five years of Credited Service, including at least one year of Credited Future Service, and 300 or more Covered Hours of Service or hours of Contiguous Noncovered Service in a Plan Year beginning on or after May 1, 1996.
- B. At least ten years of Credited Service, including at least one year of Credited Future Service.
- C. Attainment of age 65 with at least one year of Credited Future Service and at least ten years have elapsed since you entered the Plan without a permanent Break in Service.
- D. If you enter the Plan over age 55, and cannot meet the requirements of A, B or C above, then the minimum requirements for Normal Retirement are reduced in accordance with the following schedule:

<u>Employee's Attained Age On Effective Date of Coverage</u>	<u>Years of Future Service Required for Normal Retirement</u>
56 But Less Than 57	9 Years
57 But Less Than 58	8 Years
59 but Less Than 59	7 Years
59 But Less Than 60	6 Years
Over age 60	5 Years

**2. Partial Normal Retirement Benefits**

You are entitled to a partial Normal Retirement benefit if you do not qualify for full benefits under Section 1 above but have at least seven years of Credited Service (equal to 70% of full Normal Retirement benefits).

That increases to 80% after eight years, 90% after nine years and to 100% after ten years.

## BENEFITS

Your Total Pension Equals Your:

- Future Service Credit, PLUS
- Any Past Service Credit you may have.

**Important Note:** If eligible for 100% Pension Benefits (see above) you get 100% of the following benefits. Otherwise you are eligible for the same percentage that equals your Vested benefit.

### Future Service:

“Future Service” benefits are awarded for each “Plan Year” (May 1 – April 30) in which you earned at least 300 Covered Hours of Service, in accordance with the following schedule:

Service before May 1, 1988 (if Active in the Plan on or after May 1, 1988)	4.2% of contributions
Service from May 1, 1988 - April 30, 1994	5.0% of contributions
Service from May 1, 1994 - April 30, 1995	4.5% of contributions
Service from May 1, 1995 - April 30, 1999 (if Active 5/1/98 or after, earn 4.5% for Future Service after 5/1/98 – 4/30/01) (if Active 5/1/97, earn 4.2% for Future Service after 5/1/95 – 4/30/97)	3.1% of contributions
Service from May 1, 1999 - April 30, 2001	4.5% of contributions
Service from May 1, 2001 - April 30, 2002	3.1% of contributions
Service from May 1, 2002 - April 30, 2003	2.7% of contributions
Service from May 1, 2003 - April 30, 2006	2.0% of contributions
Service from May 1, 2006 - April 30, 2007	2.3% of contributions
Service from May 1, 2007 - November 30, 2008	1.5% of contributions
Service after December 1, 2008	1.0% of contributions

If you did not work at least 300 hours in a Plan Year after 5/1/88 your accrual rates for Future Service before 5/1/88 is as follows:

Service from May 1, 1982 - April 30, 1983	2.9% of contributions
Service from May 1, 1983 - April 30, 1986	3.4% of contributions
Service from May 1, 1986 - April 30, 1987	3.5% of contributions
Service from May 1, 1987 - April 30, 1988	3.9% of contributions

Service After July 1, 2006 is in accordance with the FAIR rate.

The FAIR rate for the period after December 1, 2008 is 1% of contributions. See page 4 for a complete description of this new policy.

**Past Service:**

Each year of "Past Service" credit that is earned and credited equals \$10 per month pension (\$100 maximum).

**Important Note:** these Past Service benefits apply to you only if you were "Active" in the Plan on or after May 1, 1988. If you had a "Break in Service" on or before that date, you must have at least one year of Credited Service earned after that date (and before you retire) in order to qualify for this benefit level.

**EXAMPLE:** Assume you retire May 1, 2011, at age 62. You entered the Plan May 1, 1986, (25 years before your retirement). You worked 1,800 hours per year.

<u>Worked History (Assumed)</u>	<u>Contribution Rates</u>	<u>Contributions</u>	<u>Accrual Rate</u>	<u>Monthly Benefit</u>
5/1/86 to 5/1/88 2 years X 1,800 Hours X	\$1.25	\$4,500.00	4.20%	\$189.00
5/1/88 to 5/1/94 6 years x 1,800 Hours X	\$1.30	\$14,040.00	5.00%	\$702.00
5/1/94/ to 5/1/95 1 year x 1,800 Hours X	\$1.30	\$2,340.00	4.50%	\$105.30
5/1/95 to 5/1/98 3 years x 1,800 Hours X	\$1.40	\$7,560.00	4.50%	\$340.20
5/1/98 to 5/1/99 1 year X 1,800 Hours X	\$1.67	\$3,006.00	4.50%	\$135.27
5/1/99 to 5/1/00 1 year X 1,800 Hours X	\$1.92	\$3,456.00	4.50%	\$155.52
5/1/00 to 5/1/01 1 year X 1,800 Hours X	\$2.22	\$3,996.00	4.50%	\$179.82
5/1/01 to 5/1/02 1 year X 1,800 Hours X	\$2.52	\$4,536.00	3.10%	\$140.62
5/1/02 to 5/1/03 1 year X 1,800 Hours X	\$3.33	\$5,994.00	2.70%	\$161.84
5/1/03 to 5/1/04 1 year X 1,800 Hours X	\$4.33	\$7,794.00	2.00%	\$155.88
5/1/04 to 5/1/05 1 year X 1,800 Hours X	\$4.43	\$7,974.00	2.00%	\$159.48
5/1/05 to 5/1/06 1 year X 1,800 Hours X	\$4.53	\$8,154.00	2.00%	\$163.08
5/1/06 to 5/1/07 1 year X 1,800 Hours X	\$4.53	\$8,154.00	2.30%	\$187.54
5/1/07 to 12/1/08 1.58 years X 1,800 Hours X	\$4.53	\$12,910.50	1.50%	\$193.66
12/1/08 to 5/1/09 .42 years X 1,800 Hours X	\$5.43	\$4072.50	1.00%	\$40.73
5/1/09 to 5/1/11 2 years X 1,800 Hours X	\$6.43	\$23,148.00	1.00%	\$231.48
<b>Total Contributions 5/1/86 to 5/1/11</b>		<b>\$121,635</b>		<b>\$3241.41</b>

**Annual Income = \$38,896.92 – Rest of your Life**

## **SPECIAL EARLY RETIREMENT ELIGIBILITY**

To be eligible for a Special Early Retirement you must be at least age 55, have 300 or more Covered Hours of Service in a Plan Year beginning on or after May 1, 1997 with 10 years of Credited Service including at least one year of Credited Future Service. (If you were not active after May 1, 1997, you must have at least ten years of Credited Service, including at least two years of Credited Future Service and have at least 3,500 Covered Hours of Service in the 60 months immediately preceding retirement.)

### **BENEFIT**

If you retire between ages 62 and 65, your Special Early Retirement benefit equals your Normal Retirement benefit with no reduction.

If you retire between ages 55 and 62, your Special Early Retirement benefit equals your Normal Retirement benefit reduced by  $\frac{1}{2}$  of 1% per month (6% per year) for each month your Special Early Retirement Date precedes age 62.

## **EARLY RETIREMENT ELIGIBILITY**

To be eligible for Early Retirement, you must be at least age 55, but not yet 65, and have ten years of Credited Service, at least one of which are Credited Future Service. Effective May 1, 2012, your Early Retirement Date shall be delayed if you work in Restricted Noncovered Employment.

### **BENEFIT**

If you retire between ages 62 and 65, your Early Retirement benefit equals your Normal Retirement benefit (earned to your Early Retirement Date) reduced by  $\frac{1}{4}$  of 1% per month (3% per year) for each month your Early Retirement Date precedes age 65.

If you retire between ages 55 and 62, your Early Retirement benefit equals your Normal Retirement benefit reduced by 9% for the period ages 62 to 65, plus an additional  $\frac{1}{2}$  of 1% per month (6% per year) for each month your Early Retirement Date precedes age 62.

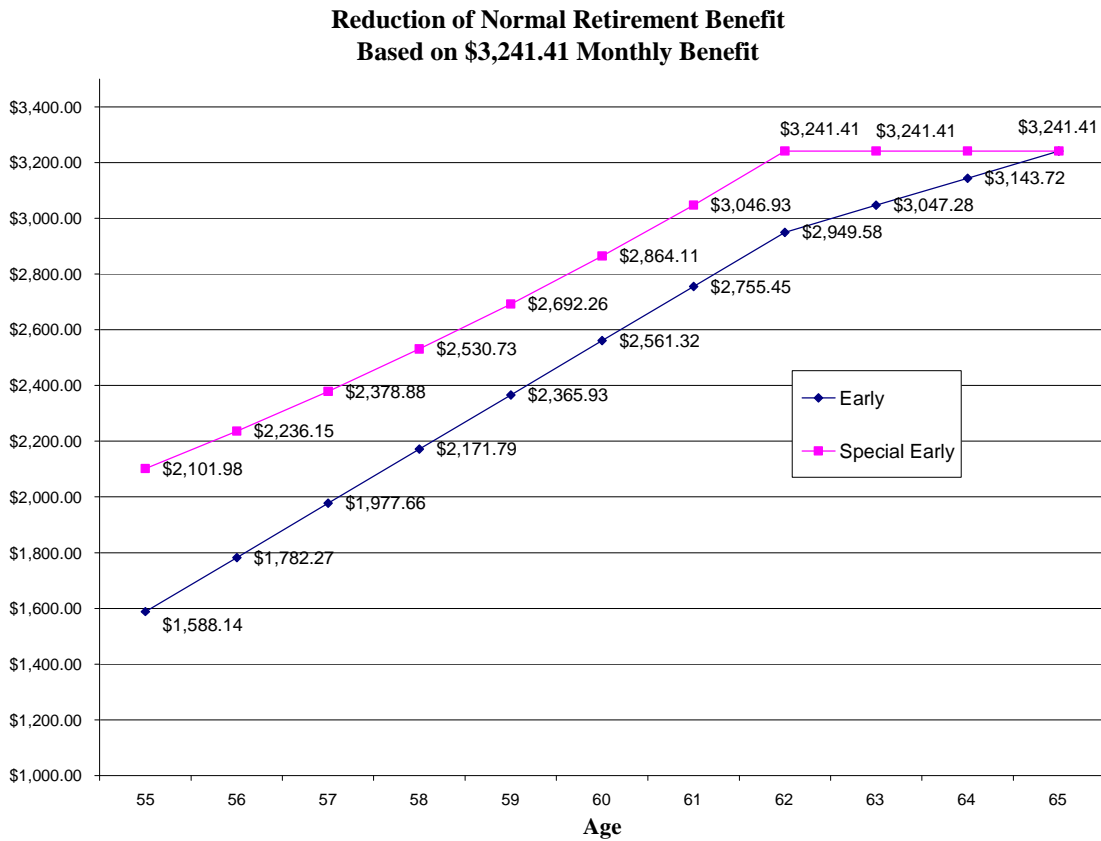
#### **Example:**

Assume:

- You retire May 1, 2011 at age 60
- Your Normal Retirement benefits earned to May 1, 2011, were **\$3241.41** per month (See example page 13.)

Your benefits beginning at age 60 are 12% less than if your benefits began at age 62. Therefore, **\$3,241.41** is reduced by 12% to **\$2,852.44**: Your lifetime Special Early retirement monthly income at age 60.

The graph below illustrates, at various ages, the percentage of your Normal Retirement benefit you will receive, for either the Early or Special Early Retirement option. For every year you work after age 55, the graph shows the increase in your benefit.



## **LATE RETIREMENT ELIGIBILITY**

Same as requirements for Normal Retirement, except you elect to defer your retirement after age 65 or any other time when you first become eligible for Normal Retirement benefits.

Following retirement, you may elect to receive payments retroactive to your Normal Retirement Date, with interest at 5% per year, or you may elect to receive a Late Retirement income, which will be the same as your Normal Retirement income increased by any additional benefit amounts earned after your Normal Retirement Date and further increased by one half of one percent (1/2 of 1%) per month for each month between your Normal Retirement Date and the date your Late Retirement income commences, subject to a maximum increase of 60%.

Of course, if you continue working in covered employment after age 65, your pension benefits will be subject to suspension in accordance with the suspension of benefits rules.

## **DISABILITY RETIREMENT ELIGIBILITY**

To be eligible for Disability Retirement pension, a participant must:

- (1) Be Totally and Permanently Disabled and unable to engage in any regular employment for an Employer or in any regular occupation substantially gainful in character which an Employee would otherwise have been expected to be capable of performing in light of his training, experience, and abilities, by reason of bodily injury, disease or mental disorder which on the basis of medical evidence is found by the Trustees to be permanent and expected to continue during the remainder of the Employee's lifetime. However, if the Employee has received a Social Security Disability Award he shall be entitled to a Disability Retirement pension. Disability will not be considered permanent until it has continued for six consecutive months;  
and
- (2) The participant must have five years of Credited Service (at least one of which is Future Service) and has not attained age 65;  
and
- (3) At the time of disability (onset date) the participant was active in the Plan (had at least 300 or more hours in any one of the four consecutive Plan Years immediately preceding the Plan Year during which the onset of the disability commenced).

## **BENEFIT**

A monthly Disability Retirement income would equal your Early Retirement income, earned to the date of your disability – PLUS 20%, but subject to the following

- (1) The **MAXIMUM** monthly benefit is the Normal Retirement income earned to the date of your disability; and
- (2) The minimum monthly benefit is your Early Retirement income earned to the date of your disability, calculated at age 55, plus 20%.



## SECTION 4 DEATH BENEFITS

### Spouse Pre-Retirement Death Benefit

#### ELIGIBILITY

If you die while you are Vested and have been married to your spouse for at least one year, your spouse will be eligible for a Spouse's Pre-Retirement Death Benefit.

#### BENEFIT

Your spouse will be entitled to 50% of your Accrued Early Retirement income at the date of your death.

However, if the Participant is only partially vested (see Vesting, page 25) at the date of his death, the spouse will be eligible for the benefits calculated below multiplied by the vesting percentage the Participant had attained at the date of his death.

**HOWEVER, IF THE PARTICIPANT DIES PRIOR TO REACHING AGE 55, AND AT THAT TIME IS OTHERWISE ELIGIBLE, THE SPOUSE'S PRE-RETIREMENT DEATH BENEFIT WILL NOT COMMENCE UNTIL THE FIRST DAY OF THE MONTH FOLLOWING THE DATE HE WOULD HAVE REACHED AGE 55, HAD HE LIVED. (See Lump Sum Pre-Retirement Death Benefit for possible alternate provision.)**

#### EXAMPLE

Assume the Participant and his spouse are eligible and that the Participant dies at age 62, and:

- (A) Assume your Early Retirement income at age 62 is \$1,000; and
- (B) Assume your spouse is also age 62.

The spouse of the Participant would receive a monthly benefit, in this example, of 50% of the earned Early Retirement income, or in this case, \$500 per month.

## ALTERNATIVE LUMP SUM BENEFIT

### ELIGIBILITY

If the Participant dies before retirement, his beneficiary will be entitled to a Lump Sum Death Benefit, provided he has one year of Credited Service at the date of the Participant's death.

A surviving spouse is eligible to elect either the lump sum death benefit or the spouse's qualified pre-retirement survivor annuity. However, if the lump sum benefit is less valuable than the survivor annuity the surviving spouse's option is then the annuity only (this protects the spouse in giving them the more valued benefit).

### BENEFIT

If eligible for this benefit, your designated beneficiary will be entitled to receive 100% of the contributions made to your account, excluding those Plan Years in which contributions were made on less than 300 covered hours of employment.

Please note that this benefit is not paid in addition to the Spouse's Pre-Retirement Death Benefit (as explained above).

### BENEFICIARY DESIGNATION

You may designate a beneficiary of your choice. However, it must be done on a Trust Beneficiary Designation Card.

The Death Benefit will be paid in the following order of priority, if no named beneficiary:

- Spouse
- Children, natural or adopted
- Father and/or mother

**Your spouse's consent must be in writing if you want to designate another beneficiary, and acknowledged before a notary public.**

The Beneficiary Designation Form which has a date the closest to your date of death will be the Beneficiary Designation Form used in the settlement of the Lump Sum Death Benefit of the Plan.

If you wish to designate a different beneficiary, you must file a new Beneficiary Designation Form with the Trust Office. The prior beneficiary designation shall

apply until such time as your new Beneficiary Designation Form has been received and noted in the Trust records.

You are encouraged to make sure that your beneficiary designation is up to date. Forms are available online or by calling the Trust Office.

## SECTION 5

### WHEN I RETIRE WHAT BENEFIT PAYMENT OPTIONS ARE AVAILABLE?

Your Normal, Early, Late or Disability Retirement income will be paid under one of the following options, which you must elect in writing. The amount of your benefit under each option will be supplied to you and your spouse when your application is received.

The options are:

**1. 50% Survivor Option**

Your accrued benefits may be paid in the form of a 50% Survivor Benefit. If you are married, your benefits **MUST** be paid in this form unless another option is elected. This monthly payment is determined by the ages of both you and your spouse at the date of your retirement. If you die before your spouse, your spouse will receive one-half of the benefit you were receiving.

**2. 75% Survivor Option**

This option pays you a greater amount than the 100% option, but less than the 50% option. If you die before your spouse, your surviving spouse will continue to receive three-quarters of the benefit you were receiving.

**3. 100% Survivor Option**

The 100% Survivor Option provides a monthly retirement income to you that will be less than the Life Annuity, the 50% Survivor Option, or the 75% Survivor Option. Under this option, if you die before your spouse, your surviving spouse will continue to receive the same benefit you were receiving.

**4. Life Annuity Option**

You may elect to receive an annuity payable until your death. If you die before such payments equal the sum of all contributions to your credit (excluding contributions for years in which less than 300 hours were worked), the difference will be paid to your surviving beneficiary or next of kin.

**5. Lump Sum Option (Available only if the present value of your accrued benefit is less than \$5,000.)**

This option is available for rollover into a qualified retirement plan consisting of an Individual Retirement Annuity plan (IRA).

The actuarial value of the first four options over an average lifetime is equal.

## EXAMPLE

Suppose you retire at age 62, with a \$2,852.44 monthly benefit. Also suppose that your spouse is age 60. Your monthly benefit under each option, which you would receive during your lifetime, is shown in the first set of figures below. The monthly benefit your spouse would receive after your death is shown in the second column of figures.

<u>Form of Payment</u>	<u>Payable to Participant</u>	<u>Payable to Spouse</u>
Life Annuity Option	\$2,852.44	-0-*
50% Survivor Option	\$2,530.70	\$1,265.35
75% Survivor Option	\$2,387.76	\$1,790.82
100% Survivor Option	\$2,260.09	\$2,260.09

\*Adjusted for any remaining contributions as explained above.

## When May I Elect an Option?

When your application for benefits is received, the Trustees will send you a written explanation of the financial effect of each option. You and your spouse have 180 days from the date you receive this explanation to elect one of the options.

However, the election period will end with the commencement of your retirement benefits, even if that period is less than 180 days.

If you are married and fail to make an election within the 180-day period, you will receive the 50% Survivor Option. If you are unmarried, you will receive the Life Annuity Option.

Once benefit payments commence, the form of **benefits cannot** be changed.

## **SECTION 6**

### **WHAT HAPPENS IF I RETURN TO WORK AFTER I HAVE RETIRED?**

If you are receiving Early or Normal Retirement Pension, your monthly pension benefit will be suspended if you are employed 40 hours or more by any one of the following:

- Any employer who is contributing to this Plan;
- Any employer in the same or related business as a Participating Employer within the geographic area of the Plan; or
- Self-employment in the same or related business as a Participating Employer, within the geographic area of the Plan.

Hours considered in determining re-employment are hours for which you are paid or entitled to payment for the performance of duties in the same trade or craft, industry and geographic area as are covered by this Plan.

For each month you are employed for 40 hours or more, your retirement benefit will be suspended and remain suspended until you certify in writing that you are no longer working.

If you return to work and complete 300 or more hours of employment with a Participating Employer during a Plan Year, you will earn additional Credited Service and your retirement benefit will be adjusted accordingly when you resume retirement.

If you are 70 ½ or older, suspension of your retirement benefit will not occur if you return to work.

**\*\*Special Note\*\*** The suspension of pension benefits for returning to work does not apply to benefits accrued prior to May 1, 1977.

## **SECTION 7**

### **WHAT HAPPENS IF I CHANGE OR TERMINATE MY EMPLOYMENT?**

A number of different situations are extremely important to understand if you move from the local union in which you are now a member, change from the employer for whom you work, move to another trade, terminate your employment, etc.

1. If you change from one Participating Employer to another, you will remain a Participant under the Plan just as if you had not changed employment.
2. If you work 300 or more Covered Hours of Employment in a Plan Year, you will maintain continuous service for that year, and will not forfeit prior accrued pension benefits.
3. If you work less than 300 hours in any Plan Year, you will be charged with a one-year Break in Service and will be considered a terminated employee.
4. When the number of consecutive one-year Breaks in Service equals or exceeds the greater of five or your pre-break Credited Future Service, you will permanently forfeit your prior Service Credit and benefits, unless you are otherwise vested.

Please see the special rules in Article III of the Plan involving your status in the event you are disabled, service in the Armed Forces, or temporarily absent from employment because of pregnancy or the birth or adoption of a child.

#### **Can My Credits Be Canceled?**

Yes, as mentioned above, your Credited Service and accrued benefits will be lost if you incur a one-year Break in Service before you become vested. However, your Credited Service will be reinstated if, within five Plan Years, you return to Covered Employment for 300 or more hours in a Plan Year, or if you return before the number of "consecutive one-year Breaks in Service" equals or exceeds your Credited Future Service earned prior to those breaks.

#### **When Am I Vested?**

If you have 300 or more Covered Hours of Service in a Plan Year (May 1 - April 30) beginning on or after May 1, 1996, you will have earned a 100% vested interest in your accrued benefits for Normal Retirement or the Preretirement

Surviving Spouse Annuity when you have five years of Credited Service, including at least one year of Credited Future Service.

If you do not have 300 or more Covered Hours of Service in a Plan Year beginning on or after May 1, 1996, you will have earned a 70% vested interest in your accrued benefits for Normal Retirement or the Preretirement Surviving Spouse Annuity when you have seven years of Credited Service, including at least one year of Credited Future Service. In this case, your vested interest will be increased by 10% for each additional year of Credited Service, so that after ten years of Credited Service you will be 100% vested.



**SECTION 8**  
**ADDITIONAL INFORMATION REQUIRED BY U.S.**  
**DEPARTMENT OF LABOR – PURSUANT TO ERISA**

1. This Plan is known as the Northwest Sheet Metal Workers Pension Trust.
2. The Employer Identification Number (EIN) assigned to the Trust Fund by the Internal Revenue Service is 91-6061344. The number required to be assigned by the Plan Administrator for reporting purposes is 001.
3. The Plan is administered by the joint Board of Trustees with the assistance of A&I Benefit Plan Administrators, Inc., a contract administrative firm. The name, address and telephone number are: Northwest Sheet Metal Workers Pension Trust, 1220 SW Morrison St., Suite 300, Portland, OR 97205-2222, (503)222-7694 or 1(800)413-4928.
4. The name, title and address of the principal place of business of each Trustee is:

MANAGEMENT TRUSTEES

Robert Carlton, Jr.  
% McKinstry  
16790 NE Mason Street, Ste. 100  
Portland, OR 97230

Doug Nugent  
Scott & From Co., Inc.  
3820 S Junett  
Tacoma, WA 98409

Tim Kester  
Western Sheet Metal  
101 N. Johnson  
PO Box 5107  
Missoula, MT 59806

Jerry Freel  
Holaday Parks  
1820 Marika  
Fairbanks, AK 99709

Bob Hightower  
Apollo Sheet Metal, Inc.  
1207 W. Columbia Drive  
PO Box 7287  
Kennewick WA 99336

UNION TRUSTEES

Dale Welty  
Sheet Metal Workers Local 23  
1317 E. 75<sup>th</sup> Ave. #4  
Anchorage, AK 99518

Brent Moore  
Sheet Metal Workers Local 103  
1537 Baldy, Suite 10  
Pocatello, ID 83201

Jim Ryan  
Sheet Metal Workers Local 103  
5250 N. Montana Avenue  
Helena, MT 59602

Eric Martinson  
Sheet Metal Workers Local 66  
11831 Beverly Park Rd., B-2  
Everett, WA 98204

John Merk  
Sheet Metal Workers Local 55  
1718 W Sylvester St  
Pasco, WA 99301

5. Each member of the Board of Trustees is an agent for purposes of accepting service of legal process on behalf of the Plan. In addition, service of legal process may be made upon the Plan's Administration Office at the address listed above or upon the law firm of McKenzie Rothwell Barlow & Korpi, P.S. 1325 Fourth Avenue, Suite 91 27 tle WA 98101.
6. This Plan is maintained by more than six collective bargaining agreements. Contributions to this Plan are paid exclusively by employers. Such contributions are made pursuant to collective bargaining agreement or separate subscription agreement. Contributions are made at an hourly rate, according to agreement between each employee's union and employer. You may inquire in writing to the Administration Office for information as to whether a particular employer or employee organization participates in the Plan, as well as the addresses of such organizations.

The Labor organizations that are parties to the collective bargaining agreements are:

Local 23	Anchorage and Fairbanks, Alaska
Local 55	Spokane, Walla Walla, Tri-Cities, Washington, and Boise, Idaho
Local 66	Bellingham, Bremerton,
Local 103	Billings, Bozeman, Butte, Great Falls, Helena, Kalispell and Missoula, Montana; and Pocatello, Idaho; and Casper and Cheyene, Wyoming

7. All assets of this Trust are administered by the Board of Trustees and utilized for the sole and exclusive benefit of the participating employees and their beneficiaries and payment of expenses of administering the Trust. Available assets are held by the Bank of New York Mellon
8. The Plan's records and all other aspects of this Plan are based on a Plan Year ending April 30.
9. This is a Defined Benefit Pension Plan.
10. As a participant in the Northwest Sheet Metal Workers Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). It is required by federal law and regulation that the following statement is made and that all Plan participants shall be entitled to:

Examine, without charge, at the Plans Administrator's office and at other specified locations, such as the offices of the participating local unions, all Plan documents governing the Plan, including collective bargaining agreements, and a copy of the latest annual report (Form 5500 series) filed

by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain upon written request to the Plan Administrator copies of documents governing the operation of the Plan, including collective bargaining agreements, and copies of the latest annual report (Form 5500 series and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

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

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

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. If your claim for pension benefits is denied 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 the plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored in whole or in part, you have a right to a hearing before the Board of Trustees at which you may present your position and any supporting evidence. You also have the right to be represented by an attorney or other representative of your choosing. If you are dissatisfied with the Trustees' determination, you have the right to request arbitration in accordance the Labor Arbitration Rules of the American Arbitration Association unless you have applied for a disability retirement benefit, in which case 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, 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. If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits 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 publication hotline of the Employee Benefits Security Administration at (866) 444-3272 or through the website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

11. 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) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC, P.O. Box 151750, Alexandria, VA 22315-1750 or call 202-326-4000 (not a toll-free number) or 1-800-400-7242 (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>.

The preceding sections are an explanation of the Plan and include the Summary Plan Description (SPD) required by Federal law. Of necessity, many of the provisions mentioned have been explained in summary or capsulized form. In the event the provisions of the SPD do not cover your situation, or if any term or provision in the SPD is unclear or ambiguous, the provisions of the Plan document will govern.

All questions with respect to Plan participation, eligibility for benefits, or the nature and amount of benefits, or with respect to any matter of Plan administration should be referred to the office of the Plan's administrative agent at the address and telephone number listed in paragraph 3 above.

The only party authorized by the Board of Trustees to answer questions concerning the Plan is the administrative agent. No participating employer, employer association, or labor organization nor any individual employed thereby has any authority in this regard.