

**RULES AND REGULATIONS OF THE
NATIONAL AUTOMATIC SPRINKLER INDUSTRY
PENSION PLAN
2014 Restated Plan**

(Incorporating Amendments 1-11 to the 2009 Restated Plan)

**ARTICLE 1
Definitions**

Section 1.01. Actuarial Equivalent.

“Actuarial Equivalent” means a benefit of equal Actuarial Present Value.

Section 1.02. Actuarial Present Value.

- (a) Except as otherwise provided in this Section, the “Actuarial Present Value” of a benefit will be determined on the basis of the 1971 Group Annuity Mortality Table for males for Employees (for Beneficiaries, a female version will be used). The Actuarial Present Value of a Disability Pension under Sections 3.07 and 3.09, will be determined on the basis of the 1983 Railroad Retirement Board Disabled Annuitants Mortality Table for males for Employees (for Beneficiaries, a female version will be used). However, the use of the 1983 Railroad Retirement Board Disabled Annuitants Mortality Table will not reduce the Actuarial Present Value of a Disability Pension to less than the value of the Vested Pension under Sections 3.05 and 3.06 calculated under the 1971 Group Annuity Mortality Table.

The interest assumption will be equal to the rate promulgated by the Pension Benefit Guaranty Corporation, effective as of the beginning of the calendar year in which the payment is due to be made, for the valuation of immediate and deferred annuities in terminated non-multiemployer plans that do not close out under a notice of sufficiency.

- (b) Effective January 1, 2000, the actuarial assumptions used in calculating the Partial Lump Sum Payment Option under Section 6.03, the Split Level Option under Section 6.07 and the small benefit cash out under Section 7.05(a) and 7.17 will be based on the “Applicable Interest Rate” and the “Applicable Mortality Table” as set forth below:
- (1) The “Applicable Mortality Table” for use in the calendar year which contains the Annuity Starting Date is the mortality table described in Revenue Ruling 95-6 or such other table prescribed by the Secretary of the Treasury in accordance with Treas. Reg. Section 1.417(e)-1(d)(2). Effective January 1, 2003, the reference to mortality table prescribed in Revenue Ruling 95-6 is to be construed as a reference to the mortality table prescribed in Revenue Ruling 2001-62 for all purposes under the Plan. Effective January 1, 2009, the “Applicable Mortality

Table” shall be the mortality table, modified as appropriate by the Secretary of the Treasury, based on the mortality table specified for the Plan Year under subparagraph (A) of Code §430(h)(3) (without regard to subparagraph (C) or (D) of such section).

- (2) In accordance with the Pension Protection Act of 2006, “Applicable Interest Rate” for Plan Years beginning January 1, 2008 is based on the segment rates as computed under Internal Revenue Code Section 430(h)(2), but determined without regard to a 24-month average. The segment rates are for the month of August preceding the Plan Year that contains the Effective Date of pension. However, for Plan Years ending prior to January 1, 2012, these segment rates are blended with the applicable rate of Internal Revenue Code Section 417(e)(3)(A)(ii)(II) as in effect for Plan Years beginning in 2008, where the blending ratio depends on the Plan Year. The stability period, within the meaning of Treas. Reg. §1.417(e)-1(d)(4)(ii), shall be one Plan Year.

Section 1.03. Association.

“Association” means the National Fire Sprinkler Association, Inc. of Patterson, New York, a membership corporation organized under the laws of the State of Delaware.

Section 1.04. Beneficiary.

“Beneficiary” means a person who is:

- (a) legally entitled to receive benefits under this Plan because of his or her designation for those benefits by a Participant or Retiree under the provisions of Section 3.17 or by the terms of the Plan under the provisions of Section 3.18; or
- (b) legally entitled to receive benefits by law.

For purposes of Code Section 401(a)(9), a “Designated Beneficiary” is an individual who is designated as a Beneficiary in accordance with this Plan and otherwise satisfies the requirements of Code Section 401(a)(9) and § 1.401(a)(9)-4 of the Treasury Regulations.

Section 1.05. Calendar Year.

“Calendar year” means the period from January 1 through the next December 31. For purposes of ERISA regulations, the calendar year is the vesting computation period, the benefit accrual computation period, and, after the initial period of employment, the computation period for eligibility to participate in the Plan. The Calendar Year is the Plan Year for the Plan.

Section 1.06. Collective Bargaining Agreement.

“Collective Bargaining Agreement” or “Agreement” means the Collective Bargaining Agreements between the National Fire Sprinkler Association, Inc. and the Union together with any modifications, supplements, amendments or successor agreements thereto and it will also mean any collective bargaining agreement between an Employer engaged in the Sprinkler Industry and a Participating Sprinkler Local Union which provides for contributions to this Pension Plan.

Section 1.07. Contributing Employer.

“Contributing Employer” or “Employer” means any employing unit which is a contractor member of the Fire Sprinkler Association or any other employing unit subject to an Agreement and required thereby to make periodic payments to the Fund provided:

- (a) the employer has been accepted as a Contributing Employer by the Trustees, and
- (b) the Trustees have not, by resolution, terminated the employer’s status as a “Contributing Employer” pursuant to Section 12.04 because the employer has failed for a period of ninety (90) days after the due date to make contributions to the Fund as provided for in its Agreement.

Employer also includes Participating Sprinkler Local Unions and other employers participating in the Fund pursuant to an agreement with the Trustees. Except as may otherwise be required by law, an employer will not be deemed a Contributing Employer simply because it is part of a controlled group of corporations or of a trade or business under common control, some other part of which is a Contributing Employer.

Section 1.08. Contribution Period.

“Contribution Period” means the period during which the employer is a Contributing Employer, with respect to a unit or classification of employees.

Section 1.09. Covered Employment.

“Covered Employment” means employment of an Employee by an Employer in a category covered by a Collective Bargaining Agreement for which the Employer is obligated by its Agreement to contribute to the Fund. “Covered Employment” also means employment of an Employee by an Employer in a category of work for which the Employer is obligated to make contributions to the Fund pursuant to an agreement with the Trustees or as required by applicable law.

“Covered Employment” does not, however, include employment by an employer after termination of the employer’s status as a Contributing Employer, for failure to pay contributions due, pursuant to the provisions of Section 12.04.

Section 1.10. Employee.

“Employee” means a person who is an Employee of an Employer and on whose behalf payments are required to be made to the Fund pursuant to a Collective Bargaining Agreement as defined in Section 1.06, pursuant to an agreement with the Trustees or as required by applicable law or as the term “Employee” is additionally defined in the Trust Agreement. The term “Employee” does not include any self-employed person or any person who has a direct or indirect interest in a sole proprietorship or partnership which is a Contributing Employer. The term “Employee” may include a person who is an officer or owner or the relative of an officer or owner of an incorporated employer or a relative of an owner of an unincorporated employer, or who is otherwise involved in the management of an Employer pursuant to rules adopted by the Trustees in accordance with the Trust Agreement.

Section 1.11. ERISA and “Code”

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended. “Code” means the Internal Revenue Code of 1986 as amended.

Section 1.12. Hour of Service.

An “Hour of Service” is each hour for which an Employee is paid, or entitled to payment, by the Employer(s), directly or indirectly, including payments for disability from the National Automatic Sprinkler Industry Welfare Fund as well as each hour for which back pay, regardless of mitigation of damages, is awarded or agreed to by an Employer, to the extent that such award or agreement is intended to compensate an Employee for periods during which the Employee would have been entitled to compensation. However, Hours of Service do not include any time compensated under a workmen’s compensation or unemployment compensation law or a plan pursuant to a mandatory disability benefits law and excluding any hours for non-work time in excess of 501 in any one continuous period. Two periods of paid non-work time will be deemed continuous if they are compensated for the same reason (e.g. disability) and are not separated by at least ninety days. Hours of Service are computed and credited in accordance with Department of Labor Regulations 2530.200b.

Section 1.13. Normal Retirement Age.

“Normal Retirement Age” means age 65 or, if later, the age of the Participant on the fifth anniversary of his participation. Participation before a Permanent Break in Service is not counted.

Section 1.14. Participant.

“Participant” means a Pensioner or an Employee who meets the requirements for participation in the Plan set forth in Article 2, or a former Employee who has acquired a right to a pension under this Plan.

Section 1.15. Participating Sprinkler Local Union or Union.

“Participating Sprinkler Local Union” or “Union” means Local 669 and any other Sprinklerfitter Local Union affiliated with the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada that participate in the Fund in a manner acceptable to the Trustees.

Section 1.16. Participation Date.

“Participation Date” means the date a Participating Sprinkler Local Union begins participating in the Plan.

Section 1.17. Pension Fund.

“Pension Fund” or “Fund” means the National Automatic Sprinkler Industry Pension Fund established under the Trust Agreement.

Section 1.18. Pension Plan or Plan.

“Pension Plan” or “Plan” means this document as adopted by the Trustees and as thereafter amended by the Trustees.

Section 1.19. Pensioner.

“Pensioner” means a person to whom a pension under this Plan is being paid or to whom a pension would be paid but for time for administrative processing or suspension of benefits.

Section 1.20. Trust Agreement.

“Trust Agreement” means the Trust Agreement establishing the National Automatic Sprinkler Industry Pension Fund, made and entered into on January 17, 1957, and as thereafter amended and restated.

Section 1.21. Trustees.

“Trustees” means the individuals serving as members of the Board of Trustees as established and constituted from time to time in accordance with the Trust Agreement.

Section 1.22. Other Terms.

Other terms are specifically defined as follows:

<u>Term</u>	<u>Section(s)</u>
(a) Break in Continuity	7.06 (c)
(b) Break in Service (One-Year Break in Service, Permanent Break in Service)	4.03

(c)	Collectively Bargained Employee	8.01(a)
(d)	Compensation	8.01(e)
(e)	Continuous Employment	4.02(b)(3)
(f)	Determination Date	9.02(c)
(g)	Date of Disability	3.07(b)
(h)	Disability Pension	3.07-3.10
(i)	Disabled from his Occupation	3.07(a)(4)(E)
(j)	Direct Rollover	7.05(i)(4)
(k)	Disqualifying Employment	7.08(a) and (b)
(l)	Distributee	7.05(i)(3)
(m)	Distribution Calendar Year	7.05(h)(1)(B)
(n)	Early Retirement Pension	3.03 and 3.04
(o)	Effective Date of Pension	7.05(b)(2)
(p)	Election Period	7.05(b)(1)
(q)	Eligible Retirement Plan	7.05(i)(2)
(r)	Eligible Rollover Distribution	7.05(i)(1)(A)
(s)	Gender	12.10
(t)	Highly Compensated Employee	8.01(d)
(u)	Husband-and-Wife Pension	5.01
(v)	Key Employee	9.02(a)
(w)	Limitation Year	7.18(j)
(x)	Life Expectancy	7.05(h)(1)(C)
(y)	Non-Collectively Bargained Employee	8.01(b)
(z)	Non-Key Employee	9.02(b)
(aa)	Non-Standard Rate	7.06(d)
(bb)	Partial Pensions	3.11-3.13
(cc)	Participation Date (of Sprinkler Local Unions)	4.07
(dd)	Payment Options	Article 6
(ee)	Pension Credits	4.01
(ff)	Permissive Aggregation Group	9.02(e)
(gg)	Pre-Retirement Surviving Spouse Pension	5.03
(hh)	Qualified Spouse	5.02(b), 5.03(b)
(ii)	Regular Pension	3.01 and 3.02
(jj)	Related Plan	3.13(b)
(kk)	Required Aggregation Group	9.02(d)
(ll)	Required Beginning Date	7.17(c)
(mm)	Retired or Retirement	7.07
(nn)	Retroactive Effective Date	7.05(b)(3)
(oo)	Spouse	5.01(c)
(pp)	Standard Rate	7.06(d)
(qq)	Super Top Heavy	9.03(d)(2)
(rr)	Suspension	7.08(c)
(ss)	Top Heavy Compensation	9.02(f)
(tt)	Top Heavy Group	9.02(h)
(uu)	Top Heavy Plan	9.02(g)

(vv)	Totally and Permanently Disabled	3.07(b)
(ww)	Vested Pension	3.05 and 3.06
(xx)	Vested Status	7.10
(yy)	Year of Vesting Service	4.02

ARTICLE 2 Participation

Section 2.01. Participation.

An Employee who is engaged in Covered Employment during the Contribution Period becomes a Participant in the Plan on the earliest January 1 or July 1 following completion of a consecutive twelve (12) month period during which he completed at least 950 Hours in Covered Employment. Once an Employee has become a Participant, the provisions of this Plan give him credit in accordance with the rules of the Plan for some or all of his service before he became a Participant.

Section 2.02. Termination of Participation.

A person who has a One-Year Break in Service (defined in Section 4.03) ceases to be a Participant as of the last day of the Calendar Year which constituted the One-Year Break, unless the Participant has the right to an immediate or deferred pension (other than for disability).

Section 2.03. Reinstatement of Participation.

An Employee who has lost his status as a Participant in accordance with Section 2.02 becomes a Participant again by meeting the requirements of Section 2.01 within a Calendar Year on the basis of Hours of Service after the Calendar Year during which his participation terminated. However, in the case of a non-vested Employee who has not had a Permanent Break in Service under Section 4.03(c) of the Plan, that employee becomes a Participant again when he completes at least 950 Hours in Covered Employment within a consecutive twelve (12) month period measured from the date of his re-employment in Covered Employment. Participation will be retroactive to the date of the Employee's re-employment in Covered Employment.

ARTICLE 3 Pension Eligibility and Amounts

Section 3.01. Regular Pension - Eligibility.

A Participant may retire on a Regular Pension if he meets the following requirements:

- (a) he has reached age 61; and
- (b) he has at least fifteen (15) Pension Credits, five (5) of which were earned during the Contribution Period.

Section 3.02. Regular Pension - Amount.

- (a) For pensions effective on or after January 1, 2001, the amount of the Regular Pension for a Participant will be the sum of the following, subject to the provisions of Section 7.06.
 - (1) \$15.00 for each of the Participant's Pension Credits granted for employment prior to the Contribution Period;
 - (2) \$72.00 for each of the Participant's Pension Credits earned during the Contribution Period up to December 31, 1974; and
 - (3) \$110.00 for each of the Participant's Pension Credits earned after January 1, 1975.
- (b) For purposes of Sections 7.06 and 3.09, the applicable benefit rate is:

Benefit Rate Per Pension Credit For:

<u>Separation from Covered Employment</u>	<u>Past Service</u>	<u>Future Service Prior to 1975</u>	<u>Future Service After 1974</u>
Before 1969	\$ 6.30	\$ 6.30	---
During 1969	8.40	8.40	---
During 1970-72	10.50	10.50	---
During 1973	11.55	11.55	---
During 1974	12.00	12.00	---
During 1975-76	13.00	13.00	\$ 14.50
During 1977	13.00	13.00	16.00
During 1978	13.00	13.00	18.00
During 1979	13.00	14.00	20.00
During 1980	13.00	17.00	26.00
During 1981	13.00	19.00	30.00
During 1982	13.00	20.00	38.00
During 1983	13.00	24.00	42.00

During 1984	13.00	26.00	47.00
During 1985	13.00	28.00	50.00
During 1986	13.00	30.00	52.00
During 1987	13.00	33.00	55.00
During 1988	15.00	37.00	58.00
During 1989	15.00	41.00	60.00
During 1990	15.00	46.00	67.00
During 1991	15.00	52.00	73.00
During 1992	15.00	55.00	75.00
During 1993	15.00	59.00	78.00
During 1994	15.00	61.00	79.00
During 1995	15.00	62.00	80.00
During 1996-1997	15.00	64.00	81.00
During 1998	15.00	68.00	94.00
During 1999	15.00	69.00	102.00
During 2000	15.00	71.00	109.00
During 2001 and after	15.00	72.00	110.00

- (c) For purposes of Sections 7.06 and 3.09, the applicable benefit rate under the Default Schedule is \$67.00 per Pension Credit for Future Service earned on and after the effective date of the Default Schedule. The effective date of the Default Schedule is defined in Section 3.04(c)(3).

Section 3.03. Early Retirement - Eligibility.

A Participant may retire on an Early Retirement Pension if he meets the following requirements:

- (a) has reached age 55; and
- (b) has at least fifteen (15) Pension Credits, five (5) of which were earned during the Contribution Period.

Section 3.04. Early Retirement Pension Amount.

- (a) Prior to Rehabilitation Plan: The monthly amount of the Early Retirement Pension is the amount of the Regular Pension reduced by one-twelfth of one percent (1/12 of 1%) for each month by which the commencement of the pension precedes the month the Participant will reach age 61.
- (b) Preferred Schedule of the Rehabilitation Plan:
 - (1) The monthly amount of the Early Retirement Pension for an Active Participant who has a Pension Effective Date on or after January 1, 2010 is the amount of the Regular Pension reduced by one-sixth of one percent (1/6 of 1%) for each month by which the commencement of the pension precedes the month the Active Participant

will reach age 61.

- (2) The monthly amount of the Early Retirement Pension for a Terminated Vested Participant who has a Pension Effective Date on or after June 1, 2009 is the amount of the Pension to which the Participant is entitled at Normal Retirement Age reduced by applying the full actuarial equivalent reduction for each month by which the commencement of the pension precedes the month the Terminated Vested Participant will reach age 65. The early retirement reduction for benefits commenced prior to age 65 are as follows:

Age at Retirement	Reduction Applied to Pension at Normal Retirement Age
55 years	0.6192
55 years, 1 month	0.616208333
55 years, 2 months	0.613216667
55 years, 3 months	0.610225
55 years, 4 months	0.607233333
55 years, 5 months	0.604241667
55 years, 6 months	0.60125
55 years, 7 months	0.598258333
55 years, 8 months	0.595266667
55 years, 9 months	0.592275
55 years, 10 months	0.589283333
55 years, 11 months	0.586291667
56 years	0.5833
56 years, 1 month	0.579983333
56 years, 2 months	0.576666667
56 years, 3 months	0.57335
56 years, 4 months	0.570033333
56 years, 5 months	0.566716667
56 years, 6 months	0.5634
56 years, 7 months	0.560083333
56 years, 8 months	0.556766667
56 years, 9 months	0.55345
56 years, 10 months	0.550133333
56 years, 11 months	0.546816667
57 years	0.5435
57 years, 1 month	0.539808333
57 years, 2 months	0.536116667
57 years, 3 months	0.532425
57 years, 4 months	0.528733333
57 years, 5 months	0.525041667
57 years, 6 months	0.52135
57 years, 7 months	0.517658333

57 years, 8 months	0.513966667
57 years, 9 months	0.510275
57 years, 10 months	0.506583333
57 years, 11 months	0.502891667
58 years	0.4992
58 years, 1 month	0.495091667
58 years, 2 months	0.490983333
58 years, 3 months	0.486875
58 years, 4 months	0.482766667
58 years, 5 months	0.478658333
58 years, 6 months	0.47455
58 years, 7 months	0.470441667
58 years, 8 months	0.466333333
58 years, 9 months	0.462225
58 years, 10 months	0.458116667
58 years, 11 months	0.454008333
59 years	0.4499
59 years, 1 month	0.445316667
59 years, 2 months	0.440733333
59 years, 3 months	0.43615
59 years, 4 months	0.431566667
59 years, 5 months	0.426983333
59 years, 6 months	0.4224
59 years, 7 months	0.417816667
59 years, 8 months	0.413233333
59 years, 9 months	0.40865
59 years, 10 months	0.404066667
59 years, 11 months	0.399483333
60 years	0.3949
60 years, 1 month	0.389775
60 years, 2 months	0.38465
60 years, 3 months	0.379525
60 years, 4 months	0.3744
60 years, 5 months	0.369275
60 years, 6 months	0.36415
60 years, 7 months	0.359025
60 years, 8 months	0.3539
60 years, 9 months	0.348775
60 years, 10 months	0.34365
60 years, 11 months	0.338525
61 years	0.3334
61 years, 1 month	0.327641667
61 years, 2 months	0.321883333

61 years, 3 months	0.316125
61 years, 4 months	0.310366667
61 years, 5 months	0.304608333
61 years, 6 months	0.29885
61 years, 7 months	0.293091667
61 years, 8 months	0.287333333
61 years, 9 months	0.281575
61 years, 10 months	0.275816667
61 years, 11 months	0.270058333
62 years	0.2643
62 years, 1 month	0.257833333
62 years, 2 months	0.251366667
62 years, 3 months	0.2449
62 years, 4 months	0.238433333
62 years, 5 months	0.231966667
62 years, 6 months	0.2255
62 years, 7 months	0.219033333
62 years, 8 months	0.212566667
62 years, 9 months	0.2061
62 years, 10 months	0.199633333
62 years, 11 months	0.193166667
63 years	0.1867
63 years, 1 month	0.1794
63 years, 2 months	0.1721
63 years, 3 months	0.1648
63 years, 4 months	0.1575
63 years, 5 months	0.1502
63 years, 6 months	0.1429
63 years, 7 months	0.1356
63 years, 8 months	0.1283
63 years, 9 months	0.121
63 years, 10 months	0.1137
63 years, 11 months	0.1064
64 years	0.0991
64 years, 1 month	0.090841667
64 years, 2 months	0.082583333
64 years, 3 months	0.074325
64 years, 4 months	0.066066667
64 years, 5 months	0.057808333
64 years, 6 months	0.04955
64 years, 7 months	0.041291667
64 years, 8 months	0.033033333
64 years, 9 months	0.024775

64 years, 10 months	0.016516667
64 years, 11 months	0.008258333

(3) Application of the Preferred Schedule:

The reduction factors in Section 3.04(b) shall apply to each Active Participant whose most recent Covered Employment prior to June 30, 2009 was with an Employer that was signatory to a Collective Bargaining Agreement, participation agreement, assent agreement, signed stipulation or similar agreement that calls for contributions that are consistent with those that are required under the Preferred Schedule of the Rehabilitation Plan; provided that such agreement became effective on or before June 30, 2009; and provided further that the Active Participant's Covered Employment after June 30, 2009 is with an Employer that is signatory to a Collective Bargaining Agreement, participation agreement, assent agreement, signed stipulation or similar agreement that calls for contributions that are consistent with those that are required under the Preferred Schedule of the Rehabilitation Plan. The early retirement reduction described in the Preferred Schedule for Terminated Vested Participants shall apply to each Terminated Vested Participant who has a Pension Effective Date on or after June 1, 2009.

(c) Default Schedule of the Rehabilitation Plan:

(1) The monthly amount of the Early Retirement Pension for an Active Participant who has a Pension Effective Date on or after the effective date of the Default Schedule is the amount of the Pension to which to Participant is entitled at Normal Retirement Age reduced by 5/12% per month (5% per year) for each month by which the commencement of the pension precedes the month the Active Participant will reach age 65.

(2) The monthly amount of the Early Retirement Pension for a Terminated Vested Participant who has a Pension Effective Date on or after the effective Date of the Default Schedule is the amount of the Pension to which to Participant is entitled at Normal Retirement Age reduced by applying the full actuarial equivalent reduction for each month by which the commencement of the pension precedes the month the Terminated Vested Participant will reach age 65. The early retirement reduction for benefits commenced prior to age 65 as stated in Section 3.04(b)(2) shall apply.

(3) Effective Date of the Default Schedule:

The reduction factors in Section 3.04(c) shall apply to each Participant with a Pension Effective Date on or after June 1, 2009; provided that the new Early Retirement reduction factors shall not apply to benefits paid before the first date that such new factors may be applied under the Pension Protection Act (PPA). Generally, this means: (i) for Terminated Vested Participants, the change will apply to benefits that are paid on or after June 1, 2009, and (ii) for Active Participants, the change will apply to benefits paid after the date the Participant's Employer's Collective Bargaining Agreement or other agreement provides for

the Default Schedule or, if later, the date the Default Schedule is imposed on the Participant's Employer.

(d) Calculation if Participant has Service under both Preferred and Default Schedule

If a Participant earns benefits under both the Default and Preferred Schedules, the early retirement subsidy under the Default Schedule shall apply to the portion of the Participant's benefit that is earned under the Default Schedule, and the early retirement subsidy under the Preferred Schedule shall apply to the portion of the Participant's benefit that is earned under the Preferred Schedule. If a Participant earns benefits under both the Default and Preferred Schedules in a single Calendar Year, the same methodology set forth in Section 7.06(e) shall be used for determining the early retirement subsidy that shall apply to the Participant's benefit that is earned under the Default and Preferred Schedules, respectively.

(e) Terminated Vested Participants

The early retirement reduction described in the Preferred Schedule for Terminated Vested Participants shall apply to each Terminated Vested Participant who has a Pension Effective Date on or after June 1, 2009.

(f) Definitions

(1)(i) For purposes of this section, an "Active Participant" is a Participant who has satisfied the eligibility requirements of Section 3.03 for Early Retirement Benefits and who is not a "Terminated Vested Participant".

(ii) Effective July 1, 2013, a Participant who satisfies all of the following requirements, can regain or will retain status as an Active Participant for purposes of this section:

(A) The Participant's participation in the NASI Pension Plan before the Break-in-Continuity was based on work covered by a Collective Bargaining Agreement;

(B) The Participant attained age 50 or older by December 31, 2008;

(C) The Participant incurred one or more Breaks-in-Continuity under section 7.06(c) during the period January 1, 2008 to December 31, 2013 as a result of unemployment with the first year of the Break in Continuity commencing no earlier than 2008;

(D) The Participant retires effective January 1, 2008 or later; and

(E) The Participant has sufficient Hours in his Hour Bank in Section 4.01(a)(2) for the Pension Fund to deduct up to 350 hours for no more than two Calendar Years between January 1, 2008 and December 31, 2013 to prevent a Break-in-Continuity.

Hours in a Participant's Hour Bank applied to prevent a Break-in-Continuity under this

section are not available to be credited under Section 4.01(a)(2).

- (2) For purposes of this section, a “Terminated Vested Participant” is a Participant who has attained Vested Status and commences retirement benefits after incurring a Break in Continuity under Section 7.06(c) of the Plan. A Participant will not be a Terminated Vested Participant if the Participant has not incurred a Break in Continuity under Section 7.06(c) of the Plan. A Terminated Vested Participant can regain status as an Active Participant for purposes of this section if, subsequent to incurring a Break in Continuity, the Participant returns to Covered Employment and earns years of vesting service at least equal to the total number of years which constituted the Break(s) in Continuity. However, if a Participant is treated as incurring a Break in Continuity under Section 7.06(c) of the Plan and earns Pension Credits after such Break in Continuity but has not regained the status of an Active Participant as described above, the Participant will be treated as a Terminated Vested Participant with respect to the Pension Credits the Participant earned prior to his Break in Continuity, but not with respect to Pension Credits earned after the Break in Continuity (unless the Participant incurs a subsequent Break in Continuity).

Section 3.05. Vested Pension - Eligibility.

A Participant has the right to a Vested Pension at his Normal Retirement Age if he has credit for at least ten (10) Years of Vesting Service, all of which must be earned during the Contribution Period.

A Participant or former Participant with at least ten (10) Years of Vesting Service is eligible for a Vested Pension regardless of the provisions of the Plan in effect when he last worked.

Effective January 1, 1989, a Participant who earns one (1) or more Hours of Service on or after January 1, 1989 in Covered Employment not covered by a Collective Bargaining Agreement, has the right to a Vested Pension at his Normal Retirement Age if he has at least five (5) Years of Vesting Service, which have not been canceled by a Permanent Break in Service and all of which must be earned during the Contribution Period.

Effective January 1, 1996, an individual who completes more than one (1) Hour of Service on or after January 1, 1996 has the right to a Vested Pension at his Normal Retirement Age after he completes at least five (5) Years of Vesting Service during the Contribution Period, excluding Years of Service that are not taken into account because of a Permanent Break in Service determined after the application of this provision.

Section 3.06. Vested Pension - Amount.

The amount of the Vested Pension is the same as the amount of the Regular Pension.

Section 3.07. Disability Pension: Eligibility and Commencement.

- (a) A Participant may retire on a Disability Pension if he becomes Totally and Permanently Disabled as defined in 3.07(b) below, and he meets the additional requirements of either 3.07(a)(1), (2), or (3) below.
 - (1) Attachment to the Industry test.
 - (A) First Step
 - (i) he has at least fifteen (15) Pension Credits, five (5) of which were earned during the Contribution Period, or
 - (ii) he has at least ten (10) Pension Credits during the contribution Period and his disability began on or after January 1, 1980, or
 - (iii) effective January 1, 1996, he has at least ten (10) Pension Credits during the Contribution Period and his disability began on or after January 1, 1975 but before January 1, 1980, and
 - (B) he worked in Covered Employment for at least 500 total Hours in the period consisting of the Calendar Year in which he became Totally and Permanently Disabled and the previous two (2) Calendar Years.
 - (2) First Alternate Attachment to the Industry test.
 - (A) he has at least (10) Pension Credits during the Contribution Period and;
 - (i) he has a Pension Effective Date before January 1, 1996 and his disability commenced on or after January 1, 1980 or;
 - (ii) effective January 1, 1996, his disability commenced on or after January 1, 1975 but before January 1, 1980, and
 - (B) he worked at least 500 Hours in Covered Employment during the 36 month period immediately preceding the date the disabling condition began, and
 - (C) he can establish to the satisfaction of the Trustees that he was unable to and did not engage in any substantial gainful employment from the date his disabling condition began until his Date of Disability.
 - (3) Second Alternate Attachment to the Industry test.
 - (A) he has at least ten (10) Pension Credits during the Contribution Period and his Date of Disability was on or after January 1, 1992;

- (B) he became Disabled from his Occupation, as defined in this subsection;
 - (C) he remained continuously Disabled from his Occupation as defined in this subsection, due to the same cause, until his Date of Disability as defined in 3.07(b); and
 - (D) he worked at least 500 Hours in Covered Employment during the 36 month period immediately before becoming Disabled from his Occupation, as defined in this subsection, and remained available for work in Covered Employment, as determined by the Trustees, until he became Disabled from his Occupation.
 - (E) A Participant is Disabled from his Occupation if the Trustees, in their sole discretion, determine on the basis of medical evidence that the Participant is or was unable, as the result of injury or disease, which occurred while working in Covered Employment, to engage in or perform the normal and customary duties of his Occupation or any similar or related Occupation in the trade for direct or indirect compensation or profit. The Trustees may require a Participant applying for a Disability Pension based on the eligibility test in this subsection to be examined by a physician selected by the Trustees and to provide evidence of continued disability from his Occupation as defined in this subsection from the time he became Disabled from his Occupation until his Date of Disability as defined in 3.07(b).
- (b) A Participant will be Totally and Permanently Disabled upon a determination by the Social Security Administration that he is entitled to a Social Security Disability benefit under Title II of the Social Security Act (Federal Old Age, Survivors and Disability Insurance Benefits) for a permanent disability. The Date of Disability for purposes of this Plan is the Date of Entitlement to disability benefits stated on the Participant's Social Security Award. The Trustees may periodically require the Participant to provide evidence of his continued entitlement to Social Security Disability Benefits for a total and permanent disability.
 - (c) The Effective Date of a Disability Pension is the first day of the month following the receipt of the Participant's Application.
 - (d) Solely for the purpose of determining eligibility for a Disability Pension under this Section 3.07, years of Vesting Service credited to apprentices under Section 4.02(b)(2) of the Plan will be treated as Pension Credits. These years of Vesting Service will not be used to determine the amount of the Pension.

Section 3.08. Disability Pension and Early Retirement Pension.

A Participant who has made application for a Disability Pension and who is awaiting determination of his total and permanent disability by the Social Security Administration may make application

for an Early Retirement Pension and, if otherwise eligible, begin receiving an Early Retirement Pension; provided that the requirement to make an application shall be waived in the event that the date the Social Security Administration determined that you became disabled under its rules is prior to the effective date of the Early Retirement Pension. If the Participant subsequently receives a Social Security Award of Total and Permanent Disability with an entitlement date within two years of the Effective Date of the Early Retirement Pension, forwards the Social Security Award to the Fund office within ninety (90) days of receipt, and otherwise qualifies for a Disability Pension, the Participant will be entitled to the difference between the amount of the Disability Pension payable from this Fund and the benefits received, beginning as of the later of the effective date of the Social Security Award or the date of application for a Disability Pension.

Section 3.09. Disability Pension - Amount.

- (a) The monthly amount of the Disability Pension is the same as the Regular Pension. However, for Disability Pensions effective on or after January 1, 1999, if the monthly amount of the Disability Pension based upon the Employee's Pension Credits is less than \$1620.00, a minimum monthly Disability Pension of \$1620.00 will be payable before any adjustment for the Husband-and-Wife Pension or any payment options in Article 6. Disability benefits will be determined based on the Plan in effect on the last day of Covered Employment. Any periods of Covered Employment after the Effective Date of the Disability Pension (but before approval of the benefit by the Trustees) which are Pension Credit under the terms of this Plan will be counted for eligibility and benefit purposes; however, no payment will be made for any month after the Effective Date of the Disability Pension during which the Participant engaged in Covered Employment. The provisions of Section 7.06 will apply to the calculation of any benefit.
- (b) Where the Date of the Entitlement to Social Security Disability benefits is before the Effective Date of the Disability Pension and on or after January 1, 1980, the benefit payment for the first month of the pension will be equal to the monthly benefit amount stated in Section 3.09(a) plus an additional amount equal to the monthly benefit amount times the number of months between the Effective Date of the Disability Pension and the Date of Entitlement to Social Security disability benefits stated on the Social Security Award.
- (c) Where the Date of the Entitlement to Social Security disability benefits is before the Effective Date of the Disability Pension and on or after January 1, 1975 but before January 1, 1980, the benefit payment for the first month of the pension will be equal to the monthly benefit amount stated in Section 3.09(a) plus an additional amount equal to the monthly benefit amount times the number of months between the Effective Date of the Disability Pension and January 1, 1996.
- (d) Disability Pension Benefits received under this Plan will not be coordinated pursuant to Michigan Compiled Laws Annotated (MCLA) Section 418.354, if that provision is found to be applicable to this Plan, with any Workers' Disability Compensation Benefits to which the Totally and Permanently Disabled Participant may be or may become entitled.

Section 3.10. Termination of Disability Pension.

- (a) A Disability Pension will temporarily terminate for any month in which a Disability Pensioner engages in any regular gainful occupation or employment for compensation or profit. A temporarily terminated Disability Pensioner will resume receiving Disability Pension Benefits upon the Fund's receipt of satisfactory documentation that the Disability Pensioner has not lost entitlement to Social Security Disability Benefits and that he has ceased such employment. Any provisions of this Pension Plan regarding benefits following the death of the Disability Pensioner will remain effective until notification by the Trustees of the permanent termination of Social Security disability benefits.
- (b) A Disability Pension will terminate before the Participant reaches age 61:
 - (1) if a Disability Pensioner loses entitlement to Social Security disability benefits or recovers from a disability. The Disability Pensioner must report his recovery or loss of entitlement in writing to the Trustees within thirty (30) days of either the date of his recovery or the date he receives notice from the Social Security Administration concerning his loss of entitlement;
 - (2) if the Trustees determine on the basis of a medical examination that the Disability Pensioner has sufficiently recovered to return to any gainful employment; or
 - (3) if the Disability Pensioner refuses to undergo a medical examination ordered by the Trustees.
- (b) If a Disability Pension is terminated, the former Disability Pensioner may, if otherwise eligible, convert the pension to an Early, Regular or Vested Pension. In this event, no options other than those already chosen are available; the 100-Month Guarantee in Section 6.02 applies, if applicable, based upon all payments made after the original Effective Date of the Disability Pension. Any increases in Pensioner benefits granted during the period while receiving a Disability Pension will be applied to the recomputed benefit. The Early Retirement reduction in Section 3.04 will apply as in effect when the pension is converted. Such conversion rights will apply until such time as one (1) additional Year of Vesting Service is earned in Covered Employment.

Section 3.11. Eligibility for Partial Pension with Metal Trades Pension Plan.

Partial Pensions are provided under this Plan for Employees who are vested in the National Automatic Sprinkler Metal Trades Pension Plan (hereinafter called the "Metal Trades Plan") for credited service earned under the National Automatic Sprinkler Industry Pension Plan (hereinafter called "this Plan").

For an Employee to be eligible for a Partial Pension from this Plan, he must have at least two (2) years of Pension Credits based on actual employment for which contributions have been made to this Plan.

In applying the rules of this Plan with respect to Breaks in Service, any period in which an Employee has earned credited service in the Metal Trades Plan will be considered a grace period under this Plan but only for the purpose of not incurring a Permanent Break in Service as provided in Section 4.03.

Section 3.12. Partial Pension Amount with Metal Trades Pension Plan.

The amount of the Partial Pension is computed by multiplying the credited service under this Plan by the retirement benefit in effect during such period of service under this Plan. In the event of more than one period of service, the monthly pension benefit will be determined by (1) multiplying the credited service for each period by the appropriate rate for that period and (2) adding together each of these amounts.

Section 3.13. Pro Rata/Partial Pension - Addendum to Money Follows the Man Reciprocal Agreement.

- (a) Partial pension benefits are provided under this Plan to certain Participants who would otherwise lack sufficient service credit to be eligible for pension benefits because their years of employment have been divided between pension plans. If another pension plan has been recognized by the Trustees of this Plan as a Related Plan, a Participant will receive a Pro Rata/Partial Pension under this Plan based on his service under both Plans, if he meets the requirements of this Section.
- (b) “Related Plan” means a pension plan, recognized by the Trustees as such, with which the Trustees have entered into an agreement for Pro Rata/Partial Pensions. This Section 3.13 applies only to pensions that are first effective on or after the effective date of the Pro Rata/Partial Pension Agreement with the Related Plan. This Section will not apply to anyone already receiving a pension from this Plan or from the Related Plan on or before the effective date of the Agreement with the Related Plan. This Section will also not apply to any service under a Related Plan after the termination of the Agreement with the Related Plan.
- (c) For purposes of this Section 3.13, a Participant’s Hours of Future (Contributory) Service under the Related Plan, excluding any Hours of Service as may be recognized by the Related Plan under one or more other similar but separate agreements, will be recognized under this Plan but only for the purposes of vesting and determining eligibility for the Pro Rata/Partial Pension provided for in this section. Such Hours of Future Service will be only those hours remaining after the completion by both Plans of money-follows-the-man reciprocity. Hours of Past (Noncontributory) Service under the Related Plan will not count for any purpose under this Section 3.13. Hours of Service under the Related Plan that are duplicative of Hours of Service earned under this Plan and Hours of Service under the Related Plan after the termination of the Agreement with that Plan also will not count for any purpose under this Section 3.13.

- (d) Such Hours of Future Service under the Related Plan will not count for the purpose of accruals in determining the amount of benefits under this Plan, nor will such Hours count for avoiding the provisions of Section 7.06 of this Plan with regard to the effect of a Break in Continuity, but such Hours will be counted as Covered Employment for avoiding the provisions of Section 4.03 of this Plan with regard to the effect of a Break in Service.
- (e) A Participant will be eligible for a Pro Rata/Partial Pension under this Plan if he satisfies all of the following requirements:
 - (1) he is not otherwise eligible for a pension under this Plan,
 - (2) he had earned, after the completion of money-follows-the-man reciprocity, at least one (1) year of Future Service Credit under this Plan without counting any Service under a Related Plan and without regard to any Breaks in Service,
 - (3) he would be eligible for any type of pension under this Plan if the Hours of Future Service recognized under this Section 3.13 were treated as Hours of Service under this Plan; provided, however, that no more than one (1) year of Pension Credit will be granted for any Calendar Year and no additional Pension Credit will be granted for the same hours recognized by both Plans,
 - (4) he had earned, after the completion of money-follows-the-man reciprocity, at least a partial year of Future Service Credit in at least one of the Funds signatory to the National Automatic Sprinkler Industry Pension Fund's standard money-follows-the-man reciprocal agreement during at least one (1) of the five (5) Calendar Years prior to his Effective Date of Pension.
- (f) The amount of the Pro Rata/Partial Pension under this Plan will be determined solely on the basis of the Participant's Future Service Credit under this Plan without regard to any Hours of Service under a Related Plan and without regard to any Past Service Credit under this Plan. Payment of a Pro Rata/Partial Pension will be subject to all conditions applicable to other types of pensions under this Plan, including, but not limited to, Retirement as defined in this Plan and timely application.

Section 3.14. Non-duplication of Pensions.

A person is entitled to only one pension under this Plan, except that a Disability Pensioner who recovers may be entitled to a different type of pension. A Pensioner may also receive a pension as the Spouse of a deceased Pensioner.

Section 3.15. Death Benefits for Active Employees.

- (a) If a Participant dies on or after January 1, 1988, and before his Effective Date of Pension but after he has earned five (5) or more Pension Credits during the Contribution Period, a Death Benefit equal to \$1,000 times the number of Pension Credits during the Contribution Period

will be paid to his designated Beneficiary. However, no benefits will be payable under this Section if (a) a Husband-and-Wife Pension is payable to the Spouse of the Participant under Article 5, or (b) a pension is payable under the Pre-retirement Surviving Spouse Pension under Section 5.03. A Participant for purposes of this Section includes (i) any Employee, whether vested or not, who has earned two-tenths (.2) of a Pension Credit during the Calendar Year of his death or during the preceding Calendar Year; and (ii) a former Employee who dies while performing qualified military service (as defined in Code 414(u)) on or after January 1, 2007.

- (b) If a vested Participant dies on or after January 1, 1998, and before his Effective Date of Pension, a Death Benefit equal to \$1,000 times the number of Pension Credits during the Contribution Period will be paid to his designated Beneficiary. However, no benefits will be payable under this Section if either a Husband-and-Wife Pension under Article 5, or a Pre-retirement Surviving Spouse Pension under Section 5.03 is payable to the spouse of the Participant.

Section 3.16. Death Benefits for Pensioners.

If a Pensioner dies on or after January 1, 1982, a Death Benefit equal to \$500 times the number of Pension Credits earned after 1974 plus \$1,000 will be paid to his designated Beneficiary, subject to a maximum total of \$5,000. No benefits are payable under this Section upon the death of a Beneficiary. A former Pensioner will continue to qualify for this benefit until such time as he initially requalifies for benefits under Section 3.15 or Article 5.

Section 3.17. Designation of Beneficiary.

A Participant, or a Beneficiary receiving payments under Section 6.02, may designate a person or persons as a Beneficiary or Beneficiaries to receive the benefits, if any, provided in accordance with Section 3.15, 3.16 or 6.02 by forwarding such designation in a form acceptable to the Trustees to the Fund Office. An unmarried Participant has the right to change his designation of Beneficiary without the consent of the Beneficiary. A married Participant may change his designation of Beneficiary only with the consent of his Spouse. The consent must be in writing, must acknowledge the Beneficiary or Beneficiaries designated, and must be notarized.

A change of Beneficiary designation will not be effective or binding on the Trustees unless it is received by the Fund Office before the death of the person making the designation. Any benefits provided in accordance with Sections 3.15, 3.16 or 6.02 will be paid to the most recently designated Beneficiary filed with the Trustees. The divorce of the Participant and designated Beneficiary does not invalidate the designation; the Participant must submit a change of Beneficiary designation to the Fund to remove the former spouse as a Beneficiary. If the designated Beneficiary, who has survived the Participant and is therefore entitled to the benefits provided, dies before receipt of the benefits, the benefits will be paid in accordance with the procedure provided in Section 3.18.

Section 3.18. No Beneficiary.

If a Participant or a Pensioner or a Beneficiary receiving payments under Section 6.02 has not designated a Beneficiary or there is no designated Beneficiary alive at the death of a Participant or Pensioner, any benefit provided under Sections 3.15, 3.16 or 6.02 will be payable to the person or persons listed below in the order listed:

- (a) in accordance with the most recent properly executed beneficiary designation form from the National Automatic Sprinkler Industry Welfare Fund or any other sprinkler local welfare fund;
- (b) to the Spouse of the Participant or Pensioner; or spouse of a Beneficiary receiving benefits under Section 6.02.
- (c) if no surviving Spouse, to his surviving children, divided equally among them;
- (d) if no surviving Spouse or children, to his surviving natural parents, divided equally between them.

If a Participant fails to designate a Beneficiary and none of the persons listed above are living, no benefits will become payable under Sections 3.15, 3.16 or 6.02.

Section 3.19. Payments to Minors.

If benefits from this Fund are payable to a minor, the Trustees may pay the benefits due to the minor to the person having present custody or care of the minor and with whom the minor resides. Such recipient on behalf of the minor must agree in writing to apply the payments solely for the minor's support. The Trustees also have the discretion to make any payments of benefits to a minor by depositing the payments in a federally insured savings account in the name of the minor and by giving written notice of such deposit to the minor. Payment made in the manner set forth in this Section will discharge the Trustees from any liability to the minor or anyone representing his interest. No payment will be made under this Section to a government agency.

Section 3.20. Disclaimer of Benefits

If a Beneficiary signs and delivers to the Fund Office a written disclaimer of Plan benefits which satisfies the requirements of Code Section 2518 and the Regulations thereunder, and the benefits, but for the disclaimer, would otherwise pass to such individual as a result of the death of a Participant or a Beneficiary, the individual executing such disclaimer of benefits shall be deemed to have failed to survive the deceased Participant or Beneficiary from whom he otherwise would have taken. For such a disclaimer to be effective for purposes of the Plan, the following conditions must be satisfied:

- (a) The disclaimer must be an irrevocable and unqualified written refusal by the individual who would otherwise receive Plan benefits as a Beneficiary not to accept such benefits;

- (b) The written disclaimer must be received in the Fund Office no later than the date that is nine (9) months after the date of death of the Participant or Beneficiary by reason of which the disclaiming individual would be entitled to Plan benefits;
- (c) The disclaiming individual has not accepted any portion of the Plan benefits being disclaimed;
- (d) As a result of the disclaimer, the Plan benefits are paid in accordance with the Plan document and without any direction on the part of the individual making the disclaimer to a person other than the individual making the disclaimer, and
- (e) The disclaimer must satisfy the requirements of applicable state law which must be evidenced by an opinion of counsel for the disclaiming individual submitted with the disclaimer.

**Section 3.21. Revocation of Alternate Payee's Interest under a
Qualified Domestic Relations Order**

An Alternate Payee under a Qualified Domestic Relations Order, as that term is defined in ERISA Section 206(d)(3), whose benefits have not yet commenced may revoke or waive the benefits awarded in an order that (a) is a Domestic Relations Order as defined in § 206(d)(3)(B)(ii) of ERISA; (b) identifies the Participant, the Alternate Payee and the Plan to the satisfaction of the Trustees; and (c) completely revokes the benefits previously awarded to the Alternate Payee by a Qualified Domestic Relations Order. Such order will have only prospective effect. Such order must be submitted to the Fund Office and will be subject to the Plan's Procedures for Processing Qualified Domestic Relations Orders.

ARTICLE 4
Pension Credits and Years of Vesting Service

Section 4.01. Pension Credits.

(a) For Employment during the Contribution Period.

(1) General Rule.

For periods during the Contribution Period, a Participant will be credited with Pension Credits on the basis of his Hours of Service in Covered Employment on which contributions to the Pension Fund were required to be made in accordance with the following schedule:

<u>Hours Within the Calendar Year</u>	<u>Pension Credits</u>
1700 or more -----	1.0
1550 or more but less than 1700 --	.9
1400 or more but less than 1550 --	.8
1200 or more but less than 1400 --	.7
1000 or more but less than 1200 --	.6
950 or more but less than 1000 --	.5
750 or more but less than 950 --	.4
550 or more but less than 750 --	.3
350 or more but less than 550 --	.2
Less than 350 -----	None

For purposes of this Plan, a full year of participation equals 2000 Hours of Service in Covered Employment.

(2) Hour Bank.

For any calendar year after 1979, Hours in excess of 1700 for which contributions have actually been received will be credited to an Hour Bank for each Participant.

Hours will be withdrawn from the Participant's Hour Bank and credited to the Participant to provide additional tenths of Pension Credit for any year after 1974:

- (A) during which a Participant is credited with at least two-tenths (.2) Pension Credit but less than one (1.0) Pension Credit, and
- (B) in which the Participant has at least one (1) Hour of Service in Covered Employment but has not earned two-tenths (.2) Pension Credit due to an on-the-job injury in Covered Employment in that Calendar Year if a Social Security Disability Award is subsequently granted to the Participant with respect to a disability caused

by that injury.

Bank Hours retain their characterization as either Hours of Service under the Preferred or Default Schedule based on the terms of the Collective Bargaining Agreement under which they were earned (i.e., Bank Hours earned for an Employer who was participating in the Plan under the Preferred Schedule are treated as Hours of Service under the Preferred Schedule). Hours in the Hours Bank earned under the Default Schedule may not be credited to a calendar year prior to 2009. Hours in the Hours Bank earned under the Default Schedule will be subject to the applicable benefit rate of the Default Schedule calculated in accordance with Section 7.06(e).

No more than one (1) Pension Credit may be earned in any one (1) calendar year.

Any Hours in a Participant's Hour Bank at his Effective Date of any pension are canceled. However, a Participant who returns to Covered Employment after Retirement or continues in Covered Employment after his Required Beginning Date will again have Hours in excess of 1700 for which contributions have actually been received credited to an Hour Bank which can be applied to service after the Participant's initial Effective Date of Retirement or Required Beginning Date.

No more than 3,400 Hours total may be credited to a Participant from his Hour Bank during all periods of service under the Plan.

Pension Credit based on Hours withdrawn from a Participant's Hour Bank will be taken into account to determine if a Participant has incurred a Break in Continuity.

(b) For Employment before the Contribution Period (Past Service).

A Participant will be credited with Pension Credits for periods before the Contribution Period on the basis of his work in Covered Employment and will be granted credit subject to the following conditions and limitations:

- (1) The maximum of such Pension Credits for any Employee will be twenty (20).
- (2) Credit for fractions of a year will be granted in accordance with the following schedule:

<u>Fraction of a Year</u>	<u>Credit</u>
Less than 6 months -----	0.5 years
6 months to 1 year -----	1.0 years

- (3) Any Employee who has not reached his 65th birthday before the Participation Date of a Participating Sprinkler Local Union representing him will be granted his Pension Credits for continuous employment before the Participation Date if, and only if, during the four (4) year period which ends two (2) years after the

Participation Date, the Employee had been employed by an Employer under a Collective Bargaining Agreement and the Employee was reported to this Fund or the National Automatic Sprinkler Industry Welfare Fund as having worked at least 4,000 Hours during that four (4) year period. However, if the Employee works fewer than 4,000 Hours during the four (4) year period, he will be granted Pension Credit for continuous employment before the Participation Date once he earns three (3) Pension Credits, for Hours for which contributions are required to be made and subject to all other applicable rules of the Plan; provided he earned at least two-tenths (.2) of a Pension Credit during the two (2) year period following the Participation Date and such Pension Credit is not canceled due to a subsequent Break in Service.

Section 4.02. Years of Vesting Service.

(a) General Rule.

A Participant will be credited with one (1) Year of Vesting Service for each Calendar Year during the Contribution Period (including periods before he became a Participant) in which he completed at least 950 Hours of Service in Covered Employment. This rule is subject to the following subsections.

(b) Additions.

- (1) If a Participant works for a Contributing Employer in a job not covered by this Plan and such employment is continuous with his employment with that Employer in Covered Employment, his Hours of Service in such non-covered job during the Contribution Period after December 31, 1975 will be counted toward a Year of Vesting Service.
- (2) Notwithstanding the foregoing, if a Participant works for a Contributing Employer as an apprentice in a category of apprenticeship not covered by this Plan, his Hours of Service in such non-covered apprentice category during the Contribution Period after December 31, 1975 will be counted toward Years of Vesting Service whether or not his employment with the Employer in a non-covered apprenticeship category is continuous with his employment with that Employer in Covered Employment.

Vesting Service credited under this subsection (b)(2) which would not be credited under subsection (b)(1) is limited to two (2) years unless the approval of the Trustees is obtained by the parties to the Collective Bargaining Agreement under which an apprentice may be employed for more than two (2) years in a non-covered apprenticeship category.

- (3) For purposes of this section, employment is continuous with Covered Employment if there is no resignation, discharge, or other termination of employment between the Covered Employment and the non-covered employment.

(c) Exceptions.

A Participant is not entitled to Vesting Service for the following periods:

- (1) Years before a Permanent Break in Service as defined in Section 4.03 (d) for periods before January 1, 1976.
- (2) Years before a Permanent Break in Service as defined in Section 4.03(c).

(d) Application of Hour Bank to Vesting Service.

For years after 1984 in which a Participant has at least two-tenths (.2) Pension Credit but has not met the requirements of Section 4.02(a) to be credited with a Year of Vesting Service, Pension Credit Hours in the Participant's Hour Bank under Section 4.01(a)(2) which are applied to provide additional tenths of Pension Credit are also applied to meet the requirements for a Year of Vesting Service under Section 4.02(a). No more than one (1) Year of Vesting Service may be earned in any one (1) calendar year.

Section 4.03. Breaks-in-Service.

(a) General.

If a person has a Break-in-Service before he has earned Vested Status as defined in Section 7.10, it has the effect of canceling his plan participation, his previously credited Years of Vesting Service, and his previous Pension Credits. However, a Break-in-Service may be temporary, subject to repair by a sufficient amount of subsequent service. A longer Break-in-Service may be permanent.

If Pension Credits for Employment before the Contribution Period are canceled under Section 12.04, and an Employee earns at least one (1) additional Pension Credit with another Contributing Employer before suffering a Permanent Break-in-Service, all Pension Credits lost as a result of the Employer's termination will be restored.

(b) One-Year Break –in-Service.

- (1) A person has a One-Year Break-in-Service in any Calendar Year after 1975 in which he fails to earn two-tenths (.2) of a Pension Credit during a Calendar Year.
- (2) Employment with a Contributing Employer in non-covered employment after December 31, 1975, if creditable under Section 4.02(b), and total disability established to the satisfaction of the Trustees is counted as if it were Covered Employment in determining whether a Break-in-Service has been incurred.

- (3) 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 a Year of Vesting Service (950 Hours). Previously earned Years of Vesting Service and Pension Credits will be restored. However, nothing in this paragraph (3) will change the effect of a Permanent Break-in-Service.
- (4) Solely for the purpose of determining whether a One-Year Break-in-Service has occurred, the absence of an Employee from Service by reason of (A) her pregnancy, (B) birth of a child of the Employee, (C) placement of a child with the Employee in connection with his or her adoption of the child, or (D) care for such child for a period beginning immediately after such birth or placement will be credited as Hours of Service to the extent that Hours of Service would have been credited but for such absence (or, where that cannot be determined, eight Hours of Service per day of absence) to a maximum of 501 Hours for each such pregnancy, childbirth or placement. The Hours so credited will be applied to the Calendar Year in which such absence begins, if doing so will prevent the Employee from incurring a One-Year Break-in-Service in that Calendar Year; otherwise they will be applied to the next Calendar Year. The Trustees may require, as a condition for granting such credit, that the Employee establish in a timely fashion and to the satisfaction of the Trustees that the Employee is entitled to such credit. This subparagraph will apply only to absences that begin after December 31, 1984.
- (5) For purposes of determining whether a Break-in-Service has occurred, employment solely as a fire sprinkler inspector for the federal government or a state, county, municipal or other government or agency is counted as if it were Covered Employment provided that an Employee has a total of fifteen (15) years of Pension Credit without respect to any Break-in-Service, prior to leaving Covered Employment to become a sprinkler inspector.

(c) Permanent Break-in-Service after 1975.

A person has a Permanent Break-in-Service if he has consecutive One-Year Breaks-in-Service, including at least one (1) after 1975, that equal or exceed the number of Years of Vesting Service with which he had been credited.

However, an Employee will not have a Permanent Break-in-Service after December 31, 1985 until he has at least five (5) consecutive One-Year Breaks-in-Service.

(d) Permanent Break in Service before 1976.

A person who had not met the service requirements for a pension had a Permanent Break-in-Service before January 1, 1976, if he was not credited with at least two-tenths (.2) of a Pension Credit during the Contribution Period during at least one of two consecutive calendar years.

(e) Effect of a Permanent Break-in-Service.

If a person who has not met the requirements for a pension has a Permanent Break-in-Service, his previous Pension Credits, Years of Vesting Service and Hours in his Hour Bank are canceled.

(f) Effect of Working in Non-Reciprocal Local for Purposes of Permanent Break-in-Service

An individual who is a Participant on or after January 1, 2000, and who has incurred a Permanent Break-in-Service, will have a period of employment with a non-reciprocal pension plan affiliated with a United Association local union counted as if it were Covered Employment in determining whether a Permanent Break-in-Service has occurred, provided such period of employment is documented to the satisfaction of the Trustees.

Section 4.04. Leave Under the Family and Medical Leave Act.

An Employee who takes a leave of absence under the terms of the Family and Medical Leave Act will have that period of leave credited towards Vesting Service to the extent required under that Act. Periods of leave provided under the Family and Medical Leave Act will not be counted towards a Break-in-Service.

Section 4.05. Military Service.

Periods of military service in any of the Armed Forces of the United States will be credited for purposes of this Plan to the extent required under the Military Selective Service Act, as amended, and any other applicable federal law.

An Employee or former Employee shall be deemed to be working under Covered Employment during a period of qualified military service, within the meaning of Section 414(u) of the Internal Revenue Code, if he returns to Covered Employment within the period specified in those provisions. Based on the duration of the period of military service, and notwithstanding any provision of this plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code. The liability for funding any obligation of the Plan to provide benefits in accordance with Section 414(u) of the Code will be allocated to the Plan.

For purposes of Sections 5.03 (Pre-Retirement Surviving Spouse Pension) and 3.15 (Death Benefits for Non-Retired Employees) an Employee or former Employee who dies as a result of qualified military service on or after January 1, 2007, shall be treated as having died while actively engaged in Covered Employment. The designated Beneficiary or surviving Qualified Spouse shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan determined as if the Employee or

former Employee had resumed working in Covered Employment and then terminated Covered Employment on account of death.

Section 4.06. Reciprocal Agreement Contributions.

When Employees covered by this Plan are working in jurisdictions covered by other pension plans which have reciprocal agreements with this Plan, and pension contributions received by the other plans from Employers are reciprocated to this Plan, Pension Credit will be granted to those Employees by this Plan in accordance with its Rules, proportionately, based on the amount of hourly contribution reciprocated, up to a maximum of one (1) Pension Credit per Calendar Year.

Solely for the purpose of determining eligibility for a Disability Pension under Section 3.07, Pension Credit will be granted to those Employees without a proportionate reduction based on the hourly contribution rate. Hours transferred for this purposes are counted only for purposes of determining eligibility and are not taken into account for purposes of computing the amount of the Disability Pension.

Section 4.07. Participation Date and Effective Date of Pension Benefits for Participating Sprinkler Local Unions.

The Pension Plan for Road Sprinkler Fitters Local Union No. 669 became effective April 1, 1957. The first benefits became payable two years later as of April 1, 1959. Benefit payments for other Sprinkler Fitter Local Unions became effective two years after each Local Union’s Participation Date as shown below.

Union	City	Participation Date	Date of First Pension Benefits
669	Road Local	4/1/57	4/1/59
676	Connecticut	4/1/57	4/1/59
821	Florida	4/1/57	4/1/59
715	Providence	5/1/57	5/1/59
183	Milwaukee	5/1/57	5/1/59
536	Baltimore	5/1/57	5/1/59
417	Minneapolis/St. Paul	7/1/57	7/1/59
268	St. Louis	7/1/57	7/1/59
704	Detroit	8/1/57	8/1/59
550	Boston	9/1/57	9/1/59
483	San Francisco	9/1/57	9/1/59
709	Los Angeles	9/1/57	9/1/59
699	Seattle	1/1/58	1/1/60
703	Buffalo	6/1/58	6/1/60
542	Pittsburgh	7/1/58	7/1/60
692	Philadelphia	7/1/58	7/1/60

696	Newark	7/1/58	7/1/60
314	Kansas City	1/19/59	2/1/61
281	Chicago	6/1/59	6/1/61

ARTICLE 5
**Normal Forms of Pension: Husband-and-Wife Pension,
Single Life Pension and Single Life Pension
with 100-Month Guarantee**

**Section 5.01. Normal Form of Pension for Married Participants:
Husband-and-Wife Pension-- General.**

- (a) If the Effective Date of a pension payable to a married Participant is after December 31, 1984, the benefit is to be paid as a Husband-and-Wife Pension , which is the Normal Form of Pension for a married Participant, unless:
- (1) the Participant and Spouse elect otherwise in accordance with Section 5.02(f); or
 - (2) the Spouse is not a Qualified Spouse as defined below; or
 - (3) the benefit is payable only in a single sum, under Section 7.05(a).
- (b) A Pre-retirement Surviving Spouse Pension is payable as described in this Article when a married Participant (1) dies after August 22, 1984 but before his pension payments have started, (2) has attained Vested Status and (3) has at least one (1) Hour of Service (including paid leave) after August 22, 1984.
- (c) (i) For purposes of this Plan, a Spouse is a person to whom a Participant is considered married under applicable law or, if and to the extent provided by a Qualified Domestic Relations Order as defined in ERISA, a Participant's former Spouse. Notwithstanding the foregoing and applicable law, an individual of the same sex as a Participant shall not be treated as the Participant's spouse for purposes of this Plan.
- (ii) Effective June 26, 2013, for purposes of this Plan, a Spouse is a person to whom a Participant is considered married under applicable law or, if and to the extent provided by a Qualified Domestic Relations Order as defined in ERISA, a Participant's former Spouse. An individual of the same sex as a Participant will be considered the Participant's Spouse for purposes of this Plan if the marriage was legally performed in a jurisdiction that recognizes same-sex marriage.
- (d) To be eligible to receive the survivor's pension in accordance with a Husband-and-Wife Pension or a Pre-retirement Surviving Spouse Pension, the Spouse must be a "Qualified Spouse" as defined in Section 5.02(b) or 5.03(b), as applicable.

Section 5.02. Husband-and-Wife Pension at Retirement.

- (a) Effective January 1, 1985, the pension of a Participant who is married to a Qualified Spouse on the date his pension payments start will be paid in the form of a Husband-and-Wife

Pension, unless a valid waiver of that form of payment has been filed with the Plan. This includes a Disability Pension.

- (b) A Spouse is a Qualified Spouse if the Participant and Spouse were married throughout the one (1) year period ending with the date the Participant's pension payments start. A Spouse is also a Qualified Spouse if the Participant and Spouse became married within the year immediately before the date the Participant's pension payments start and they were married for at least one (1) year before his death. A former Spouse is a "Qualified Spouse" if the couple was divorced after being married for at least twelve (12) months and the former Spouse is required to be treated as a Spouse or a surviving Spouse under a Qualified Domestic Relations Order as defined in ERISA.
- (c) A Husband-and-Wife Pension means that the Participant will receive an adjusted monthly amount for his life and, if the Participant dies before his Qualified Spouse, the latter will receive a monthly benefit for her lifetime of 50% of the Participant's adjusted monthly amount. The Participant's monthly amount will be a percentage of the full monthly amount otherwise payable as a single life pension (after adjustment, if any, for early retirement) computed in accordance with Section 6.08(c).
- (d) A Husband-and-Wife Pension, once payments have begun, may not be revoked nor the Pensioner's benefits increased by reason of subsequent divorce or death of the Spouse before that of the Participant except –
 - (i) as provided in Section 6.08(c)(3), or
 - (ii) as provided in Section 7.08(i)(7).
- (e) A retiring Participant and Spouse will be advised by the Trustees of the effect of payment on the basis of the Husband-and-Wife Pension, including a comparison with other optional forms of payment available under the Plan.
- (f) The Husband-and-Wife Pension may be rejected in favor of another form of payment (or a previous rejection may be revoked) only as follows:
 - (1) The Participant must file the rejection in writing in such form as the Trustees may prescribe. The Participant's Spouse must acknowledge the effect of the rejection and must consent to it in writing. The Spouse must also consent to a specified Beneficiary or Beneficiaries and to a specified optional benefit form. The Spouse's consent must be witnessed by a Notary Public. The Participant may not subsequently change the designated Beneficiary or Beneficiaries or the optional benefit form without the consent of the Spouse, or
 - (2) The Participant must establish to the satisfaction of the Trustees that a Spouse's consent is not required because:
 - (A) the Participant is not married;

- (B) the Spouse whose consent would be required cannot be located; or
 - (C) consent of the Spouse cannot be obtained because of extenuating circumstances, as provided in IRS regulations.
- (3) To be timely, a rejection of the Husband-and-Wife Pension and any required consent must be filed within the Election Period defined in Section 7.05(b). To be valid, such a rejection must be made after the Participant and Spouse have been provided with information which includes a general explanation of the Husband-and-Wife Pension, the circumstances in which it will be provided unless the Participant and Spouse elect otherwise, the availability of such an election, the estimated effect of the Husband-and-Wife Pension and the eligibility conditions and other material features of the optional forms of benefits provided under the Plan including the relative values of the optional forms. The Participant and Spouse may revoke a previous rejection or file a new rejection at any time during the Election Period and after the receipt of the information referred to in this subsection.
- (4) A Spouse's consent to a rejection is effective only with respect to that Spouse.
- (g) If the Husband-and-Wife Pension would be payable except for the fact that the Spouse is not a Qualified Spouse on the date the Participant's pension payments start because the Participant and Spouse have not been married for at least one (1) year at that time, pension payments to the Participant will be made in the amount adjusted for the Husband-and-Wife Pension. If the Participant and Spouse have not been married to each other for at least one (1) year before the death of the Participant, the difference between the amounts that had been paid and the amounts that would have been paid if the monthly amount had not been adjusted will be paid to the Spouse, if then alive, and otherwise to the Participant's designated Beneficiary.

Section 5.03. Pre-retirement Surviving Spouse Pension.

- (a) If a Participant who has a Qualified Spouse dies before his pension payments start but at a time when he had attained Vested Status, including Inactive Vested Participants, a Pre-retirement Surviving Spouse Pension will be paid to his surviving Qualified Spouse.
- (b) A Spouse is a Qualified Spouse for the purposes of this Section if the Participant and Spouse have been married to each other throughout the year immediately before the Participant's death, or if the couple were divorced and the former Spouse is required to be treated as a Spouse or surviving Spouse under a Qualified Domestic Relations Order as defined in ERISA.
- (c) The surviving Qualified Spouse is entitled to the greater of the benefits described in (1) or (2) below beginning the first of the month following the month in which the Participant's death occurred:

- (1) The monthly amount of the Spouse's Pension is determined by taking the (lump sum) amount equal to 100 times the monthly benefit that the deceased Employee could have received had he retired the day before his death and determining the monthly lifetime annuity the Spouse could receive, based on the Spouse's age and the factors set forth in subsection 6.08(h). If the Employee dies prior to age 55, the benefit he could have received had he retired the day before his death is determined as if he were age 55. Payments to the surviving Qualified Spouse will not be made retroactively more than eight (8) months before the month in which an application is received.
- (2) If the Participant described in (a) above dies on or after age 55, the surviving Qualified Spouse is entitled to a lifetime Surviving Spouse Pension determined in accordance with the provisions of Section 5.02 as if the Participant had retired the day before he died.

If the Participant in (a) above dies before age 55, the surviving Qualified Spouse is entitled to a Pre-retirement Surviving Spouse Pension determined as if the Participant had left Covered Employment on the date of his death (or the date he last worked in Covered Employment, if earlier), survived to age 55, retired at age 55 on a Husband-and-Wife Pension (Section 5.02) and died the next day.

- (d) A former Pensioner who rejects the Husband-and-Wife Pension is not entitled to any benefit for his surviving Qualified Spouse under this Section 5.03 unless the Pensioner returns to Covered Employment and the Pensioner satisfies the requirements for reinstatement of participation in Section 2.03 after pension payments cease.

Section 5.04. Trustees' Reliance.

The Trustees are entitled to rely on written representations, consents and revocations submitted by Participants, Spouses or other parties in making determinations under this Article and, unless such reliance is arbitrary or capricious, the Trustees' determinations will be final and binding, and will discharge the Fund and the Trustees from liability to the extent of the payments made. This means that, unless the Plan is administered in a manner determined to be inconsistent with the fiduciary standards of Part 4 of Title I of ERISA, the Fund is not liable under this Article for duplicate benefits with respect to the same Participant, or for surviving Spouse benefits in excess of the Actuarial Present Value of the benefits described in this Article, determined as of the Effective Date of the Participant's pension or, if earlier, the date of the Participant's death.

Section 5.05. Normal Forms of Pension for Unmarried Participants: Single Life Pension with 100-Month Guarantee or Single Life Pension.

An unmarried Participant who becomes entitled to receive a pension benefit will receive it in the applicable Normal Form unless the Participant has filed a timely rejection of that form of payment.

- (a) Regular or Early Retirement Pension: The Normal Form of Pension for unmarried Participants who retire on a Regular or Early Retirement Pension is a Single Life Pension with 100-Month Guarantee which is a monthly amount payable for the remainder of the Pensioner's life terminating with the payment for the month in which the Pensioner's death occurs, provided that if the Pensioner dies before he receives 100 monthly payments, monthly benefits will continue to be paid to his designated Beneficiary, if any, until 100 total payments have been made to the Pensioner and Beneficiary combined.
- (b) Disability or Vested Pension: The Normal Form of benefit payment for unmarried Participants who retire on a Disability or Vested Pension is a Single Life Pension which is a monthly amount payable for the remainder of the Pensioner's life terminating with the payment for the month in which the Pensioner dies.
- (c) To be timely, a rejection of the applicable Normal Form for an unmarried Participant must be filed within the 180-day period ending on the Effective Date of the Participant's benefit as provided in Section 7.05(b). To be valid, such a rejection must be made after the Participant has been provided with information which includes a general explanation of the applicable Normal Form, the circumstances in which it will be provided unless the Participant elects otherwise, the availability of such an election, the estimated effect of the applicable Normal Form, the eligibility conditions and other material features of the optional forms of benefits provided under the Plan including the relative values of the optional forms. The Participant may revoke a previous waiver or file a new waiver at any time during the 180-day period and after the receipt of the information referred to in this subsection.
- (d) An unmarried Participant who has rejected the applicable Normal Form in accordance with subsection (b) will be entitled to elect to receive his pension benefit in accordance with the optional forms of benefits provided in Article 6 subject to the limitations of that Article.

ARTICLE 6

Payment Options

Section 6.01. General.

- (a) Unmarried Participants who formally reject the applicable Normal Form of benefit payment as explained in Section 5.05 and married Participants who formally reject the Husband-and-Wife Pension as explained in Section 5.02(f) may elect in writing an optional form of payment as provided in the Sections which follow, calculated on the principles of Actuarial Equivalence and equitable adjustment in accordance with Section 6.08.
- (b) The Normal Form of benefit payment for a Regular or Early Retirement Pension is a Single Life Pension with 100-Month Guarantee for an unmarried person. The Normal Form of benefit payment for a Disability or Vested Pension is a Single Life Pension for an unmarried person. The Normal Form of benefit payment for a married Participant is the Husband-and-Wife Pension.

Section 6.02. Single Life Pension with 100-Month Guarantee.

If a Pensioner dies before he receives 100 monthly payments, his monthly pension will continue to be paid to his designated Beneficiary, if any, until 100 such payments have been made, including payments to both the Pensioner and Beneficiary. The designation of Beneficiaries must be in accordance with Sections 3.17 and 3.18. This 100-Month Guarantee is available for Participants retiring on a Regular or Early Retirement Benefit and does not apply to Participant's retiring on a Disability Pension or Vested Pension.

Section 6.03. Partial Lump-Sum Payment Option.

Pursuant to Code Section 432(f)(2), effective March 31, 2009 the Partial Lump-Sum Payment Option is not available while the Plan is in critical status subject to the Rehabilitation Plan.

An Employee eligible to receive a Regular or Early Retirement Benefit may elect, by written application filed with the Trustees, to have his monthly Pension Benefit actuarially adjusted so that he may receive at retirement a monthly Pension Benefit in a lower even dollar amount in return for a Lump-Sum Payment, subject to the limitations that:

- (a) the monthly Pension benefit amount may not be reduced by more than 10%; and
- (b) the Lump-Sum Payment may not exceed \$2,000.00.

If this Partial Lump-Sum Payment Option is elected, the provisions of the 100-Month Guarantee in Section 6.02 will apply.

Section 6.04. 100% Joint-Life and Survivorship Option.

An Employee eligible to receive a Regular or Early Retirement Benefit may designate a Beneficiary and may elect, by written application filed with the Trustees, a Joint-Life and Survivorship Option providing for a reduced monthly retirement benefit to be paid as long as the Employee lives after the Effective Date of his pension, with the further provision that 100% of the reduced monthly retirement benefit will be continued after his death to his surviving Beneficiary during the Beneficiary's remaining lifetime. An Employee who retires on a monthly Disability Benefit provided in Section 3.07 may not elect this option.

If elected this option is not effective until the later of twelve (12) months after the month it is filed with the Trustees or the Effective Date of the pension. Pension payments may begin before the date the option is effective. The reduced benefit in accordance with Section 6.08(d) will apply as of the effective date of the option.

In the case of an Employee who elects this option and designates his Qualified Spouse, as defined in Section 5.02(b), as his Beneficiary, if pension payments begin before the effective date of the option, payment will be made in the form of a Husband-and-Wife Pension in accordance with Section 5.02 with the reductions set forth in Section 6.08(c) until the date the option is effective. The reduced benefit in accordance with Section 6.08(d) will apply as of the effective date of the option.

If the Employee or Beneficiary dies before the option becomes effective, the election will be void and the Employee will be treated as though he made no election. In the case of an Employee who has designated his Qualified Spouse as his Beneficiary and who dies before the election becomes effective, the surviving Qualified Spouse will be entitled to a Surviving Spouse Pension determined in accordance with the provisions of Section 5.02 as if the Employee had retired the day before he died.

The election remains in effect if the Beneficiary dies after the effective date of the option. Once an election has been made and accepted by the Trustees, it cannot be changed or rescinded without the consent of the Trustees.

The election of this option automatically waives the payment guarantee provided for in Section 6.02, as of the effective date of the option.

Section 6.05. 66 2/3% Joint-Life and Survivorship Option.

Effective on or after January 1, 1991, for an Employee eligible to receive a Regular, or Early Retirement Pension and effective January 1, 1994 for an Employee eligible to receive a Disability Pension, who is married to a Qualified Spouse, as defined in Section 5.02, on the Effective Date of his pension may elect, by written application filed with the Trustees, a 66 2/3% Joint-Life and Survivorship Option benefit providing for a reduced monthly retirement benefit to be paid as long as the Employee lives after the Effective Date of his pension, with the further provision that 66 2/3% of such reduced monthly retirement benefit will be continued after his death to his Qualified

Spouse during the Spouse's remaining lifetime. An Employee who retires on a Vested Pension as provided in Section 3.06 may not elect this option. The election of this option automatically waives the payment guarantee provided for in Section 6.02, as of the Effective Date of the pension. An election cannot be changed or rescinded after the Effective Date of the pension.

Section 6.06. 75% Joint-Life and Survivorship Option.

Effective on or after January 1, 1991, for an Employee eligible to receive a Regular or Early Retirement Pension, and effective January 1, 1994 for an Employee eligible to receive a Disability Pension, who is married to a Qualified Spouse, as defined in Section 5.02, on the Effective Date of his pension may elect, by written application filed with the Trustees, a 75% Joint-Life and Survivorship Option benefit providing for a reduced monthly retirement benefit to be paid as long as the Employee lives after the Effective Date of his pension, with the further provision that 75% of such reduced monthly retirement benefit will be continued after his death to his Qualified Spouse during the Spouse's remaining lifetime. An Employee who retires on a Vested Pension as provided in Section 3.05 may not elect this option. The election of this option automatically waives the payment guarantee provided for in Section 6.02, as of the Effective Date of the pension. An election cannot be changed or rescinded after the Effective Date of the pension.

Section 6.07. Split Level Option.

Pursuant to Code Section 432(f)(2), effective March 31, 2009 the Split Level Option is not available while the Plan is in critical subject to the Rehabilitation Plan.

An Employee eligible to receive an Early Retirement Benefit may elect, by written application filed with the Trustees, to have his monthly pension benefit increased until age 62 or 65, according to the age at which he expects to receive his Social Security benefit, and reduced thereafter, in order to approximate a pension before age 62 or 65 as nearly equal as possible to his combined income from the pension and Social Security after that age.

The election of this option automatically waives the payment guarantee provided for in Section 6.02.

An Employee retiring on or after January 1, 1999, who is married to a Qualified Spouse, as defined in Section 5.02, on the Effective Date of his pension may elect, by written application filed with the Trustees to add the 50% Surviving Spouse's benefit to the Split Level Option. The addition of the 50% Surviving Spouse's Benefit to the Split Level Option will reduce the monthly benefit payable to the Employee under the Split Level Option for the Employee's lifetime (both before and after age 62 or 65) and after the Employee's death will provide a benefit to his Qualified Spouse during the Spouse's remaining lifetime. The amount payable to the Surviving Spouse is 50% of the Employee's pension, before the adjustment for the Split Level Benefit, but reduced for early retirement, if applicable, and reduced for the 50% Surviving Spouse's Benefit using the factors in Section 6.08(c)(1). Only the portion of the benefit payable during the Participant's lifetime will be converted to the Split Level Option; it will not affect the calculation of the 50% Surviving Spouse's benefit.

Section 6.08. Option Conversion Factors After 1983.

(a) Effective Date.

The provisions of this Section are effective for any pension that first becomes payable after 1983 and are amended as indicated for pensions that first becomes payable on or after January 1, 2000.

(b) Accrued Benefits.

In no event, however, will the total monthly benefit with respect to a Participant be less, as the result of conversion to an optional form of payment, than the benefit accrued before 1984 when converted to the optional form of benefit. In no event, will the total monthly benefit with respect to a Participant be less, as the result of conversion to an optional form of payment, than the benefit accrued before January 1, 2000 when converted to the optional form of benefit.

(c) Husband-and-Wife Option.

(1) Non-Disability Pension.

If payment of a non-Disability Pension is made in the form of a Husband-and-Wife Pension, the pension amount is adjusted by multiplying it by the following percentage: ninety-five percent (95%) minus one-half (.5) percent for each full year that the Spouse's age is less than the Participant's age or plus one-half (.5) percent for each full year that the Spouse's age is greater than the Participant's age; provided, however, that the resulting percentage will not be greater than ninety-nine percent (99%).

(2) Disability Pension.

If payment of a Disability Pension is made in the form of a Husband-and-Wife Pension, the pension amount is adjusted by multiplying it by the following percentage: eighty-seven percent (87%) minus four-tenths (.4) percent for each full year that the Spouse's age is less than the Participant's age or plus four-tenths (.4) percent for each full year that the Spouse's age is greater than the Participant's age; in addition, the percentage will be increased by three-tenths (.3) percent for each full year the Participant is less than age 55. The resulting percentage will not be greater than ninety-three percent (93%).

(3) Pop-Up: Unreduced Pension.

For non-Disability pensions effective on or after January 1, 1991, an Employee may elect an actuarially reduced pension payable under the Husband-and-Wife form of benefit, the 66 2/3% Joint-Life and Survivorship Option, the 75% Joint-Life and

Survivorship Option and the 100% Joint-Life and Survivorship Option with the Qualified Spouse as the Beneficiary, which will increase the unreduced pension amount for the Employee's remaining lifetime if the Qualified Spouse predeceases the Employee. The monthly pension amount will be actuarially reduced to pay the cost of the option described herein in addition to any other reduction applicable under Section 6.08. This additional reduction is as follows: one percent (1%) for the Husband-and-Wife form of benefit; one and two-tenths percent (1.2%) for the 66 2/3% Joint-Life and Survivorship Option; one and three-tenths percent (1.3%) for the 75% Joint-Life and Survivorship Option and one and six-tenths percent (1.6%) for the 100% Joint-Life and Survivorship Option.

This option may be elected in conjunction with the Husband-and-Wife Pension, the 66 2/3% Joint-Life and Survivorship Option, the 75% Joint-Life and Survivorship Option or the 100% Joint-Life and Survivorship Option only by an Employee eligible to elect the benefit form to which it applies.

(d) 100% Joint-Life and Survivorship Option.

If payment of a non-Disability Pension is to be made in the form of a 100% Joint-Life and Survivorship Option, the pension amount is adjusted by multiplying it by the following percentage: eighty three percent (83%) minus seven-tenths (.7) percent for each full year that the Beneficiary's age is less than the Participant's age or plus seven-tenths (.7) percent for each full year that the Beneficiary's age is greater than the Participant's age; provided, however that the resulting percentage will not be greater than ninety-seven percent (97%).

(e) 100-Month Guarantee Limitation.

- (1) This paragraph makes provision for compliance with Section 401(a)(9) of the Code, which, in general, limits payment after death of the Participant and of a Spouse entitled to benefits to a period of five (5) years. The following modification of payments applies to any choice of option made after December 31, 1983.
- (2) If following (the later of) the death of the Participant and, if any, that of a surviving Spouse entitled to benefits, payment pursuant to the optional form of payment would, absent this limitation, continue for more than five (5) years, the actuarial value of such payments as of (the later of) the death of the Participant and of a surviving Spouse entitled to benefits will be paid in sixty (60) equal monthly payments.
- (3) This limitation only applies to benefits paid to a surviving Beneficiary other than the Participant's Spouse to the extent required by Section 401(a)(9) of the Code as in effect on the date of the Participant's death.
- (4) The conversion of the actuarial value of payments due under subsection (2) into sixty (60) equal payments will be computed on the basis of the 1971 Group Annuity Mortality Table and the interest rate promulgated by the Pension Benefit Guaranty

Corporation, effective as of the beginning of the Calendar Year in which the payment is due to be made for the valuation of immediate annuities in terminated single employer pension plans that do not close out under a notice of sufficiency.

(f) Partial Lump-Sum Payment Option.

- (1) The amount of a lump sum payable in accordance with Section 6.03 will be \$132.00 for each reduction of \$1.00 in the monthly benefit of the Participant at age 55, or \$132.00 minus 18¢ for each full month over age 55 for each reduction of \$1.00 in the monthly benefit if the Participant is older than age 55.
- (2) Effective January 1, 2000, the amount of a lump sum payable in accordance with Section 6.03 will be the greater of the amount in Section 6.08(f)(1) above or the amount determined based on the actuarial assumptions specified in Section 1.02(b).

(g) Split Level Option.

- (1) For a pension first payable after 1983, the earlier amount of the pension is determined by the following table. Months as well as years of attained age are taken into account; the value of each month in excess of an attained year is interpolated from the table. For the Split Level Option paid only for the life of the Participant, the appropriate factors below are applied to the amount of the Early Retirement Pension in Section 3.04. For the Split Level Option with the 50% Surviving Spouse's Benefit, the appropriate factor is applied to the amount of the Early Retirement Pension in the form of a Husband-and-Wife Pension under Section 5.02.

**Increase in Pension Until Age 62 or 65 For
each \$10 a Month by which the Increased Pension
is to be Reduced Thereafter**

<u>Increase for Each on Effective Date At Age 65</u>	<u>\$10 Reduction</u>	<u>At Age 62</u>
55	\$4.99	\$ 3.57
56	5.48	3.92
57	6.03	4.32
58	6.64	4.76
59	7.33	5.25
60	8.11	5.81
61	9.00	6.44
62	--	7.16
63	--	7.98
64	--	8.92

In those cases in which the Split Level Option is elected for the life of the Employee only without the 50% Surviving Spouse's Benefit, before using the above table, the Early Retirement benefit will be increased by use of the following factor for the attained age of the Employee at retirement.

<u>Age At Retirement</u>	<u>Factor</u>
55	1.020
56	1.023
57	1.025
58	1.028
59	1.031
60	1.035
61	1.040
62	1.045
63	1.050
64	1.057

- (2) For a pension first payable on or after January 1, 2000, the amount of the pension payable under the Split Level Option described in this Section is the greater of the amount determined under the tables set forth in Section 6.08(g)(1) or the amount determined based on tables derived from the actuarial assumptions specified in Section 1.02(b).

(h) Pre-retirement Surviving Spouse Pension.

If payment of a Pre-retirement Surviving Spouse Pension under Section 5.03(c)(1) is made, the lump sum amount will be converted into a life annuity by dividing the lump sum amount by the following factor shown for the Spouse's attained age on the Participant's date of death:

<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>
20	173.36	40	163.31	60	133.58
21	173.08	41	162.44	61	131.23
22	172.79	42	161.53	62	128.79
23	172.49	43	160.56	63	126.26
24	172.16	44	159.54	64	123.64
25	171.81	45	158.47	65	120.92
26	171.45	46	157.33	66	118.12
27	171.06	47	156.14	67	115.20
28	170.65	48	154.88	68	112.18
29	170.21	49	153.55	69	109.05
30	169.75	50	152.15	70	105.84
31	169.26	51	150.68	71	102.58

32	168.74	52	149.14	72	99.29
33	168.18	53	147.51	73	96.01
34	167.60	54	145.79	74	92.75
35	166.98	55	143.99	75	89.50
36	166.33	56	142.09	76	86.29
37	165.64	57	140.10	77	83.10
38	164.90	58	138.02	78	79.94
39	164.13	59	135.85	79	76.83
				80	73.76

(i) 66 2/3% Joint-Life and Survivorship Option.

(1) Non-Disability

If payment of a pension is made in the form of a 66 2/3% Joint-Life and Survivorship Option pursuant to Section 6.05, the pension amount will be adjusted by multiplying it by the following percentage: ninety-two percent (92%) minus one-half (.5) percent for each full year that the Qualified Spouse's age is less than the Participant's age or plus one-half (.5) percent for each full year that the Spouse's age is greater than the Participant's age; provided, however, that the resulting percentage will not be greater than ninety-eight percent (98%).

(2) Disability

If payment of a disability pension is made in the form of a 66 2/3% Joint-Life and Survivorship Option pursuant to Section 6.05, the pension amount will be adjusted by multiplying it by the following percentage: eighty and one-half percent (80.5%) minus one-half (.5) percent for each full year that the Qualified Spouse's age is less than the Participant's age or plus one-half (.5) percent for each full year that the Spouse's age is greater than the Participant's age; in addition, the percentage will be increased by four-tenths (.4) percent for each full year the Participant is less than age 55. The resulting percentage will not be greater than eighty-nine percent (89%).

(j) 75% Joint-Life and Survivorship Option.

(1) Non-Disability

If payment of a pension is made in the form of a 75% Joint- Life and Survivorship Option pursuant to Section 6.06, the pension amount will be adjusted by multiplying it by the following percentage: ninety and one-half percent (90.5%) minus six-tenths (.6) percent for each full year that the Qualified Spouse's age is less than the Participant's age or plus six-tenths (.6) percent for each full year that the Spouse's age is greater than the Participant's age; provided, however that the resulting percentage will not be greater than ninety-eight percent (98%).

(2) Disability

If payment of a disability pension is made in the form of a 75% Joint-Life and Survivorship Option pursuant to Section 6.06, the pension amount will be adjusted by multiplying it by the following percentage: seventy-nine percent (79%) minus one-half (.5) percent for each full year that the Qualified Spouse's age is less than the Participant's age or plus one-half (.5) percent for each full year that the Spouse's age is greater than the Participant's age; in addition, the percentage will be increased by four-tenths (.4) percent for each full year the Participant is less than age 55. The resulting percentage will not be greater than eighty-seven percent (87%).

ARTICLE 7
Applications, Benefit Payments, Retirement
and Benefit Suspensions

Section 7.01. Applications.

Except as required by law, as a condition for payment of any benefit from this Plan, an application for the benefit must be made in writing in the form and manner required by the Trustees. Benefit payments will begin as of the “Effective Date” of a pension as defined in Section 7.05(b). An application may be withdrawn at any time before payments begin.

Section 7.02. Information and Proof.

Every claimant for benefits must furnish, at the request of the Trustees, any information or proof reasonably required to determine his benefit rights. If the claimant makes willfully false statements material to his application or furnishes fraudulent information or proof material to his claim, benefits not Vested under this Plan (as defined in Section 7.10) may be denied, suspended, or discontinued. The Trustees have the right to recover any benefits paid in reliance on any false statement, information or proof submitted by a claimant (including withholding of material facts) plus interest and costs without limitation by recovery through legal proceedings or offset of benefit payments as permitted by this Article.

Section 7.03. Action of Trustees.

Subject to the requirements of law, the Trustees have full and complete discretionary authority to interpret the Plan and to determine all questions arising in the administration, application and interpretation of this Plan. Decisions of the Trustees are final and binding on all parties.

The Trustees will exercise their discretionary authority in a uniform and non-discriminatory manner. The Trustees will process a claim for benefits as speedily as feasible, consistent with the need for adequate information and proof necessary to establish the claimant’s benefit rights and to commence the payment of benefits.

Section 7.04. Right to Appeal.

- (a) A Participant or Beneficiary whose application for benefits under this Plan has been denied, in whole or in part, or who has received a ruling concerning benefits, Pension Credits or any other matter in connection with the application of this Plan, will be provided with adequate notice in writing setting forth the specific reasons for such denial or interpretation. The Participant or Beneficiary has the right to appeal the decision by written request filed with the Trustees within 180 days after receipt of such notice. The appeal will be reviewed by the Trustees or by a person or committee designated by the Trustees.
- (b) All questions or controversies of any kind, which arise in any manner or between any parties or persons, in connection with this Pension Plan or the administration the Plan,

whether concerning a claim for benefits by a Participant, Beneficiary or any other person, or concerning the language or meaning of the Pension Plan or the Trust Agreement, or concerning any writing, decision, instrument or accounts in connection with the operation of the Pension Plan or otherwise, will be submitted to the Trustees, and the decision of the Trustees will be binding upon all persons dealing with the Pension Plan or claiming benefits under the Pension Plan.

- (c) You may not commence a judicial proceeding against any person, including the Plan, a Plan fiduciary, the Plan Administrator, the Plan Trustees, the Fund Office, or any other person, with respect to a claim for any claims for benefits without first exhausting the appropriate claims procedures set forth in the Plan's "Summary Plan Description." If you have exhausted such procedures and are dissatisfied with the decision on appeal of a denied claim, you may bring an action under Section 502 of ERISA in an appropriate court to review the Plan's decision on appeal, but only if the action is commenced no later than the earlier of (1) the applicable statute of limitations, or (2) the second anniversary of the date of the decision on appeal.

Section 7.05. Benefit Payments Generally.

- (a) A Participant who is eligible to receive benefits under this Plan, who retires as defined in Section 7.07 and who submits an application in accordance with the rules of the Plan will be entitled to receive the pension benefits provided subject to the provisions of the Plan. If the present value of the pension payable is more than \$5,000, the Participant will be entitled to receive monthly benefits for the remainder of his life. If the present value of the pension is \$5,000 or less, the Participant will receive his benefit as a lump sum payment in lieu of a monthly pension.
 - (1) If the present value of the pension payable under the Plan to a Participant, Spouse, former Spouse, or Beneficiary following the death of the Participant is \$5,000 or less, the Trustees will pay a lump sum in lieu of the pension. The actuarial assumptions used to calculate the present value of the small benefit cash out under this Section for any Calendar Year before January 1, 2000 are the Actuarial Present Value assumptions specified in Section 1.02 (a).
 - (A) For purposes of calculating the present value of the small benefit cash out under this Section for the period from January 1, 2000 through October 31, 2000, such amount shall be the greatest of the following:
 - (i) the present value of the benefit using the Actuarial Present Value assumptions specified in Section 1.02(a);
 - (ii) the present value of the benefit using the Actuarial Present Value assumptions specified in Section 1.02(b); or
 - (iii) the present value of the benefit using the Applicable Mortality Table

in Section 1.02(b)(1) and the annual rate of interest on 30-year Treasury Securities during December 1999 as published by the IRS.

- (B) For purposes of calculating the present value of the small benefit cash out under this Section for the period from November 1, 2000 through October 31, 2001, such amount shall be the greater of the following:
 - (i) the present value of the benefit using the Actuarial Present Value assumptions specified in Section 1.02(b); or
 - (ii) the present value of the benefit using the Applicable Mortality Table in Section 1.02(b)(1) and the annual rate of interest on 30-year Treasury Securities (as published by the IRS) during the month of December preceding the Calendar Year when such benefit is payable.
 - (C) For purposes of calculating the present value of the small benefit cash out under this Section on and after November 1, 2001, such amount shall be calculated as the present value of the benefit using the Actuarial Present Value assumptions specified in Section 1.02(b).
- (2) If the present value of the benefit payable calculated in accordance with Section 7.05(a)(1) exceeds \$5,000, benefits may not be paid before the Participant has attained Normal Retirement Age without the consent of the Participant. The consent of the Participant and the Participant's Spouse, if applicable, must be in writing and within the 180-day period ending on the Effective Date of the Pension. The Participant's consent will not be valid unless the Participant has previously received a general description of the material features and an explanation of the relative values of the optional forms of benefit available under the Plan.

(b) Pension Effective Date.

- (1) Election Period. For purposes of this Section and Section 5.02, the consent of the Participant and the Participant's Spouse, if applicable, must be in writing and within the "Election Period". The "Election Period" is the period that begins 180 days before the Pension Effective Date and, except as provided in (4) below, ends on the Effective Date and after the explanation of the optional forms of benefit and other information has been provided to the Participant and Spouse, if applicable, in accordance with Section 7.05(a)(2) or 5.02(f)(3). In the case of a Retroactive Effective Date, the Election Period begins 180 days before the actual date of distribution of benefits and ends on the actual date of distribution of benefits and after the explanation of the optional forms of benefit and other information has been provided to the Participant and Spouse, if applicable, in accordance with Section 7.05(a) or 5.02(f)(3).

- (2) Effective Date. The Effective Date of a Participant's Pension is the first day of the first calendar month beginning after the Participant has fulfilled all the conditions for entitlement to benefits including receipt by the Trustees of a written application for benefits in accordance with Section 7.01. The Effective Date of Benefits will not be later than the Required Beginning Date. Benefits will be paid as of the Effective Date. Except as provided in (4) below, the Effective Date will be no sooner than thirty (30) days after the applicable information is supplied to the Participant and Spouse, if applicable.

For purposes of determining the Effective Date of a Participant's Pension, an application will be received as of the earlier of (a) the date it is physically received in the Fund Office, or (b) the date it is provided to a delivery service or mailed, provided that the application is actually received and the Participant presents documentation of the date the application was provided to the delivery service or mailed.

- (3) Retroactive Effective Date. Notwithstanding any other provision of this Plan to the contrary, the applicable information may be supplied after the Effective Date with payments made as of a Retroactive Effective Date subject to the following requirements:
- (A) The Retroactive Effective Date is not before the date on which the Participant could otherwise have started receiving benefits under this Plan;
 - (B) The Retroactive Effective Date used to calculate the retroactive benefit payment will not precede the actual date of distribution by more than six months;
 - (C) A Retroactive Effective Date will not be used to calculate a lump sum distribution or other optional form of benefit that is subject to the present value calculation requirements under section 417(e)(3) of the Code;
 - (D) A Participant eligible for a retroactive benefit payment under this section, must elect to have his or her benefit calculated as of the Retroactive Effective Date, subject to any applicable limitations, instead of the Effective Date;
 - (E) The Participant's Spouse, if applicable must consent to the election of the Retroactive Effective Date to the extent required by section 417 of the Code and any regulations thereunder. The Participant's Spouse for purposes of consent to this election will be the Spouse on the actual date of distribution of benefits and the consent of the spouse as of the Retroactive Effective Date, if different, will not be required unless otherwise provided in a Qualified Domestic Relations Order;

- (F) A Participant who elects to receive benefits based on a Retroactive Effective Date will receive future benefit payments that are the same as the future benefit payments that would have been paid had the payments actually commenced on the Retroactive Effective Date. In addition, the Participant will receive a make-up payment to reflect any missed payments for the period from the Retroactive Effective Date to the date of the make-up payment plus interest from the date the missed payment(s) would have been made to the date of the actual make-up payment.

Except as provided in (4) below, in the case of a Retroactive Effective Date, the actual date of distribution of benefits will be no sooner than thirty (30) days after the applicable information is supplied to the Participant and Spouse, if applicable.

- (4) The Effective Date, or in the case of a Retroactive Effective Date, the actual date of distribution of benefits may begin before the end of the thirty (30) day period after the applicable information is supplied if all of the following requirements are met:
 - (A) The Participant and Spouse, if applicable, are provided with information about their right to have at least thirty (30) days to consider the available payment options and whether to consent to payment;
 - (B) The Participant and Spouse, if applicable, are permitted to revoke any election until the Effective Date of Benefits, or if later, at any time prior to the expiration of the seven (7) day period that begins the day after the explanation of available payment options and other information is provided to the Participant, and Spouse, if applicable, provided that such information is provided before the Effective Date;
 - (C) In the case of a Retroactive Effective Date, the Participant and Spouse, if applicable, are permitted to revoke any election at any time prior to the expiration of the seven (7) day period that begins the day after the explanation of available payment options and other information is provided to the Participant, and Spouse, if applicable;
 - (D) The actual date of distribution payment of benefits does not begin before the expiration of the seven (7) day period that begins the day after the explanation of the available benefit payment options is provided to the Participant and Spouse, if applicable; and
 - (E) The Participant and Spouse, if applicable, consent in writing to the commencement of payments before the end of that thirty (30) day period.
- (c) Benefit payments will be made as soon as practical after the Participant's Effective Date, but, unless the Participant elects otherwise, as provided in this Section 7.05(d), the payment of benefits will begin no later than the sixtieth (60th) day after the later of the end of the

Calendar Year (1) in which the Participant attains Normal Retirement Age, or (2) in which the Participant terminates his Covered Employment and Retires as that term is defined in Section 7.07 of this Article or (3) the date the Participant makes a proper application. However, the Trustees need not make payment before they are first able to ascertain entitlement to, or the amount of, the pension.

If application is delayed beyond sixty (60) days after the Calendar Year, in which the Participant both reaches Normal Retirement Age and Retires, an additional payment will be made to the Participant. This additional payment will be equal to the total of the monthly payments which would have been made to the Participant for the period from the first day of the month following sixty (60) days after the Calendar Year to the date the pension payments begin.

- (d) A Participant may elect in writing to postpone the receipt of his benefits to a later month, provided that no such election filed on or after January 1, 1984 may postpone the commencement of benefits to a date later than the April 1st following the Calendar Year in which the Participant will reach age 70½ unless the Participant remains in Covered Employment until a later date.

No election filed on or after January 1, 1989 may postpone the commencement of benefits to a date later than the April 1st following the Calendar Year in which the Participant will reach age 70 ½ subject to the rules of Section 401(a)(9) of the Code and related regulations.

- (e) Payment of benefits will include retroactive payment for any months for which the pension is due and payable in accordance with this Section or Sections 3.07, 5.03 or 7.05(c) of this Plan.
- (f) A pension is payable up to and including the month in which the Pensioner dies unless the pension is being paid in a form which provides for a survivor's pension or for payments to a Beneficiary after the death of the Pensioner.
- (g)
 - (1) A Pensioner or Beneficiary who is entitled to make payments to the National Automatic Sprinkler Industry Welfare Fund for coverage by that plan may authorize in writing a deduction from his monthly pension check of the amount required for medical coverage. Such authorizations are strictly voluntary and may be revoked at any time. Such authorizations will not be an assignment of benefits in that the Welfare Fund has no right enforceable against this Fund to any part of the monthly pension benefit. The Welfare Fund must acknowledge in writing that the transfer of these kinds of deductions creates no enforceable right in or to any benefit payment, or portion thereof, from this Fund. The deduction and transfer will only be made when or after the money would otherwise be payable to the Pensioner or Beneficiary. These deductions cannot be made unless the Welfare Fund reimburses this Fund the costs of the deductions and transfers.
 - (2) A Pensioner or Beneficiary may authorize in writing a deduction from his monthly

pension check of the amount required for Union dues to a Participating Sprinkler Local Union. Such authorizations are strictly voluntary and may be revoked at any time. Such authorizations will not be an assignment of benefits in that the Participating Sprinkler Local Union has no right enforceable against this Fund to any part of the monthly pension benefit. The Participating Sprinkler Local Union must acknowledge in writing that the transfer of these kinds of deductions creates no enforceable right in or to any benefit payment, or portion thereof, from this Fund. The deduction and transfer will only be made when or after the money would otherwise be payable to the Pensioner or Beneficiary. These deductions cannot be made unless the Participating Sprinkler Local Union reimburses this Fund the costs of making the deductions and transfers.

- (3) A pensioner or beneficiary who wishes to participate in the Political Action Committee (PAC) of his local union may authorize in writing a deduction from his pension check of an amount the Pensioner or Beneficiary desires to contribute to the PAC. Such authorizations are strictly voluntary and may be revoked at any time. Such authorizations will not be an assignment of benefits in that the PAC has no right enforceable against the Fund to any part of the monthly pension benefit. The PAC must acknowledge in writing that the transfer of these kinds of deductions creates no enforceable right in or to any benefit payment, or portion thereof, from this Fund. The deduction and transfer will only be made when or after the money would otherwise be payable to the Pensioner or Beneficiary. These deductions cannot be made unless the PAC reimburses the Fund the costs of making the deductions and transfers.
- (h) The requirements of this Section 7.05(h) will take precedence over any inconsistent provisions of the Plan. All distributions under this Section will be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Code.
 - (1) For purposes of this Section 7.05(h), the following definitions will apply:
 - (A) Designated Beneficiary: The individual who is designated as the Beneficiary under Section 1.04 of the Plan and is the Designated Beneficiary under Section 401(a)(9) of the 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 under paragraph 7.05(h)(2).
 - (C) Life Expectancy: Life expectancy is computed by use of the Single Life

Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

(D) Required Beginning Date: The date specified in Section 7.17(c) of the Plan.

(2) Time and Manner of Distributions

(A) 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) 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:

(i) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, then, except as provided in this Section 7.05(h), 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 70 ½, if later.

(ii) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, then, except as provided in this Section 7.05(h), distributions to the surviving Spouse will begin by December 31 of the calendar year following the calendar year in which the Participant died.

(iii) 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 following the fifth anniversary of the Participant's death.

(iv) 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 7.05(h)(2)(B), other than Section 7.05(h)(2)(B)(i), will apply as if the surviving Spouse were the Participant.

For purposes of this Section 7.05(h)(2)(B), unless Section 7.05(h)(2)(B)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 7.05(h)(2)(B)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section 7.05(h)(2)(B)(i). 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 7.05(h)(2)(B)(i)), the date distributions are considered to begin is the date distributions actually commence.

(3) Determination of Amount to be Distributed Each Year

- (A) 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:
- (i) the annuity distributions will be in periodic payments made at intervals not longer than one year;
 - (ii) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 7.05(h)(4) or (5);
 - (iii) once payments have begun over a period certain, the period will not be changed even if the period certain is shorter than the maximum permitted;
 - (iv) payments will either be non-increasing or increase only as follows:
 - (I) 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;
 - (II) in accordance with Section 6.08(c)(3) of the Plan;
 - (III) to pay increased benefits that result from a Plan amendment.
- (B) The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 7.05(h)(2)(B)(i) or (ii)) 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. 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) 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.
- (4) Requirements for Annuity Distributions that Commence During Participant's Lifetime
- (A) 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 non-Spouse 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)-6 of the Treasury Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-Spouse 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) 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 A-2 of 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 7.05(h)(4)(B), or the joint and the 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.

(5) Requirements for Minimum Distributions Where Participant Dies Before Distributions Begin.

(A) Except as provided in this Section 7.05(h), 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 7.05(h)(2)(B)(i) or (ii), over the life of the Designated Beneficiary or over a period certain not exceeding:

(i) 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

(ii) 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) 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) 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 7.05(h)(5) 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 7.05(h)(2)(B)(i).

(i) Notwithstanding any provisions of the Plan to the contrary that would otherwise limit a Distributee's election under this Paragraph, a Distributee may elect, at the time and in the manner prescribed by the Trustees, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

Effective for survivor benefit applications mailed from the Fund Office on or after September 1, 2007, a Participant's non-spouse Beneficiary may elect, at the time and manner prescribed by the Trustees, to have any portion of an otherwise eligible rollover distribution paid directly to an inherited individual retirement plan as prescribed in paragraph (5) below.

- (1) “Eligible Rollover Distribution”:
- (A) In general, an “Eligible Rollover Distribution” is any distribution of all or any portion of the benefit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one in a series of substantially equal periodic payments (not less frequently 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 (10) years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income.
 - (B) Effective for survivor benefit applications mailed from the Fund Office on or after September 1, 2007, and notwithstanding any other provision of this paragraph (1), a distribution described in paragraph (5) shall be an eligible rollover distribution.
- (2) “Eligible Retirement Plan”: An “Eligible Retirement Plan” is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (including a non-spouse beneficiary’s inherited individual retirement plan described in paragraph (5) below), an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code that accepts the Distributee’s Eligible Rollover Distribution.

Effective for distributions occurring after December 31, 2001, an Eligible Retirement Plan shall also mean an annuity contract described in Section 403(b) of the Internal Revenue Code and an eligible plan under Section 457(b) of the Code which is maintained by a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan.

In addition, this definition of Eligible Retirement Plan shall 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.

- (3) “Distributee”: A Distributee includes an Employee or former Employee. In addition, the Employee’s or former Employee’s surviving Spouse and the Employee’s or former Employee’s Spouse or former Spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined by section 414(p) of the Code, are Distributees with regard to the interest of the Spouse or former Spouse. Effective for non-spouse beneficiary applications received on or after September 1, 2007, a Distributee may be a non-spouse beneficiary who applies for a distribution as described in Section 7.05(i)(1)(B) above.

- (4) “Direct Rollover”: A “Direct Rollover” is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.
- (5) Distribution to an inherited individual retirement plan of a deceased Employee’s non-spouse Beneficiary: Effective for survivor benefit applications mailed from the Fund Office on or after July 1, 2009, if, with respect to any portion of a deceased Participant’s distribution from this Plan, a direct trustee-to-trustee transfer is made to an individual retirement plan described in Code Section 408(a) or 408(b) (other than an endowment contract) established for the purposes of receiving the distribution on behalf of an individual who is a designated Beneficiary (as defined by Code Section 401(a)(9)(E)) of the Employee and who is not the surviving Spouse of the Employee—
 - (A) the transfer shall be treated as an Eligible Rollover Distribution;
 - (B) the individual retirement plan shall be treated as an inherited individual retirement account or individual retirement annuity (within the meaning of Code Section 408(d)(3)(C)); and
 - (C) Code section 401(a)(9)(B) (other than clause (iv) thereof) shall apply to such inherited individual retirement plan.

For purposes of this paragraph (5), to the extent provided in rules prescribed by the Secretary of the Treasury, a trust maintained for the benefit of one or more designated Beneficiaries shall be treated in the same manner as a trust of a designated Beneficiary.

- (6) Pursuant to Section 824 of the Pension Protection Act of 2006 and Q&A 1 through 7 of IRS Notice 2008-30 (IRB 2008-12), effective for distributions occurring after December 31, 2007, the Plan will follow a Distributee’s election to have an Eligible Rollover Distribution from this Plan paid as a Direct Rollover to a Roth IRA; however, neither the Fund Office nor the Trustees shall be responsible for assuring the Distributee is eligible to make a rollover to a Roth IRA under Code Section 408A(c)(3)(B), as amended by Section 824 of the Pension Protection Act of 2006.
- (j) Benefits payable to an “Alternate Payee” under a Qualified Domestic Relations Order will be the Actuarial Equivalent of the portion of the Participant’s benefits awarded to the Alternate Payee under the Qualified Domestic Relations Order.

Section 7.06. Computation of Benefits.

- (a) The pension to which a Participant is entitled will be determined under the terms of the Plan as in effect at the time the Participant last separates from Covered Employment, subject to Section 7.06(b) and Section 3.09.

A Participant is deemed to have separated from Covered Employment on the last day of work which is followed by the failure to earn two-tenths (.2) of a credit in one (1) complete Calendar Year. For the purpose of this subsection only, the following will be considered Covered Employment:

- (1) periods of full-time employment with the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada;
 - (2) full-time employment for an apprentice or training program jointly sponsored by a participating Sprinkler Local Union and Employers.
- (b) The rules of this Section 7.06 do not apply to changes in the reduction for Early Retirement (Section 3.04) which are determined under the terms of the Plan in effect on the Effective Date of the pension; however, a return to Covered Employment by a Pensioner does not change the provisions of Section 3.04 used to calculate benefits attributable to Pension Credits earned prior to the return to Covered Employment.
- (c) **Break in Continuity**
- (1) Except as provided in Section 7.06(c)(5), if an Employee leaves Covered Employment and incurs a Break in Continuity and returns to Covered Employment, the portion of his Pension attributable to Covered Employment prior to the Break in Continuity will be computed on the basis of the applicable rules, regulations and rates in effect for Pensioners retiring at the time he left Covered Employment. The portion of his Pension attributable to Covered Employment after the Break in Continuity will be computed on the basis of the rules, regulations and rates when he subsequently separated from Covered Employment.
 - (2) An Employee incurs a Break in Continuity if he fails to earn two-tenths (.2) of Pension Credit during a period of two (2) complete consecutive Calendar Years. A Break in Continuity also occurs on the Effective Date of any pension, except that a Disability Pensioner who recovers and, within one (1) year of recovery, returns to Covered Employment prior to his Normal Retirement Age sufficient to earn one (1) additional Year of Vesting Service, will not be considered to have a Break in Continuity.
 - (3) A Break in Continuity will not occur during any periods a person is receiving worker's compensation benefits and is not employed in the sprinkler industry or periods for which he supplies evidence of disability to the satisfaction of the Trustees that he could not work in the sprinkler industry.
 - (4) A Break in Continuity will not occur during any periods of service in the Armed Forces of the United States.

- (5) For Participants retiring on or after January 1, 1993, a Break in Continuity can be repaired. If an Employee incurs a Break in Continuity prior to establishing the Effective Date of his pension, and subsequently returns to Covered Employment and earns years of Vesting Service at least equal to the total number of years which constituted the Break(s) in Continuity but in no event less than five (5) years, the amount of his pension for the total period of his Credited Service will be computed on the basis of the applicable rules, regulations and rates in effect at the time he last separates from Covered Employment.
 - (6) A Break in Continuity will not occur during any period of full-time employment for an apprentice or training program jointly sponsored by a participating Sprinkler Local Union and Employers.
 - (7) A Break in Continuity will not occur during any period of full-time employment with the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada.
- (d) Notwithstanding any provision to the contrary, effective for contributions received on or after October 25, 2001, for each Calendar Year during which contributions are required to be made on behalf of a Participant at a rate that is not equal to the contribution rate under the Collective Bargaining Agreement generally in effect between Local Union No. 669 and the Association for such period (hereinafter referred to as “Nonstandard Rate”), the Participant’s benefit for that year will be calculated as follows:
- (1) The Participant’s Pension Credit pursuant to the schedule set forth in section 4.01(a)(1) multiplied by the applicable benefit rate in Section 3.02(b) multiplied by a fraction whose numerator is the contribution rate required to be made on behalf of the Participant and whose denominator is the contribution rate under the Collective Bargaining Agreement generally in effect between Local Union No. 669 and the Association for such period (hereinafter referred to as “Standard Rate”). This fraction will never exceed 1.0.
 - (2) Furthermore, if contributions are made pursuant to an agreement, order or award which results in hours being retroactively credited and such agreement, order or award does not provide for the Plan to receive reasonable interest on retroactive contributions as determined by the Trustees, the Participant’s Pension Credit will be further adjusted. The numerator of the fraction set forth in Subsection 7.06(d)(1) above will be adjusted to reflect the present value of the actual contribution rate being paid on behalf of the Participant. For purposes of this calculation, the interest rate used for the present value calculation is equal to the greater of the assumed rate of investment return used by the Fund’s actuary at the time contributions are made or to the average actual rate of return experienced by the Fund over the period of five (5) Calendar Years immediately preceding the year in which contributions are made. This fraction will never exceed 1.0.

- (3) This subsection 7.06(d) will not apply to contributions received pursuant to reciprocal agreements which are adjusted pursuant to Section 4.06.
- (4) In any year during which contributions are required to be made at both the Standard Rate and a Non-Standard Rate as defined in this Subsection 7.06(d), the benefit accrual for that year will be calculated first without regard to this subsection based solely on hours for which contributions are required to be made at the Standard Rate. If there is less than 1.0 Pension Credit earned in that year based solely on such hours, then the remaining fraction of the Pension Credit, if any, will be calculated based on this subsection. If the hours for which contributions are required to be made at the Standard Rate are less than the number of hours required for any Pension Credit (less than 350 hours), these hours will be added to the hours for which contributions are required to be made at a Non-Standard Rate and the calculation in this subsection 7.06(d) will be applied to the combined hours.
- (e) Notwithstanding any provision to the contrary, for each Calendar Year during which contributions are required to be made on behalf of a Participant, in part under the Default Schedule and in part under the Preferred Schedule, the Participant's benefit for that year will be calculated as follows:
 - (1) The Participant's total Pension Credit for the calendar year will be determined pursuant to the schedule set forth in section 4.01(a)(1) based on the Participant's total Hours of Service in Covered Employment for the Plan Year.
 - (2) The Participant's Pension Credit will be multiplied by the benefit rate calculated under the following formula:
 - (A) The benefit rate for the Calendar Year under the Preferred Schedule multiplied by a fraction whose numerator is the Participant's Hours of Service in Covered Employment for the Calendar Year for an Employer participating in the Plan under the Preferred Schedule ("Hours of Service under the Preferred Schedule") and whose denominator is the Participant's total Hours of Service in Covered Employment for the Calendar Year (but capped at 1700 Hours of Service and such ratio cannot exceed one); plus
 - (B) The benefit rate for the Calendar Year under the Default Schedule multiplied by a fraction whose numerator is the lesser of: (i) the Participant's Hours of Service in Covered Employment for the Calendar Year for an Employer participating in the Plan under the Default Schedule; or (ii) the difference between 1700 and the Participant's Hours of Service under the Preferred Schedule for the Calendar Year (but not less than zero); and whose denominator is the Participant's total Hours of Service in Covered Employment for the Calendar Year (but capped at

1700 and such ratio cannot exceed one).

Section 7.07. Retirement.

- (a) **General Rule.** A Participant is not entitled to receive benefits from the Plan before he separates from service in the sprinkler industry or any other industry covered by this Plan and Retires as defined in this section or is disabled as defined in Section 3.07. A Beneficiary of a Participant may receive benefits upon the death of a Participant before retirement as provided by the Plan.
- (b) **Definition.** To be considered Retired, a Participant must separate from any and all employment, self-employment or service, direct or indirect, whether or not compensated in the sprinkler industry or any other industry covered by this Plan within the United States. The Participant must conclusively demonstrate to the satisfaction of the Trustees that he has satisfied the requirements of this Section and the eligibility requirements for any benefit for which he applies.
- (c) **Return to Work After Retirement.** A Participant who Retires as defined in this Section and receives a benefit from the Plan may have his benefit suspended as provided in Sections 7.08 and 7.09. A Participant who Retires as defined in this Section and receives a benefit from the Plan will be considered retired despite subsequent employment in the sprinkler industry or any other industry covered by this Plan for less than forty (40) hours in any month as provided in Section 7.08(b).

Section 7.08. Suspension of Benefits.

(a) Before Normal Retirement Age.

- (1) A Participant's monthly pension benefit will be suspended for any month in which the Participant is employed in Disqualifying Employment before he has reached Normal Retirement Age. "Disqualifying Employment", for the period before Normal Retirement Age, is any work of the type covered by the trade or craft jurisdiction of the United Association, either for a person, firm or corporation, or employment or self-employment in any category of work in the sprinkler, plumbing or pipefitting industry.
- (2) In addition, a Participant's monthly pension benefit will be suspended for the five (5) consecutive months after any period of one (1) or more consecutive months during which the Participant was engaged in Disqualifying Employment. However, effective June 1, 2006, this five (5) month suspension will be waived one time for a Participant who notifies the Plan in accordance with subsection (d) of employment that may be the basis for suspension of benefit under paragraph (1)
- (3) If the Participant fails to notify the Plan of employment that may be the basis for suspension of benefits under paragraph (1) in accordance with the notification

requirements of subsection (d), or willfully misrepresents to the Plan with respect to Disqualifying or Non-Covered Employment, the Participant's monthly pension benefit will be suspended for an additional period of six (6) months.

- (4) The Trustees may, for good cause, waive either or both of the additional periods of suspension provided for in subparagraphs (2) or (3). However, benefits will not be suspended for any month after the Participant has reached Normal Retirement Age based on the provisions of subparagraphs (2) or (3).

(b) After Normal Retirement Age.

- (1) If the Participant has reached Normal Retirement Age, his monthly pension benefit will be suspended for any month in which he worked or was paid for at least forty (40) Hours in Disqualifying Employment. "Disqualifying Employment" means employment or self-employment that is (A) in an industry covered by the Plan when the Participant's pension payments began, (B) in the geographic area covered by the Plan when the Participant's pension began, and (C) in any occupation in which the Participant worked under the Plan at any time or any occupation covered by the Plan at the time the Participant's pension payments began. However, if a Participant worked in Covered Employment only in a skilled trade or craft, that is, as a sprinkler fitter, employment or self-employment will be disqualifying only if it is in work that involves the skill or skills of that trade or craft directly or, as in the case of supervisory work, indirectly. In any event, work for which contributions are required to be made to the Plan is Disqualifying Employment.
- (2) The term, "industry covered by the Plan," means the sprinkler industry and any other industry in which employees covered by the Plan were employed when the Participant's pension began or, but for suspension under this Article, would have begun.
- (3) The geographic area covered by the Plan is the United States of America including Alaska and Hawaii and any other area covered by the Plan when the Participant's pension began or, but for suspension under the Article, would have begun.
- (4) If a Retired Participant reenters Covered Employment to an extent sufficient to cause a suspension of benefits, and his pension payments are subsequently resumed, the industry and area covered by the Plan "when the Participant's pension began" will be the industry and area covered by the Plan when his pension was resumed.
- (5) For purposes of suspension of benefits, hours include Hours of Service under this Plan as well as service with non-contributing employers. Hours include service for which either direct or indirect compensation or benefit is received by the Pensioner.
- (6) Notwithstanding any provision of the Plan to the contrary, a Participant's benefits will be suspended after Normal Retirement Age if he continues to work in Covered

Employment for which employer contributions to the Plan are required or continues to work in Disqualifying Employment. However, no benefits will be suspended after a Participant's Required Beginning Date, as defined in Section 7.17(c).

(c) **Definition of Suspension.** Suspension of benefits for a month means non-entitlement to benefits for the month. If benefits were paid for a month for which benefits were later determined to be suspended, the overpayment may be recovered through deductions from future pension payments, pursuant to subsection (h)(2) of this section, and in accordance with Section 7.03.

(d) **Notices.**

(1) Upon commencement of pension payments, the Trustees will notify the Pensioner of the Plan rules concerning suspension of benefits, including identity of the industries and area covered by the Plan. If benefits have been suspended and payment resumed, new notification will be given to the Participant upon resumption of payments, if there has been any material change in the suspension rules or the identity of the industries or area covered by the Plan.

(2) A Pensioner must notify the Plan in writing within twenty-one (21) days after starting any work of any type that is or may be Disqualifying Employment under the provisions of the Plan and without regard to the number of hours of such work (that is, whether or not less than forty (40) hours in a month). If a Pensioner has worked in Disqualifying Employment other than Covered Employment in any month and has failed to give timely notice to the Plan of such employment, the Trustees will presume that he worked for at least forty (40) hours in that month and any subsequent month before the Participant gives notice that he has ceased Disqualifying Employment. The Participant has the right to overcome this presumption by establishing to the satisfaction of the Trustees that his work was not in fact an appropriate basis, under the Plan, for suspension of his benefits.

If a Pensioner has worked in Disqualifying Employment other than Covered Employment for any number of hours for a contractor at a building or construction site and he has failed to give timely notice to the Plan of such employment, the Trustees will presume that he has engaged in such work for as long as the contractor has been and remains actively engaged at the site. The Participant has the right to overcome this presumption by establishing to the satisfaction of the Trustees that his work was not in fact an appropriate basis, under the Plan, for suspension of benefits.

The Trustees will inform all retirees at least once every twelve (12) months of the re-employment notification requirements and the presumptions set forth in this paragraph.

(3) A Participant whose pension has been suspended must notify the Plan in writing when Disqualifying Employment has ended. The Trustees may hold back benefit

payments until such notice is filed with the Plan.

- (4) A Pensioner may ask the Trustees whether a particular employment will be disqualifying. The Trustees will provide the Pensioner with their determination.
- (5) The Plan will inform a Participant of any suspension of benefits by notice, given by personal delivery or first class mail during the first calendar month in which his benefits are withheld. This notice will include a description of the specific reasons for the suspension, a copy of the relevant provisions of the Plan, a reference to the applicable regulation of the U.S. Department of Labor, and a statement of the procedure for requesting a review of the suspension.

In addition, the notice will describe the procedure for the Participant to notify the Plan when his Disqualifying Employment ends. If the Plan intends to recover prior overpayments by offset (under subsection (h)(2)), the suspension notice will explain the offset procedure and identify the amount expected to be recovered, and the period of employment to which they relate.

- (6) Notice will be given to all Participants who have not retired at Normal Retirement Age that benefits may be permanently forfeited for periods of work past Normal Retirement Age, to the extent that additional credits earned do not increase the eventual benefit paid to the actuarial equivalent of the accrued benefit at Normal Retirement Age.
- (e) **Duty to Supply Verification Information.** A Pensioner must supply to the Plan upon request a notarized and certified statement that the Pensioner is not engaged in Disqualifying Employment. In addition a Pensioner must supply to the Plan, upon request, all reasonable documentation such as income tax returns, pay stubs and any other information determined to be reasonable by the Trustees for the purposes of verifying whether the Pensioner is in Disqualifying Employment. This requirement to provide a certification and documentation is a condition to receiving future benefits. Therefore, if a Pensioner fails to comply with a Plan request for either an employment certification or employment documentation, the Pensioner's benefits will be suspended until such time as the Pensioner has supplied the information. If the benefits have been suspended and payments subsequently resumed, the Plan will forward to the Pensioner, at the next regularly scheduled time for payment of benefits, all payments which had been withheld during the suspension.
- (f) **Review.** A Participant is entitled to a review of a determination suspending his benefits by written request filed with the Trustees within 180 days of the notice of suspension.

A Participant is also entitled to a review under the same terms, to a determination by or on behalf of the Trustees that contemplated employment will be Disqualifying Employment.

(g) **Waiver of Suspension.** The Trustees may, upon their own motion or on request of a Participant, waive suspension of benefits subject to such limitations as the Trustees in their sole discretion may determine, including any limitations based on the Participant's previous record of benefit suspensions or noncompliance with reporting requirements under this Article.

(h) **Resumption of Benefit Payments.**

- (1) Benefits will resume for months after the last month for which benefits are suspended provided the Participant 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 Participant had Disqualifying Employment will be deducted from pension payments otherwise paid or payable subsequent to the period of suspension. A deduction from a benefit after the Pensioner reached Normal Retirement Age will not exceed 25% of the pension amount (before deduction), except that the Plan may withhold up to 100% of the first pension payment made upon resumption after a suspension. If a Pensioner dies before recoupment of overpayments has been completed, deductions will be made from the benefits payable to his Beneficiary or Spouse, subject to the 25% limitation on the rate of the deduction if applicable.

(i) **Additional Benefits Earned Following Retirement.**

- (1) Benefit accruals will not cease and the rate of accrual will not be reduced because a Participant has reached any age and continues to work in Covered Employment.
- (2) Benefit increases will apply to reemployed Pensioners to the same extent that they apply to any other Participants who have stopped working in Covered Employment under the Plan for a comparable period for reasons other than retirement.
- (3) A Participant's benefits accrued after Normal Retirement Age and before his Required Beginning Date will be reduced, but not below zero (0), by the actuarial equivalent of the benefits paid to the Participant for the periods in which the additional benefits were accrued. The actuarial assumptions specified in Section 1.02 of the Plan will be used for these calculations.
- (4) Any additional pension amount earned by a Participant in Covered Employment after Normal Retirement Age will be determined at the end of each Calendar Year and will be payable as of the first month following the end of the Calendar Year in which it accrued, provided payment of benefits at that time is not suspended due to the Participant's continued employment.
- (5) Except as provided in (7) below, if a Participant retires at or after Normal Retirement Age and then returns to Covered Employment, any subsequent benefit

accrued will be payable in the benefit form selected at retirement. With respect to the Single Life Pension with 100-Month Guarantee in Section 6.02, payment of any additional benefit amounts earned after Normal Retirement Age will be guaranteed for 100 months from the date payment of such additional amount commences or would have commenced if it had not been suspended due to the Participant's continued employment.

- (6) Except as provided in (7) below, if a Participant retires before Normal Retirement Age and then returns to Covered Employment, any subsequent benefits accrued will be payable in the benefit form selected following the resumption of the Participant's benefit payments. The requirements of Section 7.05 apply to such additional benefits.
- (7) If a Pensioner has returned to Covered Employment, he is not entitled to a new election as to the Husband-and-Wife Pension or any optional form of benefit except if, upon such return, (i) he had sufficient Covered Employment to earn at least three consecutive Years of Vesting Service and (ii) the Pensioner obtains the waiver described in Section 5.02(a) from the person who was his Qualified Spouse as determined as of each applicable Effective Date.
- (8) If benefit payments are suspended pursuant to Section 7.08(b)(6) of the Plan for a Participant who continues in Covered Employment after Normal Retirement Age without a separation and who does not receive a benefit payment, the commencement of benefit payments following such suspension will be the Effective Date.

Section 7.09. Benefit Payments Following Suspension.

- (a) The monthly amount of pension when resumed after suspension will be determined under paragraph (1), and adjusted for any optional form of payment in accordance with paragraphs (2) and (3). Nothing in this Section extends any benefit increase or adjustment effective after the Participant's initial retirement to the amount of pension upon resumption of payment, except to the extent that it may be expressly directed by other provisions of the Plan.
 - (1) The amount of benefit payable prior to suspension, including any retiree increases, will be increased by an amount equal to the reduction for early retirement for each month benefits are suspended, not to exceed the total reduction used to calculate the benefit at original retirement. This result will be added to the benefit attributable to Pension Credits earned during the period of suspension, determined as if it were then being determined for the first time. The reduction for early retirement will be the reduction(s) used to calculate the benefit prior to suspension for the benefit payable prior to suspension, and the reduction specified in Section 3.04 for Pension Credits earned during the suspension of benefits.

- (2) The amount determined under the above paragraph will be adjusted for the Husband-and-Wife Pension or any optional form of benefit in accordance with which the benefits of the Participant and Spouse or Beneficiary are payable.
 - (3) The benefit determined under the provisions of subparagraphs (1) and (2) will not be adjusted in any event to an extent that would result in forfeiture of the Participant's Regular Retirement Pension at Normal Retirement Age in violation of Section 203(a)(3)(B) of ERISA. Following Normal Retirement Age, benefits may be permanently forfeited to the extent that additional credits earned do not increase the benefit to the actuarial equivalent of the accrued benefit at Normal Retirement Age.
- (b) A Pensioner who returns to Covered Employment for an insufficient period of time to complete a Year of Vesting Service, will not, on subsequent termination of employment, be entitled to a recomputation of his pension amount based on the additional service.
- If a Pensioner who returns to Covered Employment completes a Year of Vesting Service, upon his subsequent retirement he will be entitled to a recomputation of his pension amount, based on any additional Pension Credits.
- (c) A Husband-and-Wife Pension in effect immediately before suspension of benefits and any other benefit following the death of the Pensioner will remain effective if the Pensioner's death occurs while his benefits are in suspension, except as specified in this subsection. Survivor benefits will be restored in accordance with Section 5.03(d) unless an option was elected under Article 6, in which case it will remain effective in lieu of Section 5.03(d). Guaranteed benefits under Section 6.02 will not apply after a Participant requalifies for benefits under Section 2.03. In all cases of death while benefits are suspended, penalties in Section 7.08(a)(2) do not apply.

Section 7.10. Vested Status or Non-forfeitability.

Vested Status is earned as follows:

- (a) A Participant's right to his Regular Pension is vested or non-forfeitable upon his attainment of Normal Retirement Age, except to the extent that benefits are canceled, pursuant to Section 12.04, because the Employer has ceased to contribute to the Plan with respect to the employment unit in which the Participant was employed.
- (b) Before January 1, 1996, a Participant earns Vested Status after he completes either (1) at least fifteen (15) Pension Credits, five (5) of which are during the Contribution Period, or (2) at least ten (10) Years of Vesting Service during the Contribution Period for Collectively Bargained Employees or five (5) Years of Service during the Contribution Period for Non-Collectively Bargained Employees, excluding Years of Service that are not taken into account because of a Permanent Break in Service.

In addition, an individual who completes more than one (1) Hour of Service on or after

January 1, 1996, earns Vested Status after he completes at least five (5) Years of Vesting Service during the Contribution Period, excluding Years of Service that are not taken into account because of a Permanent Break in Service determined after the application of this provision.

Section 7.11. Non-duplication with Disability Benefits.

No pension benefits are payable for any month for which the Participant or Pensioner receives wage indemnification for disability from the National Automatic Sprinkler Industry Welfare Fund. However, this provision will be is subject to the provisions of Section 7.05.

Section 7.12. Incompetence or Incapacity of a Pensioner or Beneficiary.

If the Trustees determine that a Pensioner or Beneficiary is unable to care for his affairs because of a mental or physical incapacity, any payment due the Participant or Beneficiary may be paid, in the discretion of the Trustees, for the maintenance and support of the Pensioner or Beneficiary; or to a legal guardian, committee, or other legal representative; or, in the absence of any of them, to any relative by blood or connection by marriage who is determined by the Trustees to be equitably entitled thereto. Any such payment will completely discharge the Trustees' liability with respect to the benefit.

Section 7.13. Non-Assignment of Benefits.

No Participant or Beneficiary under this Plan will have the right to assign, alienate, transfer, sell, mortgage, encumber, pledge, or anticipate any payments. Payments will not in any way be subject to any legal process to levy, execution upon, or attachment or garnishment proceedings for the payment of any claim against the Participant or Beneficiary. Payments will not be subject to the jurisdiction of any bankruptcy court or insolvency proceedings by operation of law, or otherwise. However, a Participant's or Beneficiary's benefits may be reduced pursuant to a judgment, order, decree or settlement entered into on or after August 5, 1997 where the Participant has committed a breach of fiduciary duty against the Plan or committed a criminal act against the Plan. Payments may be made by the Fund to an Alternate Payee of a Participant in accordance with the terms of a Qualified Domestic Relations Order.

Section 7.14. No Right to Assets.

No person other than the Trustees of the Pension Fund have any rights, title or interest in any of the income or property of any funds received or held by or for the account of the Pension Fund, and no person has any right to benefits provided by the Pension Plan except as expressly provided herein.

Section 7.15. Mergers.

In the event of any merger or consolidation with or transfer of assets or liabilities to any other plan, each Participant will receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the

merger, consolidation or transfer.

Section 7.16. Increases to Retirees.

From time to time, the Trustees may increase benefit payments to Pensioners and Beneficiaries which are applied in a uniform and nondiscriminatory manner. Such increases apply only to Pensioners and Beneficiaries whose Effective Date is before the effective date of the increase and who have not returned to work under Section 7.08. Benefit payments to retirees following suspension of benefits are determined under section 7.09.

The Trustees have adopted the following increases for Pensioners and Beneficiaries with an Effective Date before the effective date of the increase:

- (a) Pensioners and Beneficiaries on the rolls as of December 31, 1973 received a pension increase effective January 1, 1974 in the amount of 10% of the pension benefit in effect as of December 31, 1973.
- (b) Pensioners and Beneficiaries on the rolls as of December 31, 1974 received a pension increase effective January 1, 1975 in the amount of 5% of the pension benefit in effect as of December 31, 1974.
- (c) Pensioners and Beneficiaries on the rolls as of December 31, 1976 received a pension increase effective January 1, 1977 in the amount of 5% of the pension benefit in effect as of December 31, 1976.
- (d) Pensioners and Beneficiaries on the rolls as of December 31, 1977 received a pension increase effective January 1, 1978 in the amount of 5% of the pension benefit in effect as of December 31, 1977.
- (e) Pensioners and Beneficiaries on the rolls as of December 31, 1978 received a pension increase effective January 1, 1979 in the amount of 5% of the pension benefit in effect as of December 31, 1978.
- (f) Pensioners and Beneficiaries on the rolls as of December 31, 1979 received a pension increase effective January 1, 1980 in the amount of 10% of the pension benefit in effect as of December 31, 1979.
- (g) Pensioners and Beneficiaries on the rolls as of December 31, 1980 received a pension increase effective January 1, 1981 in the amount of 10% of the pension benefit in effect as of December 31, 1980.
- (h) Pensioners and Beneficiaries on the rolls as of December 31, 1982 received a pension increase effective January 1, 1983 in the amount of 10% of the pension benefit in effect as of December 31, 1982.

- (i) Pensioners and Beneficiaries on the rolls as of December 31, 1983 received a pension increase effective January 1, 1984 in the amount of 5% of the pension benefit in effect as of December 31, 1983.
- (j) Pensioners and Beneficiaries on the rolls as of December 31, 1984 received a pension increase effective January 1, 1985 in the amount of 2.5% of the pension benefit in effect as of December 31, 1984.
- (k) Pensioners and Beneficiaries on the rolls as of December 31, 1985 received a pension increase effective January 1, 1986 in the amount of 3.5% of the pension benefit in effect as of December 31, 1985.
- (l) Pensioners and Beneficiaries on the rolls as of December 31, 1986 received a pension increase effective January 1, 1987 in the amount of 4% of the pension benefit in effect as of December 31, 1986.
- (m) Pensioners and Beneficiaries on the rolls as of December 31, 1987 received a pension increase effective January 1, 1988 in the amount of 4% of the pension benefit in effect as of December 31, 1987.
- (n) Pensioners and Beneficiaries on the rolls as of December 31, 1988 received a pension increase effective January 1, 1989 in the amount of 5% of the pension benefit in effect as of December 31, 1988.
- (o) Pensioners and Beneficiaries on the rolls as of December 31, 1989 received a pension increase effective January 1, 1990 in the amount of 6% of the pension benefit in effect as of December 31, 1989.
- (p) Pensioners and Beneficiaries on the rolls as of December 31, 1990 received a pension increase effective January 1, 1991 in the amount of \$50 per month to the pension benefit in effect as of December 31, 1990.
- (q) Pensioners and Beneficiaries on the rolls as of December 31, 1991 received a pension increase effective January 1, 1992 in the amount of \$50 per month to the pension benefit in effect as of December 31, 1991.
- (r) Pensioners and Beneficiaries on the rolls as of December 31, 1992 received a pension increase effective January 1, 1993 in the amount of \$60 per month to the pension benefit in effect as of December 31, 1992.
- (s) Pensioners and Beneficiaries on the rolls as of December 31, 1993 received a pension increase effective January 1, 1994 in the amount of \$30 per month to the pension benefit in effect as of December 31, 1993.
- (t) Pensioners and Beneficiaries on the rolls as of December 31, 1995 received an additional

pension check for 1995 in the same amount as the monthly benefit in effect as of December 31, 1995.

- (u) Pensioners and Beneficiaries on the rolls as of December 31, 1997 received a pension increase effective January 1, 1998 in the amount of \$60 per month to the pension benefit in effect as of December 31, 1997.
- (v) Pensioners and Beneficiaries on the rolls as of December 31, 1998 received a pension increase effective January 1, 1999 in the amount of \$40 per month to the pension benefit in effect as of December 31, 1998 and an additional monthly pension benefit check in 1999 in the same amount as the monthly benefit in effect as of January 1, 1999.
- (w) Pensioners and Beneficiaries on the rolls as of December 31, 1998 will receive a \$700 pension payment effective January 1, 1998 plus a pension increase effective January 1, 1999 in the amount of \$40 per month to the monthly pension benefit in effect as of December 31, 1998.
- (x) Pensioners and Beneficiaries on the rolls as of December 31, 1999 will receive a pension increase effective January 1, 2000 in the amount of \$60 per month to the monthly pension benefit in effect as of December 31, 1999.
- (y) Pensioners and Beneficiaries on the rolls as of December 31, 2000 received a pension increase effective January 1, 2001 in the amount of \$10 per month to the monthly pension benefit in effect as of December 31, 2000.

Pensioners and Beneficiaries on the rolls as of December 31, 2000 received an additional pension check for 2001 in the same amount as the monthly benefit in effect as of December 31, 2000.

Pensioners and Beneficiaries who retired on 2001 received an additional pension check for 2001 in the same amount as the monthly benefit in effect as of the date of retirement.

- (z) Pensioners and Beneficiaries on the rolls as of December 31, 2007 will receive a \$500 pension payment effective January 1, 2008. A Pensioner whose pension benefit is split based on a Qualified Domestic Relations Order will receive only the court ordered portion of this payment; the Alternate Payee will receive the balance.

Section 7.17. Required Beginning Date Payments.

- (a) Benefit payments which are required to begin in accordance with this Section will be made automatically to Participants to whom benefits are payable by the Fund but who fail or refuse to apply for benefits. Benefits will be paid on the Required Beginning Date, as follows:
 - (1) in a single sum if the present value of the Participant's benefit is no more than

\$5,000 (such present value is determined in accordance with Section 7.05(a)); and

- (2) in the form of a Husband-and-Wife Pension calculated on the assumption that the Participant is and has been married for at least one (1) year by the date payments start and that the husband is three (3) years older than the wife.
 - (3) Once benefit payments commence, the benefit in the form of the Husband-and-Wife Pension is irrevocable except that it may be changed to the applicable normal form for a single Participant, if the participant proves that he was not married on the Required Beginning Date, and the amount of future benefit payments will be adjusted based on the actual ages of the Participant and Spouse if different from the assumption in (2) above.
- (b) Participants or Beneficiaries who cannot be located through reasonable efforts will be presumed dead and their benefits will be forfeited, subject to reinstatement if the Participant or Beneficiary later makes application for benefits.
 - (c) A Participant's Required Beginning Date is the 1st day of the month following the month in which the Participant attains the age of 70½ subject to the provisions of Section 401(a)(9) of the Internal Revenue Code and related regulations.

Section 7.18. Maximum Benefit Limitations.

- (a) (1) The limitations of this Section shall apply in Limitation Years beginning on or after July 1, 2007, except as provided herein.
 - (2) The application of the provisions of this Section shall not cause the Maximum Permissible Benefit of any Participant to be less than the Participant's accrued benefit under the Plan as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of the Plan that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of this Plan 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 §415 in effect as of the end of the last Limitation Year beginning before July 1, 2007, as described in Treas. Reg. §1.415(a)-1(g)(4). For purposes of this Section, "Maximum Permissible Benefit" shall be the Defined Benefit Dollar Limitation as defined in subsection (c) below.
- (b) The Annual Benefit otherwise payable to a Participant under the Plan at any time shall not exceed the Maximum Permissible Benefit. If the benefit the Participant would otherwise accrue in a Limitation Year would produce an Annual Benefit in excess of the Maximum Permissible Benefit, the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Maximum Permissible Benefit.

(c) Annual Benefit.

- (1) For Limitation Years ending after December 31, 2001, the “Annual Benefit” payable to a Participant under this Plan in any Limitation Year may not exceed the Defined Benefit Dollar Limitation. The Defined Benefit Dollar Limitation is \$160,000, automatically adjusted under Code Section 415(d), effective January 1 of each year, as published by the Internal Revenue Service, and payable in the form of a straight life annuity. The new limitation shall apply to Limitation Years ending within the calendar year of the date of the adjustment, but a Participant’s benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. The automatic annual adjustment of the Defined Benefit Dollar Limitation shall also apply to Participants who have had a separation from employment.
- (2) For Limitation Years ending before January 1, 2002, the Annual Benefit payable to a Participant under this Plan shall not at any time within the Limitation Year exceed the lesser of:
 - (A) \$90,000 or such higher amount as adjusted for cost of living increases as permitted by Internal Revenue Regulations, or
 - (B) 100% of the Participant’s average compensation for the three consecutive Calendar Years during which the Participant was both an active Participant in the Plan and had the greatest aggregate Compensation from the contributing Employers (Defined Benefit Compensation Limitation). Such amount shall be increased for cost of living adjustments as permitted by Internal Revenue Service Regulations after the Participant terminates employment with the Employer.

Benefit increases resulting from the increase in the limitation of Code Section 415(b) made by EGTRRA will be provided to all current and former Participants (with benefits limited by Code Section 415(b)) who have an Accrued Benefit immediately prior to January 1, 2002 (other than an Accrued Benefit resulting solely from a benefit increase as a result of the increase in limitations under Code Section 415(b))

- (d) The Annual Benefit (without regarding to the age at which benefits commence) payable with respect to a participant under this Plan is not considered to exceed the limitations on benefits described in subsection (c) above if the benefits payable with respect to the Participant do not exceed \$10,000 and the Participant was never a participant in a defined contribution plan of the Employer. For purposes of this subsection (d), the benefits payable with respect to the Participant for a Limitation Year reflect all amounts payable under the Plan for the Limitation year, and are not adjusted for form of benefit or commencement date.
- (e) Adjustment for Fewer than 10 Years of Participation or Service: If the Participant has fewer than 10 years of participation in the plan, the Defined Benefit Dollar Limitation as

defined in paragraph (c)(1) or subparagraph (c)(2)(A) of this Section (whichever is applicable) shall be multiplied by a fraction—(1) the numerator of which is the number of years (or part thereof, but not less than one year) of participation in the Plan, and (2) the denominator of which is 10.

For Limitation Years ending before January 1, 2002, in the case of a Participant who has less than 10 years of service with the Employer, the Defined Benefit Compensation Limitation in subparagraph (c)(2)(B) of this Section shall be multiplied by a fraction—(1) the numerator of which is the number of years (or part thereof, but not less than one year) of service with the Employer, and (2) the denominator of which is 10.

(f) Adjustment for Defined Benefit Dollar Limitation for Benefit Commencement before Age-62.

(1) For Limitation Years ending after December 31, 2001, 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 an Annual Benefit payable in the form of a straight life annuity beginning at the earlier age that is the actuarial equivalent of the Defined Benefit Dollar Limitation applicable to the Participant at age-62 (adjusted under subsection (e) above, if required). The Defined Benefit Dollar Limitation applicable at an age prior to age-62 is determined as the lesser of—

(A) the actuarial equivalent (at such age) of the Defined Benefit Dollar Limitation computed using the Interest Rate and Mortality Table specified in Section 1.02 of the Plan; or

(B) the actuarial equivalent (at such age) of the Defined Benefit Dollar Limitation computed using a 5% interest rate and the applicable Mortality Table as defined in Section 1.02 of the Plan.

Any decrease in the Defined Benefit Dollar Limitation determined in accordance with the paragraph shall not reflect a mortality decrement if benefits are not forfeited upon the death of the Participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account.

(2) For Limitation Years ending before January 1, 2002, if the annual pension benefit of a participant begins before age-62, the \$90,000 limitation set forth in subparagraph (c)(2)(A), or, if applicable, in subsection (e) above will be reduced so that it is the actuarial equivalent to such benefit beginning at age-62. However, the Defined Benefit Dollar Limitation shall not be reduced to less than—

(A) \$75,000 if the Annual Benefit begins at or after age-55, or

(B) the equivalent Actuarial Present Value of the \$75,000 limitation for age-55

if the Annual Benefit commences before age-55.

- (g) Defined Benefit Dollar Limitations after Age-65.
- (1) For Limitation Years ending after December 31, 2001, if the benefit of a Participant begins after the Participant attains age-65, the Defined Benefit Dollar Limitation applicable to the Participant in the later age is the Annual Benefit payable in the form of a straight life annuity beginning at the later age that is actuarially equivalent to the Defined Benefit Dollar Limitation applicable to the Participant at age-65 (adjusted under subsection (e) above, if required). The actuarial equivalent of the Defined Benefit Dollar Limitation applicable at an age after age-65 is determined as the lesser of—
- (A) The actuarial equivalent (at such age) of the Defined Benefit Dollar Limitation computed using the Interest Rate and Mortality Table specified in Section 1.02 of the Plan, or
- (B) The actuarial equivalent (at such age) of the Defined Benefit Dollar Limitation computed using a 5% interest rate assumption and the applicable Mortality Table specified in Section 1.02 of the Plan.
- (2) For Limitation Years ending before January 1, 2002, if a Participant's benefit begins after the Participant's Social Security Retirement Age, the \$90,000 limitation set forth in subparagraph (c)(2)(A) or, if applicable, subsection (e) above will be increased so that it is the actuarial equivalent of the benefit payable at the Participant's Social Security Retirement Age. For purposes of this provision, actuarial equivalence is determined as follows—
- (A) Limitation Years beginning before January 1, 2000. The actuarial equivalent amount is computed using an interest rate assumption that is not greater than the lesser of the rate specified in the Plan or 5% and the 1971 Group Annuity Mortality Table.
- (B) Limitation Years beginning on or after January 1, 2000. The actuarial equivalent amount is computed using an interest rate assumption that is not greater than the lesser of the Plan's later retirement increase factors or 5% interest rate and the Applicable Mortality Table as defined under Section 1.02 of the Plan.
- (h) (1) For purposes of this Section, except as provided below, where a benefit is payable in a form other than a straight life annuity, the benefit shall be adjusted to an actuarially equivalent straight life annuity that begins at the same time as such other form of benefit and is payable on the first day of each month, before applying the limitations of this Section. For a Participant who has or will have distributions commencing at more than one Effective Date of Pension, the Annual

Benefit shall be determined as of each such Effective Date of Pension (and shall satisfy the limitations of this Section as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Effective Date of Pensions. For this purpose, the determination of whether a new starting date has occurred shall be made without regard to Treas. Reg. §1.401(a)-20, Q&A 10(d), and with regard to Treas. Reg. §1.415(b)-1(b)(1)(iii)(B) and (C).

No actuarial adjustment to the benefit shall be made for—

- (A) Survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the participant's benefit were paid in another form;
 - (B) The inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to Code Section 417(e)(3) and would otherwise satisfy the limitations of this Section, and the Plan provides that the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this Section applicable at the Effective Date of Pension, as increased in subsequent years pursuant to Code Section 415(d).
- (2) Effective for distributions in Plan Years beginning on or after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a straight life annuity shall be made in accordance with subparagraph (2)(A) or (2)(B) below:
- (A) Benefit forms not subject to Code Section 417(e)(3).
 - (i) Limitation Years beginning before July 1, 2007. For Limitation Years beginning before July 1, 2007, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount: (I) the Interest Rate and Mortality Table specified in Section 1.02 of the Plan for adjusting benefits in the same form; and (II) a 5% interest rate assumption and the Mortality Table specified in Section 1.02 of the Plan for that Effective Date of Pension.
 - (ii) Limitation Years beginning after July 1, 2007. For Limitation Years beginning after July 1, 2007, the actuarially equivalent straight life annuity is equal to the greater of: (I) the annual amount of the straight life annuity payable to the Participant under the Plan commencing at the same Effective Date of Pension as the Participant's form of benefit; and (II) the annual amount of the

straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as the Participant's form of benefit, computed using a 5% interest rate assumption and the applicable Mortality Table defined in Section 1.02 of the Plan for that Effective Date of Pension.

(B) Benefit forms subject to Code Section 417(e)(3). The straight life annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this subparagraph (B) if the form of the Participant's benefit is subject to §417(e)(3). In this case, the actuarially equivalent straight life annuity shall be determined as follows:

(i) Effective Date of Pension in Plan Years beginning after 2005. If the Effective Date of Pension of the Participant's form of benefit is in a Plan Year beginning after 2005, the actuarially equivalent straight life annuity is equal to the greatest of: (I) the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as the Participant's form of benefit, computed using the adjustment factors specified in the Plan for adjusting benefits in the same form; (II) the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as the Participant's form of benefit, computed using a 5.5% interest rate assumption and the applicable Mortality Table defined in Section 1.02 of the Plan; or (III) the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial value as the Participant's form of benefit, computed using the applicable Interest Rate defined in Section 1.02 of the Plan and the applicable Mortality Table defined in Section 1.02 of the Plan, divided by 1.05.

(ii) Effective Date of Pension in Plan Years beginning in 2004 and 2005. If the Effective Date of Pension of the Participant's benefit is in a Plan Year beginning in 2004 or 2005, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as the participant's form of benefit, computed using whichever of the following produces the greater annual amount: (I) the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as the Participant's form of benefit, computed using the adjustment factors specified in the Plan for adjusting benefits in the same form; (II) a 5.5% interest rate assumption and the applicable

Mortality Table defined in Section 1.02 of the Plan.

If the Effective Date of Pension of the Participant's benefit is on or after the first day of the 2004 Plan Year, the application of this clause (ii) shall not cause the amount payable under the Participant's form of benefit to be less than the benefit calculated under the Plan, taking into account the limitations of this Section, except that the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greatest annual amount: (I) the adjustment factors specified in the Plan for adjusting benefits in the same form; (II) the applicable Interest Rate and Mortality Table specified in Section 1.02 of the Plan, and (III) the applicable Interest Rate defined in Section 1.02 of the Plan (as in effect on the last day of the last Plan Year beginning before January 1, 2004, under provisions of the Plan then adopted and in effect) and the applicable Mortality Table defined in Section 1.02 of the Plan.

(i) Aggregation with other Plans.

- (1) Pursuant to Code Section 415(f)(3)(B), this Plan shall not be aggregated with other multiemployer Plans for purposes of applying the limits in this Section.
- (2) Where an Employer maintains this Plan and other plans that are not multiemployer plans, only the benefits under this Plan that are provided by the Employer will be aggregated with benefits under the Employer's plans other than multiemployer plans.
- (3) This Plan shall not be aggregated with any other plan for purposes of applying the Defined Benefit Compensation Limit of Code Section 415(b)(1)(B) and Treas. Reg. §1.415(b)-1(a)(1)(ii).

(j) For purposes of this Section, "Limitation Year" means the Calendar Year.

(k) For purposes of this Section, "Compensation" means:

- (1) an employee's wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with an Employer, to the extent that the amounts are includible in gross income (or to the extent amounts would have been received and includible in gross income but for an election under Code Sections 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b)).

These amounts include, but are not limited to, commissions paid to salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a non-accountable plan as described in Treas. Reg. §1.62-2(c).

- (2) For purposes of paragraph (1) above, “wages” includes wages within the meaning of Code Section 3401(a) (for purposes of income tax withholding at the source), plus amounts that would be included in wages but for an election under Code Sections 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). However, any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)) are disregarded for this purpose.
- (3) Items not included in “Compensation.” Compensation does not include:
 - (A) Employer contributions (other than elective contributions described in Code Sections 401(e)(3), 408(k)(6), 408(p)(2)(A)(i) or 457(b)) to a plan of deferred compensation (including a simplified employee pension described in Code Section 408(k) or a simple retirement account described in Section 408(p), and whether or not qualified) to the extent that the contributions are not includible in the gross income of the employee for the taxable year in which contributed. In addition, any distribution from a plan of deferred compensation (whether or not qualified) is not considered as compensation for purposes of this Section, regardless of whether such amounts are includible in the gross income of the employee when distributed.
 - (B) Amounts realized from the exercise of a nonstatutory option (which is an option other than a statutory option as defined in Treas. Reg. §1.421-1(b)), or when restricted stock or other property held by an employee either become freely transferable or is no longer subject to a substantial risk of forfeiture.
 - (C) Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option;
 - (D) Other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the employee and are not salary reduction amounts that are described in Code Section 125);
 - (E) Other items of remuneration that are similar to any to any of the items listed in (A) through (D).

- (4) For any self-employed individual, Compensation shall mean earned income.
- (5) (A) Except as otherwise provided in this paragraph (5), in order to be taken into account for a Limitation Year, Compensation for purposes of this Section must be actually paid or made available to an employee (or, if earlier, includible in the gross income of the employee) within the Limitation Year. For this purpose, Compensation is treated as paid on a date if it is actually paid on that date or it would have been paid on that date but for an election under Code Sections 125, 132(f)(4), 401(k), 403(b), 408(k), 408(p)(2)(A)(i), or 457(b).
- (B) Except as otherwise provided in this paragraph (5), in order to be taken into account for a Limitation Year, Compensation within the meaning of this Section must be paid or treated as paid to the employee (in accordance with the rules of subparagraph (5)(A)) prior to the employee's severance from employment with the Employer.
- (C) Notwithstanding the provisions of subparagraph (5)(D), Compensation for a Limitation Year includes amounts earned during the Limitation Year but not paid during the Limitation Year solely because of the timing of pay periods and pay dates if: (i) these amounts are paid during the first few weeks of the next Limitation Year; (ii) the amounts are included on a uniform and consistent basis with respect to all similarly situated employees; and (iii) no Compensation is included in more than one Limitation year.
- (D) Compensation Paid after Severance.
- (i) Any Compensation described in this subparagraph (5)(D) does not fail to be Compensation within the meaning of this Section pursuant to the rule of subparagraph (5)(B) merely because it is paid after the employee's severance from employment with the Employer, provided the Compensation is paid by the later of 2 ½ months after severance from employment with the Employer or the end of the Limitation Year that includes the date of severance from employment with the Employer.
- (ii) Regular Pay after Severance. An amount is described in this clause (D)(ii) if—
- (I) The payment is regular Compensation for services during the employee's regular working hours, or Compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and

- (II) The payment would have been paid to the employee prior to severance from employment if the employee had continued in employment with the Employer.
 - (iii) Any payment that is not described in clause (D)(ii) [is not considered Compensation under clause (D)(i) if paid after severance from employment with the Employer, even if it is paid within the time period described in clause (D)(i).
 - (iv) Notwithstanding anything to the contrary in this subparagraph (D), a payment after severance from employment from an Employer for whom services were provided is considered to be Compensation as long as the individual receiving the payment is employed by any Employer maintaining the Plan. Thus, a Participant is treated as having a severance from employment under this subparagraph (D) only when the Participant is no longer providing services to any Employer maintaining the Plan.
- (5) Back pay, within the meaning of Treas. Reg. §1.415(c)-2(g)(8), shall be treated as Compensation for the Limitation Year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.
- (6) Only compensation considered for purposes of Code Section 401(a)(17) shall be taken into account for purposes of this Section as follows:
- (A) For Limitation Years beginning on or after January 1, 1989, and before January 1, 1994, the annual compensation of each Participant taken into account for determining all benefits provided under the Plan for any Plan Year shall not exceed \$200,000. This limitation shall be adjusted by the Secretary of the Treasury at the same time and in the same manner as under Code Section 415(d), except that the dollar increase in effect on January 1 of any calendar year is effective for Plan Years beginning with such calendar year and the first adjustment to the \$200,000 limitation is effective on January 1, 1990.
 - (B) For Limitation Years beginning on or after January 1, 1994, the annual compensation of each Participant taken into account or determining all benefits provided under the Plan shall not exceed \$150,000, as adjusted for the cost-of-living in accordance with Code Section 401(a)(17)(B).
 - (C) For Limitation Years beginning on or after January 1, 2002, the annual compensation of each Participant taken into account for determining all benefits provided under the Plan shall not exceed \$200,000, as adjusted for

cost-of-living increases in accordance with Code Section 401(a)(17)(B).

- (l) The Trustees are entitled to rely on a representation by an Employer that the pension payable to a Participant under this Plan to the extent attributable to employment with the Employer, does not, together with any other pension payable to him/her under any other plan maintained by the Employer, whether or not terminated, and to the extent attributable to employment with the Employer, exceed the limitations of Code Section 415.
- (m) The benefits paid under this Plan will not exceed the limitations set forth in this Section. If a Participant on his Effective Date of Pension is not eligible for full monthly benefits under this Plan because of the operation of this Section, his/her monthly benefits will be recalculated annually thereafter until he/she is receiving a full monthly benefit under the Plan's terms without operation of this Section. Each recalculation will be based on this Section with any applicable adjustment to reflect cost of living increases as set forth in subsection (c)(1).
- (n) In calculating the benefit of a participant's surviving Spouse or Beneficiary, the benefit of such Spouse or Beneficiary first shall be calculated based on the amount to which the Participant would have been entitled without regard to the limits imposed by this Section. The limits of this Section then will be applied to the resulting benefit amount.

Section 7.19 Employers Who Make Contributions at a Nonstandard Rate

Except for contributions accepted through a reciprocal agreement or as described above in Section 7.06(d), the Plan shall not accept any contributions at a rate other than at the Standard Rate and no employer shall be permitted to participate in the Plan pursuant to a Collective Bargaining Agreement, agreement with the Trustees or other agreement if such agreement calls for contributions to be made at a rate other than the Standard Rate.

ARTICLE 8
Rules Affecting the Participation
of Non-Collectively Bargained Employees

Section 8.01. Definitions.

The following definitions apply to the participation of Non-Collectively Bargained Employees in this Plan:

(a) “Collectively Bargained Employee”

- (1) A Collectively Bargained Employee for any Calendar Year (which is the Plan Year as defined in ERISA) is an employee who is included in a unit of employees covered by a Collective Bargaining Agreement, as defined in Section 1.06 of the Plan, between an Employer and the employee’s employee representative provided there is evidence that retirement benefits were the subject of good faith bargaining between the Employer and employee representative. An employee who is not covered by an agreement as defined in Section 1.06 of the Plan may not participate in the Plan without the prior approval of the Trustees.
- (2) A Non-Collectively Bargained Employee may be treated as a Collectively Bargained Employee (A) if the Employee is or was a member of a unit of employees covered by a Collective Bargaining Agreement and that agreement or another agreement, such as an agreement with the Trustees, provides for the Employee to benefit under the Plan in the Calendar Year; and (B) the Employee performs services for an Employer during that Calendar Year both as a Collectively Bargained Employee and as a Non-Collectively Bargained Employee, provided at least half of the Employee’s Hours of Work during the Calendar Year are performed as a Collectively Bargained Employee.
- (3) An Employee who was a Collectively Bargained Employee for a Calendar Year, may be treated as a Collectively Bargained Employee for the duration of the Collective Bargaining Agreement applicable for that Calendar Year, or if later, until the end of the following Calendar Year (A) if the Employee is or was a member of a unit of employees covered by a Collective Bargaining Agreement and that agreement or another agreement, such as an agreement with the Trustees, provides for the Employee to benefit under the Plan in the Calendar Year; and (B) the terms of the Plan providing for benefit accruals treat the employee in a manner that is generally no more favorable than similarly situated Employees who are currently in a unit of employees covered by a Collective Bargaining Agreement.
- (4) A Non-Collectively Bargained Employee may be treated as a Collectively Bargained Employee (A) if the Employee is or was a member of a unit of employees covered by a Collective Bargaining Agreement and that agreement or another agreement,

such as an agreement with the Trustees, provides for the Employee to benefit under the Plan in the Calendar Year; (B) the Employee is performing services for an Employer, for this Plan or for a Participating Local Union; (C) the terms of the Plan providing for benefit accruals treat the employee in a manner that is generally no more favorable than similarly situated Employees who are currently in a unit of employees covered by a Collective Bargaining Agreement; and (D) no more than five percent (5%) of the Employees covered under the Plan are Non-Collectively Bargained Employees determined without regard to this subsection 8.01(a)(4). For purposes of this five percent (5%) limitation, employees described in subsections 8.01(a)(2) and (3) are treated as Collectively Bargained Employees.

(b) “Non-Collectively Bargained Employee”

A Non-Collectively Bargained Employee for any Calendar Year is an Employee who is not a Collectively Bargained Employee for that Calendar Year as defined in subsection 8.01(a)(1). Provided, however, that certain Non-collectively Bargained Employees may be treated as Collectively Bargained Employees in accordance with subsections 8.01(a)(2), (3) and (4) above.

(c) “Employer”

For purposes of determining the group of Highly Compensated Employees and for purposes of this Article but not for purposes of determining Covered Employment, the term “Employer” includes all corporations, trades or businesses under common control with the Employer within the meaning of Section 414(b) or (c) of the Code; all members of an affiliated service group with the Employer within the meaning of Section 414(m) of the Code and all other businesses aggregated with the Employer under Section 414(o) of the Code. The term “Employer” includes a Participating Sprinkler Local Union or fund whose officers or employees participate in the Plan.

(d) “Highly Compensated Employee”

A Highly Compensated Employee is a highly compensated active employee or a 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 that Employer and relationship to that Employer. A Highly Compensated Employee may be determined based on the Employer’s workforce on a single day during the Calendar Year in accordance with IRS Revenue Procedure 93-42.

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

- (1) was a 5-percent owner;

- (2) received compensation from the Employer in excess of \$110,000 (as adjusted in \$5,000 increments at the discretion of the Secretary to take into account changes in the cost-of-living),

A highly compensated former employee for a Calendar Year is any former employee who, with respect to the Employer, had a separation year prior to the Calendar Year and was a highly compensated active employee for either the employee's separation year or any Calendar Year ending on or after the employee's 55th birthday.

An employee who performs no services for an Employer during the Calendar Year is treated as a former employee for that Calendar Year. Such employee's separation year is the year in which the employee last performed services for the Employer.

(e) "Compensation"

Compensation shall be "Compensation" within the meaning of Section 7.18(k) of the Plan.

(f) "Hour of Service"

For purposes of this Article, an Hour of Service is defined in Section 1.12 of the Plan.

Section 8.02. Rules for Participation of Non-Collectively Bargained Employees.

- (a) Effective January 1, 1994, Non-Collectively Bargained Employees, including those employees described in subsections 8.01(a)(2), (3) and (4) may participate in the Plan on the terms and conditions set forth in this Article pursuant to a written agreement between the Employer of such Non-Collectively Bargained Employees and the Trustees.
- (b) Non-Collectively Bargained Employees who are eligible to participate in the Plan are owners, officers and employees of incorporated Employers; officers and staff employees of Participating Sprinkler Local Unions and employees of trust funds affiliated with Participating Sprinkler Local Unions. Non-Collectively Bargained Employees of an Employer will not be eligible to participate in this Plan if they perform work of the type covered by a collective bargaining agreement in the building and construction industry (except the Sprinkler Industry) or perform work as a fabricator or truck driver. Owners of unincorporated Employers may not participate in the Plan.
- (c) Non-Collectively Bargained Employees covered by this Agreement must provide services to the Employer and receive compensation for those services from the Employer. Whether or not an individual is an Employee of the Employer will be determined based upon whether the Employer is the employer of the individual for purposes of reports and tax returns filed with the Federal or state governments or agencies. Other information will be considered by the Trustees if necessary to determine whether an individual is employed by the Employer. The Employer agrees to furnish such information to the Trustees upon

request.

- (d) The Employer must keep adequate records of a Non-Collectively Bargained Employee's Hours of Service. The Employer must also keep adequate records to document the individual's eligibility to participate in the Plan. These records must be provided to the Trustees upon request.
- (e) The Employer must make contributions on behalf of its Non-Collectively Bargained Employees to the National Automatic Sprinkler Industry Pension Fund for each Hour of Service. Contributions must be made at the rate established by the Collective Bargaining Agreement for journeyman Sprinkler Fitters employed by the Employer.
- (f) Contributions as set out in subparagraph (e) above must be paid starting as of the date a Non-Collectively Bargained Employee performs an Hour of Service under an agreement requiring contributions to the Plan.
- (g) Payments must be made at the time and in the manner established by the Trustees. The Trustees have the authority to retain an accountant or representative to review the records of the Employer to determine whether the correct contributions have been made.
- (h) A Non-Collectively Bargained Employee will commence and terminate participation in the Plan in accordance with the provisions of Article II of the Plan.
- (i) The participation in the Plan of the Non-Collectively Bargained Employees of an Employer for each Calendar Year is conditioned on the Employer's compliance with the requirements of the Plan and the requirements of Sections 401(a)(4) and 410(b) of the Code for that Calendar Year. A Non-Collectively Bargained Employee will not accrue a benefit under the Plan during a Calendar Year unless the Non-Collectively Bargained Employees of the Employer meet the requirements of Sections 401(a)(4) and 410(b) of the Code for that Calendar Year and the Employer provides the Plan with information deemed necessary by the Trustees to monitor compliance with the requirements of the Plan and the Code.

If the Employer fails to provide information requested by the Trustees or fails to comply with the requirements of the Plan or the requirements of Sections 401(a)(4) and 410(b) of the Code, the Employer must immediately take appropriate and necessary remedial action. Such action may include the withdrawal of the Employer's Non-Collectively Bargained Employees from participation in the Plan, or the curing of the defect. If the Employer fails to take necessary and appropriate remedial action, the participation of its Non-Collectively Bargained Employees will terminate as of the end of the Calendar Year immediately preceding the Calendar Year in which it failed to comply or for which information or certifications to determine compliance was requested but not provided.

- (j) In determining and certifying compliance with the coverage and non-discrimination requirements of the Plan and the Code, an Employer may use "substantiation quality data" as defined in IRS Revenue Procedure 93-42. In addition, an Employer may determine and

certify compliance on the basis of the Employer's workforce on a single day during the Calendar Year (snapshot day) in accordance with IRS Revenue Procedure 93-42.

- (k) In addition to the provision of subsection (i) the participation of its Non-Collectively Bargained Employees in the Plan will end upon termination of the agreement with the Trustees or upon termination of the Employer's Collective Bargaining Agreement.
- (l) In determining whether the Plan complies with the requirements of 401(a)(26), both Collectively Bargained Employees and Non-Collectively Bargained Employees participating in the Plan will be included to determine if the Plan benefits 50 employees as provided in Treas. Reg. §1.401(a)(26)-1(b)(2)(ii)(B).

Section 8.03 Non-Bargaining Unit Employees - Interim Rules

- (a) Effective January 1, 1990, no non-bargaining unit employee of an Employer will accrue a benefit under the Plan for a Calendar Year unless the participation of the non-bargaining unit employees of the Employer meets the requirements of Sections 401(a)(4), 401(a)(26) and 410(b) of the Code for that Calendar Year and the Employer provides the Plan with a written certification of such compliance or provides information necessary for the Plan to determine such compliance.
- (b) In compliance with Alternative IID of IRS Notice 88-131, notwithstanding any other contrary provision of the Plan, in calculating the accrued benefit (including the right to any optional benefit provided under the Plan) of any non-bargaining unit Participant who is a Highly Compensated Employee within the meaning of Section 414(q)(1)(A) or (B) of the Code, such Highly Compensated Employee will accrue no additional benefit under the Plan on or after December 31, 1988 to the extent that such additional benefit accrual exceeds the benefit which would otherwise accrue in accordance with the terms of the Plan as subsequently amended to comply with those qualification requirements described in Income Tax Regulations Section 1.401(b) - 1(b)(2)(ii)(TRA '86).

This provision will be effective until the last day by which the Plan may be amended retroactively to comply with the TRA '86 for its first Calendar Year beginning in 1989 in order to remain qualified under the Code and will be effective for such period if and only if the subsequent Plan amendment to comply with TRA '86 is made on or before the last day by which the Plan may be amended retroactively to comply with TRA '86 for its first Calendar Year commencing in 1989 in order to remain qualified under the Code.

In addition, the benefit accrued by any non-bargaining unit Highly Compensated Employee within the meaning of Section 414(q)(1)(A) or (B) of the Code will not exceed the benefit accrual provided during the 1989 Calendar Year with respect to such Participant under the terms of the Plan as subsequently amended to comply with the terms of TRA '86. However, such Highly Compensated Employee's benefit will not be less than what that Participant had accrued as of the last day of the last Calendar Year beginning before January 1, 1989.

ARTICLE 9

Top-Heavy Provisions

Section 9.01. Application of Top Heavy Provisions.

The Trustees will determine whether the Plan as a whole is Top Heavy, as defined in Section 416(g) of the Code and the regulations promulgated thereunder as of each Determination Year. In the event that the Plan as a whole is found to be Top Heavy, the provisions of this Article will apply to the Plan during the following Calendar Year, to the exclusion of all other inconsistent provisions contained elsewhere in this Plan.

Each individual Employer will be responsible to determine if the portion of this Plan attributable to service with that Employer is part of a Top Heavy Group and to notify the Trustees of that determination. In the event that the Plan as a whole is not Top Heavy, but a portion of this Plan attributable to service with an individual Employer is part of a Top Heavy Group, the provisions of this Article apply to the portion of this Plan that is part of the Top Heavy Group of the individual Employer during the following Calendar Year, to the exclusion of all other inconsistent provisions contained elsewhere in this Plan.

The Trustees will notify Employers of the notification requirements of this section. The Trustees may rely on representations of Employers to the extent it is reasonable to do so.

Section 9.02. Definitions.

For purposes of this Article, the following definitions apply:

- (a) “Key Employee” means any employee or former employee (including any deceased employee) who at any time during the Calendar Year that includes the Determination Date was:
 - (1) An officer of the Employer having annual compensation greater than the dollar limitation under Code Section 416(i)(1) as adjusted from time to time for Calendar Years beginning on or after January 1, 2001;
 - (2) A five-percent (5%) owner of the Employer; or
 - (3) A one-percent (1%) owner of the Employer having annual compensation of more than \$150,000.

Compensation for purposes of this Section 9.02 shall be “Compensation” within the meaning of Section 7.18(k) of the Plan. 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.

- (b) “Non-Key Employee” means any person who is employed by an Employer in any Calendar

Year, but who is not a Key Employee for that Calendar Year.

- (c) “Determination Date” means the last day of the immediately preceding Calendar Year.
- (d) “Required Aggregation Group” means a group of plans consisting of each Plan of an Employer in which a Key Employee is a Participant, including this Plan, and each other plan of the Employer which enables any plan in which a Key Employee participates to meet the requirements of Sections 410(b) and 401(a)(4) of the Code.
- (e) “Permissive Aggregation Group” means a group of plans consisting of a Required Aggregation Group and any other plan not required to be included in the Required Aggregation Group, provided the resulting group, taken as a whole, would continue to satisfy the provisions of Sections 401(a)(4) and 410(b) of the Code.
- (f) “Top Heavy Compensation” means an employee’s compensation as defined in Section 8.01(e) for any Calendar Year that this Plan is “Top Heavy”.
- (g) “Top Heavy Plan” means a Plan under which the aggregate present value of accrued benefits for Key Employees exceeds sixty percent (60%) of the present value of accrued benefits for all Employees under such plan and which is not part of a Required or Permissive Aggregation Group that is not a Top Heavy Group. Top Heavy Plan also means a Plan which is part of a Required Aggregation Group that is a Top Heavy Group.

The present values of accrued benefits 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 one-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 “five-year period” for “one-year period.”

The accrued benefits and account of any individual who has not performed service for the Employer during the one-year period ending on the Determination Date shall not be taken into account in determining whether the Plan is a Top Heavy Plan. Proportional subsidies will be ignored but non-proportional subsidies will be considered for purposes of determining whether the Plan as a whole is Top-Heavy.

- (h) “Top Heavy Group” means a Required or Permissive Aggregation Group in which, as of the Determination Date, the sum of: (1) the present value of accrued benefits for Key Employees under all defined benefit plans included in the Group, and (2) the aggregate value of account balances of Key Employees under all defined contribution plans included in the Group exceeds sixty percent (60%) of a similar sum determined for all employees under all plans of the Employer which are part of the Group. The present values of accrued benefits 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 one-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 separation from service, death, or disability, this provision shall be applied by substituting “five-year period” for “one-year period.”

The accrued benefits and accounts of any individual who has not performed service for the Employer during the one-year period ending on the Determination Date shall not be taken into account in determining whether the Plan is a Top Heavy Plan. The proportional subsidies of a defined benefit plan will be ignored but its non-proportional subsidies will be considered for purposes of determining whether a Required or Permissive Group is a Top Heavy Group.

- (i) **Top-Heavy Actuarial Assumptions.** Solely for purposes of this Article 9, in calculating the present value of accrued benefits for purposes of determining whether the Plan as a whole is Top-Heavy, the Trustees will use the same actuarial assumptions used for purposes of the Plan’s minimum funding under Section 412. of the Code. For purposes of determining whether the Plan as a whole is Top Heavy, if an Aggregation Group, as defined in subsections (d) or (e) above, includes two or more defined benefit plans, these actuarial assumptions will be used with respect to each plan.

Section 9.03. Top Heavy Minimum Benefits.

(a) Whole Plan

- (1) In any Calendar Year in which this Plan as a whole is a Top Heavy Plan, the Plan will provide a minimum benefit to each Non-Collectively Bargained Non-Key Employee in this Plan of the lesser of (A) two percent (2%) times the number of Years of Vesting Service under the Plan during which the Plan was Top Heavy, or (B) twenty percent (20%) of his Compensation for the five (5) consecutive years for which the Non-Collectively Bargained Non-Key Employee had the highest Compensation from Employers.
- (2) In any Calendar Year in which this Plan as a whole is not Top Heavy but a group of plans of a an Employer, including the portion of this Plan attributable to service with the Employer, is a Top Heavy Group, this Plan will provide a minimum benefit to each Non-Collectively Bargained Non-Key Employee of that Employer of the lesser of (A) two percent (2%) times the number of Years of Vesting Service with that Employer during which the Group was Top Heavy, or (B) twenty percent (20%) of his Compensation for the five (5) consecutive years for which the Non-Collectively Bargained Non-Key Employee had the highest Compensation from that Employer.
- (3) The minimum benefit refers to a benefit payable at the Non-Key Employee’s

Normal Retirement Age in the form of a single life annuity. A Non-Key Employee will not fail to accrue a minimum benefit because the Non-Key Employee:

- (A) was not employed on a specified day; or
 - (B) received compensation less than a stated amount; or
 - (C) failed to make a mandatory employee contribution, if any.
- (b) In any Calendar Year in which a Non-Key Employee is a Participant in both this Plan and a defined contribution plan included in a Top Heavy Aggregation Group, the plans of the Employer, including the portion of this Plan attributable to service with the Employer, will not be required to provide a Non-Key Employee with both the full separate minimum defined benefit plan benefit and the full separate defined contribution plan allocation. Therefore, for Non-Collectively Bargained Non-Key Employees who are participating in a defined contribution plan maintained by the Employer, the minimum benefits provided to such Employee above will be offset by benefits provided to the Employee under the defined contribution plan of the Employer.
- (c) Effective for Calendar Years beginning after December 31, 2001, for purposes of satisfying the top heavy minimum benefit requirements set forth in Section 416(c)(1) of the Code and this 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 Calendar Year when the Plan benefits (within the meaning of Section 410(b) of the Code) no Key Employee or Former Key Employee.
- (d) **Adjustment of Limitation on Annual Benefit.**
- (1) If, for any Calendar Year, this Plan as a whole or the portion of this Plan attributable to service with an individual Employer is a Top Heavy Plan, paragraphs (2)(B) and (3)(B) of Section 415(e) of the Code will be modified by substituting the number “1.0” for “1.25” in that Section. However, this modification will not apply if the minimum benefit provided under Section 9.03(a)(1)(A) or 9.03(a)(2)(A) above is changed to three (3) percent, and the percentage in Section 9.03(a)(1)(B) or 9.03(a)(2)(B) above is increased by one (1) percent for each Calendar Year taken into account under Section 416(h) of the Code (not to exceed 30%).
 - (2) If this Plan as a whole or the portion of this Plan attributable to service with an individual Employer is “Super Top Heavy” (that is, it would be a Top Heavy Plan if “90%” were substituted for “60%” in Sections 9.02(g) and (h), the exception provided for in Section 9.03(d)(1) will not apply.

ARTICLE 10

Employer Withdrawal Liability

Section 10.01. General.

- (a) An Employer that withdraws from the Plan after April 28, 1980, in either a complete or partial withdrawal, will owe and pay withdrawal liability to the Plan, as determined under this Article and ERISA, as amended by the Multiemployer Pension Plan Amendments Act of 1980. The Plan primarily covers employees in the construction industry within the meaning of ERISA Section 4203(b)(1), and withdrawal liability from the Plan is calculated under the “presumptive method” set forth in ERISA Section 4211. The purpose of this Article is to summarize the withdrawal liability rules that apply to the Plan under ERISA, and the provisions of the Article are subject to, and do not supersede, the withdrawal liability rules under ERISA that apply to the Plan.
- (b) For purposes of this Article, all corporations, trades or businesses that are under common control, as defined in regulations of the Pension Benefit Guaranty Corporation (PBGC) are considered a single employer (although the Trustees are authorized to adopt such other definition of ‘single employer’ permitted or allowed by such PBGC regulations), and the entity resulting from a change in business form described in Section 4218(1) of ERISA is considered to be the original Employer.

Section 10.02. Complete Withdrawal Defined.

- (a) A complete withdrawal occurs if:
 - (1) the Employer permanently ceases to have an obligation to contribute under the Plan, and
 - (2) the Employer
 - (A) continues to perform work in the jurisdiction of the Plan of the type for which contributions were previously required, or
 - (B) resumes such work within five (5) years after the date on which the obligation to contribute under the Plan ceased, and does not renew the obligation at the time of the resumption, provided that such period will be three (3) years in the case of a mass withdrawal as defined by Section 4041(a)(2) or ERISA.
- (b) For this purpose, an Employer’s obligation to contribute is not considered to have ceased solely because:
 - (1) the Employer is not, at the particular time, engaged in activity for which it has a contractual obligation to contribute, or

- (2) the Employer temporarily suspends contributions during a labor dispute involving its employees.
- (c) The date of a complete withdrawal is the date the Employer's obligation to contribute ceased.

Section 10.03. Amount of Liability for Complete Withdrawal.

- (a) (1) The amount of an Employer's liability for a complete withdrawal will be its initial liability amount, reduced in accordance with subsection (i) of this section. The amount will be determined as of the end of the Calendar Year preceding the date of the Employer's withdrawal.
- (2) Notwithstanding the above, effective for withdrawals on or after January 1, 2011, the amount of an Employer's liability for a complete withdrawal after the last day of a plan year in which the Plan has reduced benefits as part of a rehabilitation plan pursuant to Code § 432 will be the sum of its initial liability amount and the employer's proportional share of the unamortized balance of the value of the reduced nonforfeitable benefits ("Affected Benefits") as defined in subsection (h) of this section, which sum shall be reduced in accordance with subsection (i) of this section. The amount will be determined as of the end of the Calendar Year preceding the date of the Employer's withdrawal.

(b) Initial Liability Amounts.

The initial liability amount is:

- (1) In the case of the Employer that was obligated to contribute for any part of the Calendar Year ended December 31, 1979 and for any part of the period from April 29, 1980 through December 31, 1980, the sum of –
 - (A) its proportional share of the balance of the Plan's unfunded vested liability as of December 31, 1979, plus
 - (B) the sum of its proportional shares of the balances of the changes in the Plan's unfunded vested liability and of the reallocated liability amounts for each Calendar Year that ended after December 31, 1979 and before the date of the Employer's withdrawal.
- (2) In the case of an Employer that was first obligated to contribute after December 31, 1979, the sum of its proportional share in the Plan's unfunded vested liability and of the reallocated amounts for each Calendar Year that ended after December 31, 1979 and before the date of the Employer's withdrawal.

(c) Unfunded Vested Liability Defined.

- (1) For purposes of this Article, the term “vested benefit” means a benefit for which a Participant has satisfied the conditions for entitlement under this Plan (other than submission of a formal application, retirement or completion of a required waiting period) whether or not the benefit may subsequently be reduced or suspended by a Plan amendment, an occurrence of any condition or operation of law, and whether or not the benefit is considered “vested” or “non-forfeitable” for any other purpose under the Plan.
 - (2) The Plan’s liability for vested benefits as of a particular date is the actuarial value of the vested benefits under this Plan, as of that date. Actuarial value will be determined on the basis of methods and assumptions approved by the Trustees for purposes of this Article, upon recommendation of the Plan’s enrolled actuary.
 - (3) The unfunded vested liability will be the amount, not less than zero, determined by subtracting the value of the Plan’s assets from the Plan’s liability for vested benefits. The Plan’s assets are to be valued on the basis of rules adopted for this purpose by the Trustees upon recommendation of the Plan’s enrolled actuary.
- (d) The balance of the Plan’s unfunded liability as of December 31, 1979, is the amount determined as of December 31, 1979, reduced by five percent (5%) of such amount for each succeeding complete Calendar Year.

(e) Annual Change in Unfunded Vested Liability.

- (1) The change in the Plan’s unfunded vested liability for a Calendar Year is the amount (which may be less than zero) determined by subtracting the unfunded vested liability as of the end of the Calendar Year from the sum of:
 - (A) the balance (as of the end of the Calendar Year) of the unfunded vested liability as of December 31, 1979, plus
 - (B) the sum of the balances (as of the end of the Calendar Year) of the changes in the unfunded vested liability for each Calendar Year that ended after December 31, 1979, and before the Calendar Year for which the change is determined.
- (2) The balance of the change in the Plan’s unfunded vested liability for a Calendar Year is the change in the Plan’s unfunded vested liability for that year reduced by five percent (5%) of such amount for each succeeding complete Calendar Year.

(f) Reallocated Liability Amount.

For each Calendar Year ended after December 31, 1979, the reallocated liability amount is:

- (1) any amount of unfunded vested liability that the Trustees determine in the Calendar Year to be uncollectible for reasons arising out of cases or proceedings under Title 11, United States Code, or similar proceedings;
- (2) any amount of unfunded vested liability that the Trustees determine in the Calendar Year will not be assessed as a result of the limitations on liability described in Sections 4209, 4219(c)(1)(b) or 4225 of ERISA against an Employer to whom a notice of liability under Section 4219 of ERISA has been sent; and
- (3) any amount that the Trustees determine to be uncollectible or unassessable in the Calendar Year for other reasons under standards not inconsistent with such regulations as may be prescribed by the Pension Benefit Guaranty Corporation.

The balance of the reallocated liability amount for a Calendar Year is the reallocated liability amount for that year reduced by five percent (5%) of such amount for each succeeding complete Calendar Year.

(g) Apportionments of Unfunded Liability to Employer that Has Withdrawn.

- (1) An Employer's proportional share of the balance of the Plan's unfunded vested liability as of December 31, 1979 will be determined by multiplying the balance of the Plan's unfunded vested liability as of that date by a fraction:
 - (A) the numerator of which is the total contributions that the Employer was obligated to make to the Plan pursuant to the Terminated Agreement(s) for the five (5) Calendar Years ended on December 31, 1979; and
 - (B) the denominator of which is the total of Employer contributions reported in the audited financial statements of the Plan for the five (5) Calendar Years ended December 31, 1979 less any contributions otherwise included in that total made by any substantial Employer that was not obligated to contribute to the Plan in the period from April 29, 1980 to December 31, 1980, or had withdrawn from the Plan before April 29, 1980.
- (2) An Employer's proportional share of the change in the unfunded vested liabilities and of the reallocated liability amount for a Calendar Year ending after December 31, 1979 will be determined by multiplying each of those amounts, if any, as determined for a Calendar Year by a fraction:
 - (A) the numerator of which is the total contributions that the Employer was obligated to make to the Plan under one or more collective bargaining

agreements, participation agreements or other agreements or pursuant to applicable law for the Calendar Year in which the change or reallocation arose and the four (4) preceding Calendar Years (“Apportionment Base Period”);

(B) the denominator of which is the total adjusted Employer contributions to the Plan with respect to the Apportionment Base Period, determined as follows:

(i) The total contributions will be the Employer contributions accrued in each of the Calendar Years in the Apportionment Base Period if received by the Plan within three (3) months after the end of the Calendar Year, plus any contributions accrued earlier but not included, for purposes of this denominator, as contributions with respect to any earlier Calendar Year.

(ii) Notwithstanding subparagraph (i), with respect to any Calendar Year ended on or before December 31, 1979, the total Employer contributions will be the total reported in the Plan’s audited financial statement for that Calendar Year reduced by the amount of any Employer contributions included, consistent with these provisions, in any previous annual total.

(iii) The total adjusted Employer contributions will be the total Employer contributions with respect to the Apportionment Base Period, determined under subparagraphs (i) and (ii), reduced by any contributions otherwise included in the total that were made by a substantial Employer that was not obligated to contribute to the Plan in the Calendar Year in which the change to reallocation arose, and by any other Employer to which a notice of withdrawal liability was sent by the Plan within the Apportionment Base Period.

Employer contributions for purposes of this paragraph shall not include withdrawal liability payments or amounts that an employer is obligated to pay to the plan pursuant to Code § 432(e)(7) (automatic employer surcharges).

(3) For purposes of the denominators of the fractions described in paragraphs (1) and (2), “substantial employer” means –

(A) an Employer that contributed in any one Calendar Year of the relevant period, at least one percent of total Employer contributions to the Plan in the period, as determined for purposes of the relevant denominator, or, if lower, \$250,000.00; and

(B) any other Employer that was a member of an Employer association, a group of Employers covered by a single collective bargaining agreement or a group

of Employers covered by agreements with a single labor organization, if the contributions of substantially all members of the group ceased in a single Calendar Year and the group's aggregate contributions to the Plan in any one Calendar Year of the relevant period totaled at least one percent of total Employer contributions to the Plan in the period, as determined for purposes of the relevant denominator, or, if lower, \$250,000.00.

- (4) Notwithstanding paragraphs (1) and (2), the numerator of the fractions described in those subparagraphs will not include contributions that the Employer was obligated to make under a collective bargaining agreement for which there was a permanent cessation of the obligation to contribute before April 29, 1980, if and to the extent that the Employer demonstrates that its total contribution obligation included contributions properly allocable to such a collective bargaining agreement.

(h) Adjustment for Affected Benefits

- (1) Affected Benefits are the nonforfeitable benefits reduced under a rehabilitation plan, which benefit reductions are to be disregarded under Code § 432(e)(9)(A) in determining a plan's unfunded vested benefits for purposes of determining an employer's withdrawal liability.
- (2) The value of the Affected Benefits is determined using the same actuarial assumptions that the Plan uses to determine unfunded vested benefits under paragraph (c) (2) of this section.
- (3) The unamortized balance of the Affected Benefits as of a plan year is the value of that amount as of the end of the year in which the reductions took effect (base year), reduced as if that amount were being fully amortized in level annual installments over 15 years, at the plan's valuation interest rate, beginning with the first plan year after the base year.
- (4) An employer's proportional share of the unamortized balance of the Affected Benefits is the product of the unamortized balance of the Affected Benefits as of the end of the plan year preceding the withdrawal and the fraction defined in paragraph (g)(2) of this section.

(i) Limitations on the Amount of Withdrawal Liability.

(1) Deductible.

For the initial liability amount, deduct the lesser of:

- (A) \$100,000.00 or
- (B) 3/4 of 1 percent of the Plan's unfunded vested liability as of the end of the

Calendar Year preceding the Employers withdrawal

less the excess of the initial amount over \$150,000.00.

- (2) The amount of initial liability remaining after application of paragraph (1) will be reduced to the extent applicable, in accordance with Section 4219(c)(1)(B) of ERISA.
- (3) The amount of initial liability remaining after application for paragraph (2) will be reduced in accordance with Section 4225 of ERISA if, and to the extent that, the Employer demonstrates that additional limitations under that section apply.

Section 10.04. Satisfaction of Withdrawal Liability.

- (a) Withdrawal liability is payable in installments, in accordance with Section 10.05(c). The total amount due in each twelve (12) month period beginning on the date of the first installment will be the product of:
 - (1) the highest rate at which the Employer was obligated to contribute to the Plan in the Calendar Year in which the withdrawal occurred and in the preceding nine (9) Calendar Years, multiplied by
 - (2) the average number of hours per year for which the Employer was obligated to contribute to the Plan for the three (3) consecutive Calendar Years, within the ten (10) consecutive Calendar Years ending before the Year in which the withdrawal occurred, during which the Employer's contribution base was the highest, except that the number of installment payments due in the final year will be reduced to assure that the total payments will not exceed the Employer's total amortized withdrawal liability.
- (b) If, in connection with the Employer's withdrawal, the Plan transfers benefit liabilities to another plan to which the Employer will contribute, the Employer's withdrawal liability should be reduced in an amount equal to the value of the unfunded vested benefits that are transferred, determined as to the end of the Calendar Year preceding the withdrawal on the same basis as the determination of the Plan's unfunded vested liability under Section 10.03.

Section 10.05. Notice and Collection of Withdrawal Liability.

- (a) Notice of withdrawal liability, reconsideration, determination of the amortization period and of the maximum years of payments will be as provided in Section 4219 of ERISA and in this Section.
- (b) **Arbitration.**

A dispute between an Employer and the Plan concerning a determination of withdrawal

liability will be submitted to arbitration as provided in Section 4221 of ERISA to be conducted in accordance with rules adopted by the Trustees not inconsistent with regulations of the Pension Benefit Guaranty Corporation. No issue concerning the computation of withdrawal liability may be submitted for arbitration unless the matter has been reviewed by the Plan in accordance with Section 4219(b)(2) of ERISA and any Plan rules adopted thereunder.

(c) Schedule of Payment.

- (1) Withdrawal liability will be paid in equal quarterly installments. Notwithstanding the pendency of any review, arbitration or other proceedings, payment will begin on the first day of the month that begins at least thirty (30) days after the notice of, and demand for, payment is sent to the Employer. Interest will accrue on any late payment from the date the payment was due until the date paid, at the rate described in subsection (d)(2), below.
- (2) If, following review, arbitration or other proceedings, the amount of the Employer's withdrawal liability is determined to be different from the amount set forth in notice and demand, adjustment will be made by reducing or increasing the total number of installment payments due. If the Employer has paid more than the amount finally determined to be its withdrawal liability, the Plan will refund the excess, with interest, at the rate set forth in paragraph (d)(2) of this Section.

(d) Default.

- (1) An Employer is in default on its withdrawal liability if any installment is not paid when due, the Plan has notified the Employer of its failure to pay the liability on the date it was due, and the Employer has failed to pay the past-due installment within sixty (60) days after receipt of the late payment notice.
- (2) Interest will be charged on any amount in default from the date the payment was due to the date it is paid at an annual rate equal to the prime rate charged by the Chase Manhattan Bank on the first day of the calendar quarter preceding the due date of the payment. For each succeeding twelve (12) month period that any amount in default remains unpaid, interest will be charged on the unpaid balance (including accrued interest) at the prime rate in effect on the anniversary date of the date as of which the initial interest rate was determined.
- (3) In the case of a default on withdrawal liability, the Plan may require immediate payment on some or all installments that would otherwise be due in the future.
- (4) In addition to the event described in paragraph (1), an Employer is in default if such Employer files a petition under the Bankruptcy Code or any similar proceeding under state law, or enters into a composition with creditors, or a bulk sale, insolvency or dissolution of a partnership or corporation.

- (e) In any suit by the Trustees to collect withdrawal liability, including a suit to enforce an arbitrator's award and a claim asserted by the Trustees in an action brought by an Employer or other party, if judgment is awarded in favor of the Plan, the Employer will pay to the Plan, in addition to the unpaid liability and interest thereon as determined under subsection (d)(2), liquidated damages equal to the greater of –
 - (1) the amount of interest charged on the unpaid balance, or
 - (2) 20 percent of the unpaid amount awarded.

The Employer will also pay attorneys' fees and all costs incurred in the action, as awarded by the court. Nothing in this subsection will be construed as a waiver or limitation of the Plan's rights to any other legal or equitable relief.

(f) Prepayment.

An Employer may prepay all or part of its withdrawal liability, plus accrued interest, if any, without penalty.

(g) Other Terms and Conditions.

The Trustees may require that an Employer post a bond, or provide the Plan other security for payment of its withdrawal liability, if:

- (1) the Employer's payment schedule would extend for longer than eighteen (18) months;
- (2) the Employer is the subject of a petition under the Bankruptcy Code, or similar proceedings under state or other federal laws; or
- (3) a substantial portion of the Employer's assets are sold, distributed or transferred.

Section 10.06. Partial Withdrawal Defined.

Effective for withdrawals on or after January 1, 2011, there is a partial withdrawal by an Employer from the Plan on the last day of the Plan Year if, for such Plan Year, one of the tests for partial withdrawal set forth in Section 4205 of ERISA is met; provided, however, that a Construction Industry Employer will only experience a partial withdrawal on the last day of a Plan Year in which the Employer has not experienced a complete withdrawal from the Plan but the Employer's work mix within the craft and area jurisdiction of a collective bargaining agreement under which it is or was obligated to contribute to the Plan has shifted, with the result that no more than an insubstantial portion of the Employer's work within the craft and area jurisdiction of that collective bargaining agreement, if any, remains covered under the Plan.

Section 10.07. Partial Withdrawal - Amount.

(a) Total Amount.

Effective for withdrawals on or after January 1, 2011, the amount of an Employer's liability for a partial withdrawal will be its liability calculated under Section 10.03 as if the Employer had withdrawn completely on the date of partial withdrawal, or in the case of a partial withdrawal described in Section 4205(a)(1) of ERISA, on the last day of the first Plan Year in the 3-year testing period, multiplied by a fraction that is one (1) minus a fraction –

- (1) the numerator of which is the total Hours for which the Employer was obligated to contribute for the Plan Year following the Plan Year in which the partial withdrawal occurs (or in the case of a partial withdrawal described in Section 4205(a)(1) of ERISA, on the last day of the first Plan Year in the 3-year testing period), and
- (2) the denominator of which is the average of the annual total Hours for which the Employer was obligated to contribute for each year during the five Plan Years immediately preceding the Plan Year in which the partial withdrawal occurs (or in the case of a partial withdrawal described in Section 4205(a)(1) of ERISA, the five Plan Years immediately preceding the 3-year testing period).

(b) Annual Amount.

Effective for withdrawals on or after January 1, 2011, the total amount due in a twelve (12) month period, with respect to a partial withdrawal, will be the amount determined as if for a complete withdrawal multiplied by the fraction described in subsection (a).

Section 10.08. Liability Adjustments and Abatements.

(a) Successive Withdrawals.

If, after a partial withdrawal, an Employer again incurs liability for a complete or partial withdrawal, the liability incurred as a result of the later withdrawal(s) will be adjusted to the extent necessary to avoid duplication of liability.

(b) Abatement.

All or part of an Employer's partial withdrawal liability under 10.06(b) above may be abated to the extent and/or as provided in Section 4208 of ERISA and under such regulations of the PBGC as may allow for the elimination or reduction of an Employer's partial withdrawal liability.

Section 10.09. Mass Withdrawal.

Notwithstanding any other provisions of this Article, if all or substantially all contributing Employers withdraw from the Plan pursuant to an agreement or arrangement, as determined under ERISA Sections 4209 and 4219(c)(1)(D), the withdrawal liability of each such Employer will be adjusted in accordance with those ERISA sections.

Section 10.10. Notice to Employers.

- (a) Any notice that must be given to an Employer under this Article or under Subtitle E of Title IV of ERISA will be effective if given to the specific member of a commonly controlled group that has or has had the obligation to contribute under the Plan.
- (b) Notice will also be given to any other member of the controlled group that the Employer identifies and designates to receive notices hereunder, in accordance with a procedure adopted by the Trustees.

Section 10.11. Non-Construction Contributions.

- (a) Effective for withdrawals on or after January 1, 2011, for purposes of this Plan, an Employer is a Construction Industry Employer if substantially all the Employees with respect to whom the Employer has an obligation to contribute under the Plan perform work in the building and construction industry. This Plan applies the special definitions of complete and partial withdrawal for building and construction industry employers contained in Sections 4203 and 4208 of ERISA as set forth in Sections 10.02 and 10.06 above.
- (b) Effective for withdrawals on or after January 1, 2011, in the case of an Employer that is not a Construction Industry Employer, Section 10.02 does not apply and whether a complete or partial withdrawal has occurred will be determined in accordance with the applicable provisions of Sections 4203 and 4205 of ERISA.

Section 10.12. Reciprocal Transfers.

Notwithstanding any other provisions, Employer contributions transferred to another pension plan, pursuant to a reciprocal agreement between this Plan and such other plan, for the purpose of crediting the employee's work within the jurisdiction of this Plan toward his or her benefit accrual under such other plan, will not be considered contributions to this Plan for the purpose of determining the total or annual amount of withdrawal liability. Any amounts retained by the Plan as the administrative expense for handling such transferred contributions will also be disregarded. However, if the Plan's records do not reveal which contributions by a withdrawn Employer are to be so disregarded, they will be disregarded only if the Employer provides the necessary data for the Trustees to make that determination. Contributions transferred to the Plan pursuant to such a reciprocal agreement will also be disregarded in any determination of withdrawal liability.

Section 10.13 Exemption from Withdrawal Liability for Temporary Contributions

Effective for an Employer that both commences participating in the Plan on or after March 18, 2008 and withdraws from the Plan after that date, notwithstanding any provision to the contrary, such an Employer shall be exempt, pursuant to ERISA Section 4210, from its obligation to pay withdrawal liability as would be otherwise required by ERISA Section 4219; provided that all of the following requirements are satisfied: (i) the Employer does not have an obligation to make contributions to the Plan for a period that exceeds the number of years required for vesting under the Plan; (ii) the amount of the Employer's contribution to the Plan in any single year is less than 2 (two) percent of the sum of all employer contributions to the Plan in the particular year; (iii) the employer has not been previously exempted from withdrawal liability under the Plan pursuant to ERISA Section 4210; (iv) the benefit reduction under Code Section 411(a)(3)(E) shall apply to employees of the Employer avoiding withdrawal liability under this Section; and (v) the ratio of the 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 is at least 8 to 1. This provision shall not affect the liability of the Employer for reallocation liability in the event of a mass withdrawal as provided by Section 10.09 of the Plan and ERISA Section 4219(c)(1)(D).

Section 10.14. Adjustments Disregarded in Withdrawal Liability Determination

Benefit reductions to the Plan made pursuant to Code Section 432(e) and (f) and the Rehabilitation Plan shall be disregarded in determining the Plan's unfunded vested benefits for purposes of determining an Employer's withdrawal liability. The simplified method for applying this requirement is set forth in Section 10.03 above.

Employer surcharges mandated by Code Section 432(e)(7) shall be disregarded in determining the allocation of unfunded vested benefits to an employer under Section 4211 of ERISA.

ARTICLE 11

Amendments

Section 11.01. Amendment.

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

- (a) as necessary to establish or maintain the qualifications of the Plan or the Trust Fund under the Code and to maintain compliance of the Plan with requirements of ERISA, or
- (b) if the amendment meets the requirements of Section 302(c)(8) of the Code, and the Secretary of Labor has been notified of such amendment and has either approved it or, within ninety (90) days after the date on which such notice was filed, failed to disapprove.

ARTICLE 12

Miscellaneous

Section 12.01. Non-Reversion.

Neither the corpus nor assets of the Pension Fund will revert to the Employers or be subject to any claims of any kind 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 Pension Plan has been established on the basis of actuarial calculations which have 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. Nothing in this Plan will be construed to impose any obligation to contribute beyond the obligation of the Employer to make contributions as stipulated in the Collective Bargaining Agreement or Agreements to which the Employer is bound.

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

Section 12.03. Participation of Employers.

- (a) If an Employer is sold, merged or otherwise undergoes a change of company identity, the successor company will participate as to the Employees previously covered in the Pension Plan just as if it were the original company, provided it remains a Contributing Employer as defined in Section 1.07.
- (b) No new employer may be admitted to participate in this Pension Plan, except upon approval by the Trustees. The participation of any new Employer is subject to terms and conditions established by the Trustees including, but not limited to, the imposition of waiting periods in connection with the commencement of benefits, a requirement for retroactive contributions, or the application of modified benefit conditions and amounts. In adopting the applicable terms and conditions, the Trustees will take into account such requirements as they, in their sole discretion, deem necessary to preserve an equitable relationship with the contributions required from other Contributing Employers and the benefits provided to their Employees.
- (c) If the continued participation of an Employer would, in the judgment of the Trustees, adversely affect the actuarial soundness of the Plan, the Trustees may, as a condition of continued participation, modify any terms and conditions of participation that they consider necessary to preserve the actuarial soundness of the Plan.

Section 12.04. Terminated Employer.

If an Employer terminates its participation in the Fund with respect to a bargaining unit, the Trustees are empowered to reduce or cancel that part of any pension for which a person was made eligible because of employment in such bargaining unit prior to the Contribution Period with respect to that unit.

The Trustees may, by resolution, terminate an Employer's status as a Contributing Employer if the Employer has failed, for a period of ninety (90) days after the due date, to make contributions to the Fund as provided for in the Collective Bargaining Agreement to which the Employer is signatory.

If the delinquent Employer wishes to once again participate in this Plan, he must post a bond in an amount determined by the Trustees which is at least twice the amount of the delinquency. If all delinquent contributions are not paid within three (3) months of the posting of the bond, the bond will be forfeited by the Employer and his participation in the Fund will be canceled.

Section 12.05. Termination.

(a) Right to Terminate.

The Trustees have the right to discontinue or terminate this Plan in whole or in part in accordance with the Trust Agreement. The rights of all affected Employees, Retired Employees, surviving Spouses and Beneficiaries to benefits accrued to the date of termination, partial termination or discontinuance to the extent funded as of such date will be non-forfeitable.

(b) Termination of this Plan will occur as a result of:

- (1) the adoption of a Plan amendment which provides that Employees will receive no credit for any purpose under the Plan for service with any Employer after the date specified by such amendment; or
- (2) the withdrawal of every Employer from the Plan, or the cessation of the obligation of all Employers to contribute under the Plan; or
- (3) the adoption of an amendment to the Plan which causes the Plan to become a defined contribution plan.

(c) Date of Termination.

- (1) The date of termination under (b)(1) or (b)(3) above is the later of:
 - (A) the date on which the amendment is adopted, or
 - (B) the date on which the amendment takes effect.

- (2) The date on which termination occurs under (b)(2) above is the earlier of:
 - (A) the date on which the last Employer withdraws, or
 - (B) the first day of the first Calendar Year for which no Employer contributions were required under the Plan.
- (d) In case of termination under (b)(2) above, the Plan sponsor will, except as provided in (g) below:
 - (1) limit the payment of benefits to benefits which are non-forfeitable under the Plan as of the date of the termination, and
 - (2) pay benefits attributable to Employer contributions, other than death benefits, only in the form of an annuity, unless the Plan assets are distributed in full satisfaction of all non-forfeitable benefits under the Plan.
- (e) In case of a termination under (b)(2) above, the Trustees will reduce benefits and suspend benefit payments in accordance with Section 12.06 below.
- (f) In the case of a termination under (b)(1) or (b)(3) above, the rate of an Employer's contributions under the Plan for each Calendar Year beginning on or after the Plan termination date will equal or exceed the highest rate of Employer contributions at which the Employer had an obligation to contribute under the Plan in the five (5) preceding Calendar Years ending on or before the Plan termination date, unless the PBGC approves a reduction in the rate based on a finding that the Plan is or soon will be fully funded.
- (g) The Plan sponsor may authorize the payment other than in the form of an annuity of an Employee's entire non-forfeitable benefit attributable to Employer contributions, other than a death benefit, if the value of the entire non-forfeitable benefit does not exceed \$1,750. The PBGC may authorize the payment of benefits under the terms of the terminated Plan other than non-forfeitable benefits, or the payment other than in the form of an annuity of benefits having a value greater than \$1,750, if the PBGC determines that such payment is not adverse to the interest of the Plan's participants and beneficiaries generally and does not unreasonably increase the PBGC's risk of loss with respect to the Plan.

Section 12.06 Benefits after Termination

- a) Upon termination of the Plan under Section 12.05(e) above, the Trustees will amend the Plan to reduce benefits and will suspend benefit payments, as required by this Section.
- (b) Value of Benefits and Assets.**
 - (1) Upon termination under (a) above, the value of non-forfeitable benefits under the

Plan and the value of the Plan's assets will be determined in writing, in accordance with regulations prescribed by the PBGC, as of the end of the Calendar Year during which Section 12.05(e) above becomes applicable to the Plan, and each Calendar Year thereafter.

- (2) For purposes of this Section, Plan assets include outstanding claims for withdrawal liability.

(c) Reduction in Benefits.

- (1) If, according to the determination made under (b) above, the value of non-forfeitable benefits exceeds the value of the Plan's assets, the Plan sponsor will amend the Plan to reduce benefits under the Plan to the extent necessary to ensure that the Plan's assets are sufficient, as determined and certified in accordance with regulations prescribed by the PBGC, to discharge when due all of the Plan's obligations with respect to non-forfeitable benefits.
- (2) Any Plan amendment by this Subsection will, in accordance with regulations prescribed by the Secretary of the Treasury:
 - (A) reduce benefits only to the extent necessary to comply with (c)(1);
 - (B) reduce accrued benefits only to the extent that those benefits are not eligible for the PBGC's guarantee under Section 4022A(b) of ERISA;
 - (C) comply with the rules for and limitations on benefit reductions under a Plan in reorganization, as prescribed in Section 4244A of ERISA except to the extent that the PBGC prescribes other rules and limitations in regulations under this Section; and
 - (D) take effect no later than six(6) months after the end of the Calendar Year for which it is determined that the value of non-forfeitable benefits exceeds the value of the Plan's assets.

(d) Insolvency.

- (1) If the Plan is insolvent under (d)(2)(A) below and the benefit payments exceed the resource benefit level, any such payments which are not basic benefits will be suspended, in accordance with this Subsection, to the extent necessary to reduce the sum of such payments and such basic benefits to the greater of the resource benefit level or basic benefits, unless an alternative procedure is prescribed by the PBGC in connection with a supplemental guarantee program established under Section 4022A(g)(2) of ERISA.
- (2) For purposes of this Subsection, for a Calendar Year:

- (A) the Plan is insolvent if:
 - (i) the Plan has been amended to reduce benefits to the extent permitted by (c) above, and
 - (ii) the Plan's available resources are not sufficient to pay benefits under the Plan when due for the Calendar Year, and
 - (B) 'resource benefit level' and 'available resources' have the meanings set forth in paragraphs (2) and (3), respectively, of Section 4245(b) of ERISA.
- (3) If the Plan is insolvent under (2) (A) above, the Plan sponsor has the powers and duties of the plan sponsor of a plan in reorganization which is insolvent within the meaning of Section 4245(b)(1) of ERISA, except that regulations governing the plan sponsor's exercise of those powers and duties under this Section will be prescribed by the PBGC, and the PBGC will prescribe by regulation notice requirements which assure that Plan participants and beneficiaries receive adequate notice of benefit suspensions.
- (4) The Plan is not required to make retroactive benefit payments with respect to that portion of a benefit which was suspended under this Subsection, except that the provisions of Sections 4245(c)(4) and (5) of ERISA will apply if the Plan is insolvent under (2)(A) above, in connection with the Calendar Year during which such Section 12.05(e) first became applicable to the Plan and every year thereafter, in the same manner and to the same extent as such provisions apply to insolvent plans in reorganization under Section 4245 of ERISA in connection with insolvency years under such Section 4245.

Section 12.07. Rights of Employees.

Nothing in this Plan gives any Employee the right to be retained in the service of an Employer or to interfere with the right of an Employer to discharge such Employee at any time, nor does it give an Employer the right to require the Employee to remain in his service nor is it to interfere with the Employee's rights to terminate his service at any time.

Section 12.08. Appointment of Actuary.

The Trustees will appoint an actuary who will be independent of the Union and the Association and qualified through fellowship in the Society of Actuaries to perform all necessary actuarial services in connection with the operation of the Plan, or a firm of actuaries which has on its staff such an actuary.

Section 12.09. Unauthorized Representations.

The Fund is not bound by the representations of any person, other than the Board of Trustees acting in that capacity, regarding participation in, and eligibility for, benefits under this Plan, status of Employees or Employers or any other matter relating to the Pension Plan or Fund.

Section 12.10. Gender.

Except as the context may specifically require otherwise, use of the masculine gender will be understood to include both masculine and feminine genders.

Adopted: October __, 2014

Trustees of the National Automatic Sprinkler Industry Pension Fund

UNION TRUSTEES

EMPLOYER TRUSTEES
