



National Automatic Sprinkler Industry  
Pension Fund

2016

Summary Plan Description

**NATIONAL AUTOMATIC SPRINKLER INDUSTRY  
PENSION FUND**

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## **TO ALL PARTICIPANTS:**

We are pleased to present you with this new booklet describing the most important features of your Pension Plan. In general, this booklet applies to Participants who are active in or separated from employment covered by the National Automatic Sprinkler Industry Pension Fund on or after January 1, 2016. If you separated from service before this date, the rules of the Plan that were in effect when you left apply to you. Exceptions to this general statement include the rules about calculating the amount of an Early Retirement Pension and other rules implemented under the Rehabilitation Plan adopted in accordance with the Pension Protection Act. These rules do affect individuals who separated from service before 2016. See pages 14-15 of this booklet for a discussion of the Rehabilitation Plan adopted under the provisions of the Pension Protection Act.

As Trustees of your Plan, it is our responsibility to oversee the operation of the Plan and to keep its provisions up-to-date with current laws and with the needs of Plan Participants. Since the printing of the last booklet there have been a number of Plan changes designed to comply with recent legislation.

Please read this booklet carefully to be sure you understand all of your rights and obligations under the Plan. You should also share this booklet with your family and keep it in a safe place, so that they will know where to find it.

This booklet is the Summary Plan Description of the NASI Pension Plan. It does not set forth all of the details of your Pension Plan, but is intended as a summary only. The exact text of the rules and regulations of the National Automatic Sprinkler Industry Pension Plan, the Plan document, is available on the Fund's website at [www.nasifund.org](http://www.nasifund.org). You can also receive a hard copy of the Plan document by calling or writing to the Pension Fund office. In case of doubt or discrepancy between the Summary Plan Description and the Plan document, the Plan document will always govern.

We believe that the National Automatic Sprinkler Industry Pension Plan plays an important role in your retirement security and we are proud to be involved in its continued operation.

Sincerely,

**BOARD OF TRUSTEES**

## **IMPORTANT**

The summary of the Pension Plan that appears in this booklet is intended to provide Participants with information about the important features of the Plan. The actual Pension Plan, which is available online at the Fund's website, [www.nasifund.org](http://www.nasifund.org), is the final word on eligibility for benefits, amounts of pensions, filing requirements, etc., and will control pensions and other benefits awarded from this Fund. If there is any inconsistency between this summary and the actual language of the Plan, the Plan will be the governing document.

Please note that interpretation regarding participation in the Plan and eligibility for benefits, status of employers and employees, or any other matter relating to the Pension Plan should only be obtained through the Board of Trustees or the Fund Administrator. The Trustees have full and complete discretionary authority to interpret the terms of the Plan and to determine all issues or matters pertaining to the Plan. The Trustees are not obligated by, responsible for, or bound by, opinions, information, or representations from other sources.

- Save this booklet.
- If you lose your copy, you may ask the Fund Office for another. An electronic version of this booklet is also available on the internet at [www.nasifund.org](http://www.nasifund.org).
- If you want to reject the Husband-and-Wife form of pension payment at retirement, both you and your spouse must sign the waiver and have it notarized. More information about this form of pension is given later in this booklet.
- If you are leaving the industry after completing five or more years of service, remember that you may be entitled to a Vested Pension, payable when you have reached retirement age. If this applies to you, arrangements will be made to furnish you with a statement of your benefit rights, and the Fund will also file a notice with the government so that the Social Security Administration can remind you at a future time of your deferred pension rights under this Plan.

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## INTRODUCTION

The National Automatic Sprinkler Industry Pension Fund was originally established as a result of the collective bargaining agreements between the National Fire Sprinkler Association and other signatory employers and the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO. The Plan is financed solely by employer contributions. Employees do not contribute to the Plan.

The Pension Fund is administered by a Board of Trustees made up of an equal number of individuals appointed by the Union and the Employers. They serve without pay. The Pension Fund is a separate trust fund established for the purpose of paying the benefits provided under the Plan. The Plan has been qualified by the Internal Revenue Service.

As you read this booklet, please keep the following in mind:

- A Pension from this Plan is in addition to any Social Security benefits you may receive.
- There is no mandatory retirement age.
- You can retire with a pension at any time after the age 55, if you have earned 15 Pension credits, including at least 5 Future Service Credits.
- Generally, you must send in an application before payments can start.
- There are special provisions for disability and death benefits.
- Always remember to keep your beneficiary designation current with any changes in your personal situation.
- You have the right to submit to the Trustees for their consideration any questions or disagreements about the operation or administration of the Plan.

For your convenience, many of the issues addressed in this booklet cross-reference the applicable article or section of the Plan document found on the Fund's website. These references to the Plan document appear in parentheses throughout the booklet.

# **PARTICIPATION AND CONTRIBUTIONS**

## **REQUIREMENTS FOR PARTICIPATION (SECTION 2.01)**

You are covered by the Pension Plan if you are an employee working in “Covered Employment.” Covered Employment is employment that is covered by a collective bargaining agreement between an Employer and a participating Union which provides for contributions to the Pension Fund.

You become a Participant on the earliest January 1<sup>st</sup> or July 1<sup>st</sup> after a period of twelve consecutive months in which you perform at least 950 Hours of Service as defined by the Plan. Once you become a Participant, you will receive Vesting Service and Pension Credit retroactive to your date of hire in Covered Employment.

## **CREDIT FOR WORK AS AN APPRENTICE (SECTION 4.02(b))**

Hours that you work as an apprentice before contributions are required to be made on your behalf will count toward vesting in the Pension Plan as long as the collective bargaining agreement under which you work provides for contributions on your behalf at some later date. Vesting Service under this provision is limited to two (2) years unless the collective bargaining agreement provides that an apprentice may be employed for more than two (2) years in a non-covered category and the parties to the agreement obtain Trustee approval.

## **PARTICIPATION OF OWNER-EMPLOYEES (SECTION 8.02)**

All contractors who are participating in this Plan should have received or should request a current copy of “Guidelines for Participation of Contributing Employers in the Sprinkler Industry Trust Funds.” The Guidelines describe the terms and conditions under which Owner-Employees, Officer-Employees and their relatives may participate in this Plan. They also explain the requirements for making payments. The Guidelines are also available on the Fund’s website, [www.nasifund.org](http://www.nasifund.org)

## **PAYMENT OF CONTRIBUTIONS**

All contributions to the Pension Plan are made by Employers who are required by a collective bargaining agreement to make these contributions on behalf of their employees. Employees are neither required nor permitted to make contributions to the Plan.

The Fund Office maintains a record of the hours you work and the Pension Credits you have earned. You may review your record either in person or by calling the Fund Office during regular business hours.

The hours recorded on your payroll stubs should be the same as the hours your Employer reports to the Fund Office. A copy of the hours reported to the Fund Office will be sent to you after the end of each year. Be sure to save all of your payroll stubs for the year and compare them to this report. If there is a difference in the hours reported on your payroll stubs and the hours listed on the annual report, please contact the Fund Office.

## **EFFECT OF CHANGING JOBS**

You may switch back and forth between Employers or work for several Employers without losing credit, as long as all of your Employers are required to contribute to the Pension Fund on your behalf. If you are no longer working for a Contributing Employer, you should carefully read the section entitled “Losing Pension Credits and Years of Vesting Service” on page 8.

## **SERVICE**

### **SERVICE: EARNING CREDIT FOR A PENSION (ARTICLE 4)**

The years you have worked in Covered Employment determine your eligibility for a pension, and the amount of your pension benefit at retirement.

Covered Employment is work for an Employer who has agreed to make contributions to the Pension Fund on your behalf. Under the circumstances discussed below, periods of work for an Employer before contributions began may be considered Covered Employment. Hours of Service include all time for which you are entitled to pay from a Contributing Employer for Covered Employment.

### **PAST SERVICE: PENSION CREDIT FOR SERVICE BEFORE CONTRIBUTIONS BEGAN (SECTION 4.01(b))**

You earn Past Service Pension Credit for hours worked in Covered Employment before contributions began on your behalf. For years before contributions were first made on your behalf, you are credited with one Pension Credit for each calendar year in which you worked for at least six months in Covered Employment. If you worked in Covered Employment less than six months in one of those calendar years, you are credited with one-half Pension Credit. A maximum of twenty Past Service Pension Credits may be given.

The date on which each local joined the Plan can be found in Section 4.07 of the Plan document. An electronic version of the Plan document is available on the Fund’s website at [www.nasifund.org](http://www.nasifund.org). You can also receive a hard copy of the Plan document by calling or writing to the Pension Fund office.

The amount of your Past Service Credit will be verified by employment records, U.A. membership records for participating Locals and/or Health and Welfare records (if you provide an authorization for the NASI Welfare Fund to release this type of protected health information to the Pension Plan.).

It is important to note that if your Local Union or an Employer for whom you have worked in Covered Employment terminates its participation in the Fund, the Trustees have the authority to cancel any Pension Credits you may have earned for employment before contributions began. (Plan Section 12.04)

Finally, to be eligible for Past Service Credit, you must either have worked at least 4,000 hours in Covered Employment during the four year period ending two years after your Local Union’s participation date, or have earned three Future Service Pension Credits under the Plan, with at least two-tenths of a credit earned during the first two years of your Local’s participation that are not canceled by a Permanent Break in Service.

**FUTURE SERVICE: PENSION CREDIT FOR SERVICE AFTER CONTRIBUTIONS BEGAN (SECTION 4.01(a))**

You earn Future Service Pension Credit for hours worked in Covered Employment after contributions began. You will be given one Pension Credit for each calendar year in which you work at least 1,700 hours in Covered Employment. You will be credited with a partial Pension Credit if you work fewer than 1,700 hours, as shown in the following table:

Hours You Work in Covered Employment during a Calendar Year	Pension Credit for the Calendar Year
1,700 or more	1.0
1,550 or more but fewer than 1,700	.9
1,400 or more but fewer than 1,550	.8
1,200 or more but fewer than 1,400	.7
1,000 or more but fewer than 1,200	.6
950 or more but fewer than 1,000	.5
750 or more but fewer than 950	.4
550 or more but fewer than 750	.3
350 or more but fewer than 550	.2
Fewer than 350	None

You may work more than 1,700 hours during a calendar year. While you can earn only one Pension Credit in any calendar year for calendar years after 1979, hours you work in excess of 1,700, for which contributions are actually received, will be placed in an “Hour Bank.” Hours may be drawn from the Hour Bank for years after 1974 in which you earn at least two-tenths of a Pension Credit but less than a full Pension Credit. The excess hours needed to give you a full Pension Credit, as well as a Year of Vesting Service, will be added to the number of actual hours worked in those years in which you worked at least 350 hours. A special rule applies if you work at least one hour in Covered Employment in a year but you do not earn two-tenths of a Pension Credit because of an on-the-job injury in Covered Employment and you later receive a Social Security Disability Award connected to that injury. In this situation, hours may be drawn from the Hour Bank for that year and added to your actual hours worked.

The maximum number of hours that may be transferred from your Hour Bank to produce higher Pension Credit and Vesting Service is 3,400 hours over your entire career.

Any Hours in your Hour Bank on the Effective Date of your pension are canceled. However, if you return to Covered Employment after you retire or if you continue in Covered Employment after your Required Beginning Date (referred to in this booklet as Mandatory Benefit Commencement which is discussed on page 42), you will continue to have Hours in excess of 1700 for which contributions are received in any calendar year credited to an Hour Bank if you did not accumulate the maximum number of 3,400 hours before you retired. Hours added to your Hour Bank after your first retirement date can only be applied to service after your first retirement date or after your Required Beginning Date, as discussed above.

While the Rehabilitation Plan is in effect, 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. Similarly, Bank Hours earned for an Employer who was participating in the Plan under the Default Schedule are treated as Hours of Service under the Default Schedule. Hours in the Hour Bank earned under the Rehabilitation Plan Default Schedule will not be credited to a calendar year prior to 2009. Hours in the Hour Bank earned under the Rehabilitation Plan Default Schedule will be subject to the applicable benefit rate of the Default Schedule calculated in accordance with Section 7.06(e) of the Plan. See pages 14-15 of this booklet for a discussion of the Rehabilitation Plan adopted under the provisions of the Pension Protection Act. As of the date this booklet is issued, there are no Employers participating in the Plan under the Default Schedule of the Rehabilitation Plan; all Employers are under the Preferred Schedule.

#### **VESTING SERVICE AND BECOMING VESTED UNDER THE PLAN (SECTION 4.02)**

Vesting Service is a special measure of time spent under Plan coverage that is used to determine your eligibility for a pension. You earn one year of Vesting Service for each calendar year (after contributions begin on your behalf) during which you work at least 950 Hours of Service<sup>1</sup> in Covered Employment. Vesting Service is granted in full years only. There are no provisions for granting partial years of Vesting Service if you work fewer than 950 Hours of Service in a calendar year.

You are also entitled to Vesting Service for certain periods in which you are not working in Covered Employment:

- After December 31, 1975, if you work for a Contributing Employer in a job not covered by this Plan and that non-Covered Employment is “continuous with” (immediately before or after) Covered Employment with the same employer, your hours in that non-covered job after contributions began will also be counted towards years of Vesting Service.

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<sup>1</sup> An Hour of Service is any hour for which you are paid or entitled to payment for the performance or non-performance of duties during the calendar year, or for which back pay is awarded, or agreed to by an Employer. This includes payments for disability from the National Automatic Sprinkler Industry Welfare Fund, but excludes any time you are paid under a workers’ compensation or unemployment compensation law, or a plan adopted to comply with a mandatory disability benefits law. It also excludes any hours of non-work time in excess of 501 hours in any one calendar year. Two periods of paid non-work time are considered continuous if the reason (e.g., disability) you are paid for both is the same and the periods are not separated by more than ninety days.

- Periods of disability for which Weekly Disability benefits are paid from the National Automatic Sprinkler Industry Welfare Fund will be counted towards Vesting Service up to a maximum of 501 hours per calendar year. Two periods of disability must be separated by a return to work under the Plan of at least ninety days, or they will be considered as a single period of disability.
- After December 31, 1975, if you work for a Contributing Employer as an apprentice in a category of apprenticeship that isn't covered by the Plan, your hours in that non-covered category will be counted towards your years of Vesting Service, even if they are not "continuous with" your work in Covered Employment. Vesting Service for this type of work is limited to two years of Vesting Service, unless the collective bargaining agreement provides that an apprentice may be employed for more than two years in a non-covered category and the parties to the agreement obtain the Trustees' approval.

Vesting Service and Pension Credit are related since they are usually earned at the same time. If contributions are required to be made to the Fund on your behalf, then you are accumulating both Vesting Service and Pension Credit for each hour reported. Since a year of Vesting Service requires only 950 hours in a calendar year, as opposed to 1,700 hours for a full Pension Credit, you may earn Vesting Service at a faster rate than you earn Pension Credits.

**BECOMING VESTED UNDER THE PLAN (SECTIONS 7.10 and 3.05)**

Once you are vested under the Plan you are entitled to a pension regardless of whether or not you continue to work in Covered Employment until retirement. If you complete at least one Hour of Service on or after January 1, 1996, you have the right to a Vested Pension at Normal Retirement Age if you have at least five years of Vesting Service with a Contributing Employer that have not been cancelled by a Permanent Break in Service. You may also become vested under the Plan by earning fifteen Pension Credits, as long as five Pension Credits were earned after contributions began.<sup>2</sup>

For a description of the pension benefits to which you could be entitled if you achieve vested status and leave Covered Employment prior to reaching retirement age, please refer to the section entitled "Vested Pension" on page 17.

**CREDIT FOR WORK UNDER ANOTHER PENSION FUND (SECTION 4.06)**

The National Automatic Sprinkler Industry Pension Fund has reciprocal agreements with certain other pension funds sponsored in part by Local Unions of the United Association. If the contributions made on your behalf are forwarded to this Fund under a reciprocal agreement, you will get Pension Credits and Vesting Service under this plan. Since other pension funds often have

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<sup>2</sup> If you do not have at least one Hour of Service on or after January 1, 1996, you are vested once you have earned ten years of Vesting Service with a Contributing Employer. Beginning January 1, 1989, Participants who complete at least one Hour of Service after such date and who are not covered by a collective bargaining agreement are required to have five years of Vesting Service to be vested under the Plan. You should contact the Fund Office if you have any questions.

different contribution rates, a proportional number of hours for Pension Credit purposes is determined by dividing the money received on your behalf from the reciprocal fund by the standard contribution rate for this fund, and multiplying your actual hours by the resulting fraction. This gives you credit proportionally adjusted from the credit you would have received if you had been working under this Fund's contribution rate, up to a maximum of one Pension Credit per year. For purposes of determining eligibility for a Disability Pension, Pension Credit will be given to you without a proportional adjustment.

You will receive Vesting Credit based on the actual number of hours worked under the reciprocal fund.

The Fund Office can tell you what other funds have a reciprocal agreement with this Fund.

You should remember that the rules and regulations of a reciprocal fund have no bearing on your rights under this Fund.

#### **CREDIT FOR TIME SPENT IN MILITARY SERVICE (SECTION 4.05)**

Pension Credit and Vesting Service will be given to the extent required by law. Generally, Vesting Service and Pension Credits will be given for time spent in the Armed Forces, provided you leave Covered Employment for military service and make yourself available to return to Covered Employment within the time prescribed by law.

For purposes of the Pre-Retirement Surviving Spouse Pension (Section 5.03) and Death Benefits for Non-Retired Employees (Section 3.15) an Employee or former Employee who dies as a result of qualified military service on or after January 1, 2007 will be treated as having died while actively engaged in Covered Employment. The designated beneficiary or surviving Qualified Spouse will 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.

#### **CREDIT FOR LEAVE UNDER THE FAMILY AND MEDICAL LEAVE ACT OF 1993 (SECTION 4.04)**

The Family and Medical Leave Act (FMLA) of 1993 entitles eligible employees to take up to 12 weeks of unpaid job protected leave each year for the employee's own illness, or to care for a seriously ill child, spouse or parent. In addition, the FMLA provides leave for the birth or placement of a child with the employee in the case of adoption or foster care or a "qualifying exigency" as defined in applicable regulations arising out of the fact that a covered family member is on active duty or called to active duty status in the National Guard or Reserves in support of a federal contingency operation. In addition, the FMLA provides that an eligible Employee who is a qualifying family member or next of kin of a covered military service member is able to take up to 26 work weeks of leave in a single 12-month period to care for the covered service member with a serious illness or injury incurred in the line of duty.

Employees eligible for leave under the FMLA are those who have been employed at least 12 months by the employer. An employee at a work site at which there are less than 50 employees is not eligible for FMLA leave unless the total number of employees within a 75 mile radius of the employee equals or is greater than 50.

Eligible employees are entitled to credit for vesting purposes under the Pension Plan while on FMLA leave. You will receive that amount of Vesting Service necessary to ensure that you do not have a Break-in-Service for the period during which you are on FMLA leave. If you have any questions about the FMLA, you should contact your employer or the nearest office of the Wage and Hour Division, listed in most telephone directories under the U.S. Government, Department of Labor, Employment Standards Administration.

### **LOSING PENSION CREDITS AND YEARS OF VESTING SERVICE (SECTION 4.03)**

Once you are vested under the Plan as previously described, you do not lose your Pension Credits or years of Vesting Service, regardless of the length of time you are away from Covered Employment. However, all Pension Credits, Vesting Service and the hours in a Hour Bank will be temporarily or permanently lost if you separate from Covered Employment before you are vested. This happens when you have a Break-in-Service.

The rules on Breaks-in-Service are as follows:

■ **One-Year Break in Service (Section 4.03(b))**

You have a one-year Break-in-Service if you do not complete at least 350 Hours of Service in any calendar year after 1975. You can repair the break if, before you have a Permanent Break-in-Service, you earn a year of Vesting Service, that is, earn 950 Hours of Service in a calendar year.

■ **Permanent Break-in-Service after December 31, 1985 (Section 4.03(c))**

After 1985, if you have earned from one to five years of Vesting Service, you cannot have a Permanent Break-in-Service until the number of your consecutive one-year Breaks-in-Service equals five. If you have at least six but less than ten years of Vesting Service, you have a Permanent Break-in-Service when the number of your consecutive one-year Breaks-in-Service equals your previously earned years of Vesting Service.

■ **Permanent Break-in-Service after December 31, 1975, but before January 1, 1986 (Section 4.03(c))**

You had a Permanent Break-in-Service if you were not vested and had consecutive one-year Breaks-in-Service, including at least one after 1975 but before 1986, that equaled your previously earned years of Vesting Service. For example, suppose you had earned three years of Vesting Service, then were inactive and had three consecutive one-year Breaks-in-Service. At that point, all of your previously earned Pension Credits and Vesting Service, as well as any hours in your Hour Bank would have been permanently canceled.

■ **Permanent Break-in-Service before January 1, 1976** (Section 4.03(d))

You had a Permanent Break-in-Service if, before January 1, 1976, you were not vested and failed to work at least 350 hours within one of any two consecutive Plan Years. If you had a Permanent Break-in-Service before January 1, 1976, all previously earned credit under the Plan was permanently canceled.

■ **Effect of a Permanent Break-in-Service** (Section 4.03(e))

If you are not vested under the Plan and have a Permanent Break-in-Service, your previous Pension Credits, years of Vesting Service and any hours in your Hour Bank are permanently canceled.

■ **Exceptions.** There are certain exceptions to the Plan's rules governing Breaks-in-Service. Even though you are not working in Covered Employment, you do not suffer a Permanent Break-in-Service based on periods for which:

- you are engaged in service with the Armed Forces of the United States and return to Covered Employment within the time prescribed by law; (Section 4.05)
- you are disabled to the extent that you cannot work in the sprinkler industry and that fact is established to the satisfaction of the Trustees; (Section 4.03(b)(2))
- you are earning credit under the National Automatic Sprinkler Metal Trades Pension Plan; (Section 3.11)
- you are away from Covered Employment because of (1) your pregnancy, (2) the birth of your child, (3) the placement a child with you in connection with adoption, or (4) the care for such child for a period beginning immediately after such birth or placement. You will be credited with a maximum of 501 Hours of service for parental leave to prevent a one-year Break in Service. (Section 4.03(b)(4));
- you are employed solely as a fire sprinkler inspector for the federal government or a state, county, or municipal government or other governmental unit or agency, provided you had fifteen or more years of Pension Credit when you left Covered Employment (Section 4.03(b)(5));
- you are not working because you are on family or medical leave in accordance with the Family and Medical Leave Act of 1993 (Section 4.04); or
- you are otherwise entitled to Pension Credit or Vesting Service under the Plan.

For an individual who is a Participant on or after January 1, 2000, and who has incurred a Permanent Break-in-Service, that individual 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.

### **BREAKS-IN-CONTINUITY AND THEIR EFFECT ON CALCULATING BENEFITS (SECTION 7.06(c))**

If you do not earn at least two-tenths of a Pension Credit during any period of two consecutive calendar years and Pension Credits are not forfeited because of a Permanent Break-in-Service (see page 8), you may be subject to a Break-in-Continuity. If a Break-in-Continuity occurs, your pension benefit may be calculated using more than one benefit rate. Additionally, a Break-in-Continuity may cause all or a part of your pension to be calculated without any subsidy for an Early Retirement Pension. Refer to the section below on Early Retirement Pension to read about how being a Terminated Vested Participant affects the pension benefit amount if that Participant retires before attaining age 65.

If you have a Break-in-Continuity, your Pension Credits earned before the Break-in-Continuity will be multiplied by the benefit rate in effect when you last earned Pension Credit before the Break-in-Continuity. Any Pension Credits earned after the Break-in-Continuity will be multiplied by the benefit rates in effect during the last Plan Year in which you earned at least two-tenths of a Pension Credit (See example #2 on page 14). The Plan has one exception to this rule: If you retire before the end of the Plan Year immediately following the last Plan Year in which you earned at least two-tenths of a Pension Credit, you will get the benefit rate in effect at the time of your retirement. If you retire at a later date (after the end of the Plan Year immediately following the year in which you last earned Pension Credit), you will receive the rate in effect when you last earned Pension Credit. (Section 7.06(a)).

Effective for Participants retiring on or after January 1, 1993, you can repair a Break-in-Continuity if you return to Covered Employment. (Section 7.06(c)(5)). In order to repair a Break-in-Continuity, you must return to Covered Employment following the Break-in-Continuity and earn years of Vesting Service equal to the greater of:

- the total number of years of the Break-in-Continuity, or
- 5 years.

A Break-in-Continuity will not occur during any period that you are away from Covered Employment if:

- you retire on a Disability Pension, but recover and return to work under the Plan within one year of recovery and earn at least one additional year of Vesting Service (Section 7.06(c)(2)).

- you are receiving workers compensation benefits, or you are disabled to the extent that you cannot work in the sprinkler industry. (You must supply evidence of disability to the satisfaction of the Trustees.) (Section 7.06(c)(3)).
- you spend time in the Armed Forces of the United States, but return to work following your discharge within the time prescribed by applicable federal law. (Section 7.06(c)(4)).

For an example of the effect of a Break-in-Continuity on the calculation of a monthly pension benefit, see the section entitled “Regular Pension” beginning on page 11.

## **PENSIONS**

### **TYPES OF PENSIONS**

Five types of pensions are provided under the Plan. They are:

Regular Pension

Early Retirement Pension

Vested Pension

Disability Pension

Partial Pension

The type of pension determines the manner in which your pension is calculated, which benefit payment options are available to you and which eligibility rules apply.

Several payment options offered by the Plan govern the distribution of pension benefits. These are discussed in the section beginning on page 22.

In general, your monthly pension benefit will be based on the benefit rates in effect when you last separated from Covered Employment. However, if a Break-in-Continuity occurs, more than one rate may be used to calculate your benefit.

In addition, if you stop working in Covered Employment and decide to retire at a later date, you will not be entitled to any increase in the benefit rates which occurs after you stop working, unless you return to Covered Employment and repair your Break-in-Continuity.

### **REGULAR PENSION**

**Eligibility** - You are eligible to retire on a Regular Pension if you are age 61 or older and have at least 15 Pension Credits, five of which are Future Service Credits. (Section 3.01)

**Amount** - The rates in the following table are used to calculate the amount of a Regular Pension. As you can see, the number of your Pension Credits and the last year you worked under Covered Employment determine the amount of your benefit. (Section 3.02)

**BENEFIT RATE PER PENSION CREDIT FOR:**

<b>If you Last Separated from Covered Employment:</b>	<b>Past Service<sup>3</sup></b>	<b>Future Service Through 1974</b>	<b>Future Service 1975 and later</b>
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

<sup>3</sup> The maximum number of years of Pension Credit granted for Past Service is twenty (20).

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

For purposes of Computation of Benefits (Section 7.06) and the Disability Pension Amount (Section 3.09), the applicable benefit rate under the Rehabilitation Plan Default Schedule is \$67 per Pension Credit for Future Service earned on or after the effective date of the Default Schedule. The Effective Date of the Default Schedule is defined in Section 3.04(c). See pages 14-15 of this booklet for a discussion of the Rehabilitation Plan adopted under the provisions of the Pension Protection Act. As of the date this booklet was issued, there were no Employers participating in the Plan under the Default Schedule of the Rehabilitation Plan.

Here are some examples of Regular Pension benefit calculations:

*Example #1:*

John is age 61 and retires in December 2015, with 42 Pension Credits –1 Pension Credit was earned in 1974, and 41 Pension Credits were earned from 1975 through 2015. Because he didn't have a Break-in-Service or a Break in Continuity, John's monthly Regular Pension is calculated as follows:

1 Future Service Credit (through 1974) x \$72	=	72
41 Future Service Credits (1975 and later) x \$110	=	4,510
Monthly Regular Pension	=	\$4,582

*Example # 2:*

Sam is age 65 and last worked under the Plan in 2000. He wants to retire in 2015 with 32 Pension Credits - 7 Pension Credits were earned from 1968 through 1974, and 25 Pension Credits were earned from 1975 through 2000. His monthly Regular Pension is calculated as follows:

7 Future Service Credits (through 1974) x \$72	=	504
25 Future Service Credits (1975 and later) x \$109	=	2,725
		\$3,229

Sam's benefit calculation is based on the benefit rates for 2000, since he didn't earn at least two-tenths (0.2) of a Pension Credit during the calendar years 2001 and 2002, thereby incurring a Break-in-Continuity.

### **EARLY RETIREMENT PENSION**

**Eligibility (Section 3.03)** - You are entitled to retire on an Early Retirement Pension if you are age 55 or older by the end of the month in which your pension begins and have at least 15 Pension Credits, five of which are Future Service Credits.

**Amount (Section 3.04)** - The monthly amount of the Early Retirement Pension is calculated in the same way as the Regular Pension, but it is reduced to take into account the longer period of time over which benefits will be paid. For Pension Effective Dates prior to January 1, 2010, the monthly reduction is 1/12 of 1% for each month that you are younger than 61.

*Example:*

Assume that the Regular Pension to which Fred would otherwise be entitled is \$1,420 per month (see Example # 2 above), but he retires at exactly 58 years of age instead of at 61. The Regular Pension amount adjustment, under the Rehabilitation Plan currently in effect, is as follows:

Regular Pension: \$1,420

Months younger than 61 = 36 months (3 years x 12 months)

$1/6\% \times 36 = 6\%$

Reduction:  $\$1,420 \times .06 = \$85.20$

Monthly Early Retirement Pension:  $\$1,420 - \$85.20 = \$1,334.80$

Under the Preferred Schedule of the Rehabilitation Plan, 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 is 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.

Under the Preferred Schedule of the Rehabilitation Plan, 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 Regular Pension with the full actuarial equivalent reduction for each month by which the commencement of the pension precedes the month the Terminated Vested Participant will attain age 65. A partial list of the reduction factors is as follows:

<b><u>Retirement Age</u></b>	<b><u>Reduction Applied to Pension Benefit At Normal Retirement Age (age 65)</u></b>
64	9.91%;
63	18.67%;
62	26.43%;
61	33.34%;
60	39.49%;
59	44.99%;
58	49.92%;
57	54.35%;
56	58.33%; and
55	61.92%

The full table of the reduction factors can be found in Section 3.04(b) of the Plan document.

Under the Default Schedule of the Rehabilitation Plan, 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 to which the Participant is entitled at Normal Retirement Age reduced by five-twelfths per month for each month by which the commencement of the pension precedes the month the Active Participant will reach age 65.

Under the Default Schedule, the monthly amount of the Early Retirement Pension for a Terminated Vested Participant who has a Pension Effective Date on or after the date that the Default Schedule applies to a Participant is the amount to which the Participant is entitled at Normal Retirement Age, reduced by the full actuarial equivalent reduction for each month by which the commencement of the pension precedes the month the Terminated Vested Participant will attain age 65. A partial list of the reduction factors is set forth in the above table, and the full list of the reduction factors can be found in Section 3.04(b) of the Plan document.

Additional information regarding application of the Preferred and Default Schedule's reduction factors to Active and Terminated Vested Participants, including rules for Participants who work under both a Preferred and Default Schedule, are discussed in Section 3.04 of the Plan document. As of the date this booklet was issued, there were no Employers participating in the Plan under the Default Schedule of the Rehabilitation Plan.

**Special Rule Regarding Amount of Early Retirement Pension.** Effective July 1, 2013, a Participant may regain or retain status as an Active Participant solely for the purpose of determining the amount of the Participant's Early Retirement Pension benefit if all of the following conditions are satisfied:

- the Participant's participation in the NASI Pension Plan before the Break-in-Continuity was based on work covered by a Collective Bargaining Agreement;
- the Participant attained age 50 or older by December 31, 2008;
- 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;
- the Participant retires effective January 1, 2008 or later; and
- 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.

**Provision for Non-standard Contributions (Section 7.06(d))**

Contributions to the NASI Pension Fund are generally required to be made at a rate consistent throughout the sprinkler industry. Situations may arise where a court or federal agency order (or an agreement relating to such an order) would require an employer to contribute to the NASI Pension Fund at a rate that is less than the industry standard contribution rate. There are two ways by which the Plan deals with such situations.

- (1) If nonstandard contributions are received on your behalf, the value of the pension credits you earn based on hours worked at the nonstandard rate will be prorated. This prorating will be done by multiplying the yearly pension credit value by a fraction. The numerator of the fraction is the non-standard contribution rate as required by the agreement or court or agency order and the denominator of the fraction is the standard rate.

For example, a standard pension credit earned in 2015 may provide a monthly benefit of \$110 per month. If in 2015 an employer is required by a court or federal agency order or agreement to make contributions to the NASI Pension Fund at the rate of \$2.95 per hour instead of the standard contribution rate of \$5.90 per hour, the \$110 pension credit value is multiplied by a fraction equal to  $\frac{\$2.95}{\$5.90}$  resulting in a year 2015 pension credit valued at \$55.00 instead of the standard \$110.

- (2) If contributions are being retroactively credited because of a court or agency order or agreement, then the value of pension credits related to such contributions will be adjusted if, in addition to the contributions, a reasonable rate of interest is not paid on the contributions. This adjustment will be made by multiplying the yearly pension credit value by the fraction described in (1) above except that the numerator of the fraction will be adjusted to reflect the present value of the actual contributions

at the date the related services were performed. The discount rate that will be used in making this present value calculation will equal the assumed rate of investment return used by the Fund's actuary at the time the contributions are made or the average of the actual rate of return experienced by the Fund over the five year period before the year the contributions are made, whichever is greater. This adjustment is in addition to the adjustment for non-standard contributions.

Again, as an example, suppose an employer is required by a court or federal agency order (or an agreement relating to such an order) to make contributions to the NASI Pension Fund for work performed during 2015 at the rate of \$2.95 per hour. Let's assume that the Fund does not receive these contributions until the end of 2019 and that they do not include reasonable interest. In 2015, the standard contribution rate was \$5.90 per hour. If the rate paid in 2019 is \$2.95 per hour, then the numerator of the fraction described in (1) above will be calculated by discounting the \$2.95 contribution rate to 2015 (the year in which the services were performed). Assuming the appropriate discount rate to use is 7.5% and recognizing there was an approximate four and one half-year delay in receiving the contributions, the numerator of the fraction described in (1) above would be \$2.13 per hour. Accordingly, the 2019 pension credit value of \$110 is multiplied by \$2.13/\$5.90, resulting in a year 2019 pension credit valued at \$39.71.

## **VESTED PENSION**

**Eligibility** – You are eligible for a Vested Pension if you: (1) cease to be employed in a job covered by the Plan; (2) completed more than one Hour of Service on or after January 1, 1996, and (3) have at least five years of Vesting Service<sup>4</sup>, all five of which have been earned after contributions to the Plan began on your behalf. Pension payments will generally begin at age 65. However, if you have earned enough Pension Credits to be eligible for a Regular or an Early Retirement Pension, you can start receiving your pension as early as age 55. (Section 3.05)

**Amount** - The Vested Pension is calculated the same way as the Regular Pension (unless you are entitled to an Early Retirement Pension, in which case your benefit will be reduced the same as the Early Retirement Pension). As stated before, the amount of your pension is based on the benefit rates in effect at the time you last earned Pension Credit under the Plan. (Section 3.06).

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<sup>4</sup> If you have not completed at least one Hour of Service on or after January 1, 1996, you will be eligible for a Vested pension if you have at least 10 years of Vesting Service, all of which have been earned after contributions to the Plan began on your behalf. However, beginning January 1, 1989, Participants who are not covered by a collective bargaining agreement are required to have five years of Vesting Service to be vested under the Plan.

## **DISABILITY PENSION**

**Eligibility (Section 3.07)** - You may retire on a Disability Pension if before reaching age 61, you become permanently and totally disabled, if you qualify for and receive a Social Security Disability Award; and if you satisfy one of the following:

- You earned at least fifteen (15) Pension Credits, five (5) of which are Future Service Credits (or if your disability began on or after January 1, 1975, you have at least ten (10) Future Service Pension Credits) AND you worked in Covered Employment for at least 500 hours in the period consisting of the Calendar Year during which you became disabled and the two (2) previous Calendar Years.
- You have at least ten (10) Future Service Pension Credits and your disability began on or after January 1, 1975; you worked at least 500 Hours in Covered Employment during the 36 month period immediately before your disabling condition began and you can submit proof satisfactory to the Trustees that you did not and could not perform any substantial gainful employment from the time your disabling condition began until the date you are entitled to Social Security disability benefits.
- You have at least ten (10) Future Service Pension Credits, the date you are entitled to Social Security Disability Benefits is on or after January 1, 1992; your disability arose as a result of an injury or illness that occurred while you were working in Covered Employment and such injury or illness causes you to become Disabled from Your Occupation (unable to perform the duties of the job in which you were covered under this Plan or any similar or related job); you remain continuously Disabled from Your Occupation until the date of your entitlement to disability benefits stated on your Social Security Disability Award; and you remained available for work in Covered Employment and worked at least 500 Hours in Covered Employment during the 36 months immediately before you became Disabled from Your Occupation. You must submit proof satisfactory to the Trustees, including medical evidence, that you are Disabled from Your Occupation. The Trustees may require you be examined by a Physician chosen by the Trustees and provide evidence that you continue to be Disabled from Your Occupation until you are entitled to Social Security Disability Benefits.

The date your disability began is the Date of Entitlement stated on your Social Security Disability Award. The Effective Date of your Disability Pension is the first day of the month following the receipt of a pension application by the Fund Office. (An application will be considered to have been received as of the earlier of (a) the date the application is physically received in the Fund Office, or (b) the date the application is provided to a delivery service or mailed as long as the application is actually received and the Participant provides documentation of the date the application was provided to the delivery service or mailed.) In order to avoid any delays, you should apply for a Disability Pension as soon as possible after the date you receive your Social Security Award.

If your request for Social Security benefits is denied, you can continue to work under the Plan while you contest the denial. If you are successful in receiving Social Security benefits, you will receive credit for all work after the Date of Entitlement to Social Security benefits.

You are not entitled to receive a Disability Pension payment for any month in which you receive weekly disability benefits from the National Automatic Sprinkler Industry Welfare Fund. The Disability Pension will continue for life, provided you remain totally and permanently disabled. You may not work at all while receiving a Disability Pension unless you are performing work that the Trustees have previously determined to be for purposes of rehabilitation. In addition, you may arrange to temporarily terminate your Disability Pension for up to three months to return to any type of employment on a trial basis.

After you are age 65, you are subject to the same suspension of benefits rules for certain employment that apply to any other type of pensioner under the Plan (see page 39).

If your Social Security Entitlement Date is before January 1, 1984, special rules may apply. Please contact the Fund Office for more information.

**Amount (Section 3.09)** - The monthly amount of the Disability Pension is determined in the same manner as the Regular Pension, and is based on the number of Pension Credits earned to the date of disability. However, if the monthly Regular Pension benefit that would otherwise be payable to you, but for your disability, is less than \$1,620, your monthly Disability benefit, before adjustment for the Husband-and-Wife Pension, will be \$1,620. This minimum amount is for pensions effective on or after January 1, 1999.

Because the Social Security Entitlement Date is generally before the date you receive your first Social Security payment (and thus the Effective Date of your Disability Pension payment from this Plan is delayed), your first monthly benefit payment from this Plan will be equal to your monthly benefit amount plus an additional lump sum. The lump sum amount in your first monthly benefit payment will be equal to the monthly benefit times the number of months between your Social Security Entitlement Date and the effective date of your pension under this plan.

#### **CONTINGENT DISABILITY BENEFIT (SECTION 3.08)**

If you have applied for a Disability Pension and are waiting to hear from Social Security, you can apply for an Early Retirement Pension from the Fund (if you are eligible) and start receiving benefits. The requirement to make an application is waived if the date that the Social Security Administration determined you became disabled under its rules is prior to the effective date of the Early Retirement Pension.

If you then receive your Social Security Award within two years of the date your Early Retirement Pension started and if you forward your award to the Fund Office within 90 days after you receive it, you will be entitled to a payment equal to the difference between the amount of the Disability Pension payable from this Fund and the benefits you have received since the later of: (a) the Date of Entitlement on your Social Security Award, or (b) the date you applied for a Disability Pension from the Fund.

### **RECOVERY FROM DISABILITY (SECTION 3.10)**

If you recover from your disability or lose your entitlement to Social Security Disability Benefits while receiving a Disability Pension, you must notify the Trustees of your recovery in writing within thirty (30) days. Upon such notification, your pension will be stopped and you may choose one of the following:

- a. You can convert your Disability Pension to a Regular, Early or Vested Pension, when you meet the applicable age and service requirements. This may be done immediately or when you reach the required age. You may not, however, elect a different benefit payment option when you convert. You retain any retiree increases made while you were receiving your Disability Pension, but an adjustment is made in the amount if you are younger than 61 years of age. You lose your right to convert if you return to employment covered by this Plan and earn one additional year of Vesting Service.
- b. You can return to work under this Plan. Once you have earned one additional year of Vesting Service, any future pension would be calculated as if you were retiring for the first time, counting all of your years of Pension Credit. You have the right to elect any benefit payment option available under the Plan. If you return to work within one year of your recovery and earn one additional year of Vesting Service prior to reaching 65 years of age, you will not have a Break-in-Continuity for the period of your disability. This means that the current benefit rate of the Plan would apply for all those years of Pension Credit. If you do not meet this requirement, you will have a Break-in-Continuity and your subsequent pension will be a split-rate pension, as described in Section 7.06(c)(2) of the Plan.
- c. A Disability Pension will temporarily terminate for any month in which a Disability Pensioner engages in any regular gainful 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 the Disability Pensioner ceases such employment. Any Plan provisions regarding benefits following the death of the Disability Pensioner will remain in effect until receipt of notification by the Trustees of the permanent termination of Social Security Benefits.

### **PRO RATA/PARTIAL PENSION (SECTION 3.13)**

**Eligibility** - A Pro Rata/Partial Pension is a type of Vested Pension that is payable once you reach age 65. Partial pension benefits are provided under this Plan to certain Participants who would otherwise not have enough vesting service 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, you can receive a Pro Rata/Partial Pension under this Plan if you do not otherwise qualify for a pension from the NASI Pension Plan and if you worked enough hours under the Related Plan so that when those hours are added to your hours in this Plan, you would have been vested under this Plan's rules had those hours been in work covered by this Plan.

Hours you work under the Related Plan will not count toward Pension Credits and will not affect the amount of your pension benefit under this Plan. Also, hours you work under a Related Plan will not help you avoid the effect of a Break-in-Continuity which affects the value of your pension credits under this Plan. Such Hours will be counted as Covered Employment for avoiding the provisions of this Plan with regard to the effect of a Break-in-Service.

You will be eligible for a Pro Rata/Partial Pension under this Plan if you satisfy all of the following requirements:

- you are not otherwise eligible for a pension under this Plan,
- you have one pension credit under this Plan without counting any service under a Related Plan and ignoring any Breaks in Service,
- you would be eligible for a pension under this Plan if the work under the Related Plan was considered work under this Plan, and
- you earn at least a partial year of Pension 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) years before your pension begins.

**Amount** - The amount of your Pro Rata/Partial Pension is based solely on your Pension Credit under this Plan. Hours worked under a Related Plan have no effect on the amount of your pension benefit under this Plan. Past Service Credit under this Plan will not add to your pension benefit under a Pro Rata/Partial Pension. Payment of a Pro Rata/Partial Pension will be subject to all conditions applicable to other types of pensions under this Plan.

### **PARTIAL PENSION WITH NAS METAL TRADES PENSION PLAN**

**Eligibility (Section 3.11)** - A Partial Pension is a type of Vested Pension and is payable once you reach age 65. If you have at least two (2) Pension Credits in this Plan and if you are vested in the National Automatic Sprinkler (“NAS”) Metal Trades Pension Plan, you will qualify for a partial pension as long as the work covered by the NAS Metal Trades Pension Plan would have prevented a Permanent Break-in-Service if that work had been covered by this Plan.

**Amount (Section 3.12)** - The amount of your Partial Pension is based solely on your Pension Credit under this Plan. The Partial Pension benefit amount is determined by multiplying the Pension Credits under this Plan by the rate in effect when you last earned Pension Credits 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.

# STANDARD BENEFIT PAYMENT FORMS

## HUSBAND-AND-WIFE BENEFIT PAYMENT FORM (SECTIONS 5.01, 5.02)

Unless you and your Spouse reject this payment form in writing before a Notary Public or Plan representative, the Plan will pay your pension in the Husband-and-Wife benefit payment form when you retire if:

- the Effective Date of your pension is on or after January 1, 1985,
- you worked in Covered Employment on or after January 1, 1976, and
- you are married at the time benefits begin.

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, a Participant's former Spouse. Effective June 26, 2013, an individual of the same 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.

Before your pension starts, the Plan is required to give you an explanation of the various benefit payment options available to you under the Plan and how they affect the amount of your benefit. After you receive this information, you and your Spouse will have at least 30 days to decide in what benefit payment form you want your pension paid. You and your Spouse can reject the Husband-and-Wife benefit payment form at any time after you receive this information, but no more than 180 days before your pension Effective Date.

Under the Husband-and-Wife benefit payment form, you will receive a fixed monthly amount for life, and your surviving Spouse will receive a lifetime benefit equal to 50% of the amount you were receiving during retirement. The monthly amount of the pension you receive during retirement will be reduced because your pension is also intended to protect your Spouse for life, if he or she survives you. The reduction depends on the age difference between you and your Spouse and whether you retired on a disability or non-disability pension, as follows:

***Non-Disability Pension*** – The amount of a non-disability pension is multiplied by 95% if you and your spouse are less than one year different in age. For each full year your Spouse is older than you, the 95% multiplier factor is increased by .5%. For each full year your Spouse is younger than you, the 95% multiplier factor is decreased by .5%. In any case, your benefit cannot be greater than 99% of your original pension amount. (Section 6.08(c)(1))

*For example:*

Ralph is age 61 and eligible for a Regular Pension of \$3,080 per month. His wife is age 58, and they do not reject the 50% Husband-and-Wife payment form. Ralph's Regular Pension would be adjusted as follows:

$$\$3,080 \times 93.5\% \text{ (automatic adjustment)} = \$2,879.80$$

In this example, the 50% Husband-and-Wife multiplier factor was adjusted from 95% to 93.5% because Ralph's wife is three years younger than Ralph. (95% - (3 times .5% or 1.5%) = 93.5%) In this example, Ralph will get \$2,879.80 per month for the rest of his life and 50% of that amount (\$1,439.90) will be payable to his wife after his death, if she survives him.

**Disability Pension** – The amount of a disability pension is multiplied by 87% if you and your Spouse are less than one year different in age. For each full year your Spouse is older than you, the 87% multiplier factor is increased by .4%. For each full year your Spouse is younger than you, the 87% multiplier factor is decreased by .4%. The percent will be increased by an additional .3% for each full year you are less than age 55. In any case, your benefit may not be greater than 93% of the original pension amount. (Section 6.08(c)(2))

*For example:*

Assume George is age 56 and eligible for a Disability Pension of \$2,180 per month. Remember, the Disability Pension is calculated the same way as the Regular Pension, regardless of your age when you become disabled. For this example, assume that George's wife is also age 56, and that he and his wife do not reject the 50% Husband-and-Wife payment form. His Disability Pension would be adjusted as follows:

$$\$2,180 \times 87\% \text{ (automatic adjustment)} = \$1,896.60$$

In this example, George will receive \$1,896.60 per month for life, or for as long as he remains eligible for a Disability Pension, and 50% of that amount (or \$948.30) is payable to his wife for life after this death, if she survives him. There is no reduction other than this automatic adjustment because he and his wife are the same age.

## **ADDITIONAL REQUIREMENTS FOR HUSBAND AND WIFE BENEFIT PAYMENT FORM**

For your Spouse to receive a benefit upon your death under the Husband-and-Wife benefit payment form, you and your Spouse must have been married to each other throughout the one-year period ending on the date your pension benefits begin.

In addition, if you marry less than one year before the date pension payments begin, your benefit will be paid in the Husband-and-Wife benefit payment form (unless you and your Spouse reject this benefit payment form as described above) and if you and your Spouse have been married for at least a one-year period ending on or before your date of death, then your Spouse will receive a benefit upon your death under the Husband-and-Wife benefit payment form. If your benefit is paid in the Husband-and-Wife benefit payment form, under this special rule for those who have not been married for one year as of the date of retirement, and you die before you have been married one year, the difference in the amount of the monthly benefit (between the benefit adjusted for the Husband-and-Wife benefit and the benefit for your life alone) will be paid to your Spouse or to a designated beneficiary if your Spouse is deceased.

If your Spouse dies before you have been married one year, your benefit is changed to the applicable benefit payment form for the type of pension on which you have retired—the Single Life Pension with 100-Payment Guarantee if you retired on a Regular or Early Retirement Pension or the Single Life Pension if you retired on a Disability or Vested Pension. This change is effective as of the first of the month following the death of your Spouse. The difference in the amount of the monthly benefit (between the benefit adjusted for the Husband-and-Wife benefit and the benefit for your life alone) will be paid to you.

You cannot revoke the Husband-and-Wife payment form after your pension payments begin, except as provided in Section 6.08(c)(3), discussed below, or if a Pensioner returns to work in Covered Employment and earns at least 3 consecutive years of Vesting Service and obtains the waiver described in Section 5.02(a). The benefit payable to your surviving Spouse under the Husband-and-Wife benefit payment form will begin on the first of the month following your death, even if you retired on a Disability Pension before you reached 55 years of age. Once your pension begins in the Husband-and-Wife benefit payment form, the amount you receive will not be increased if you and your Spouse are later divorced. Your former Spouse is treated as your Spouse unless a Qualified Domestic Relations Order provides otherwise. Any rights of a former Spouse under the Qualified Domestic Relations Order will be honored.

A Qualified Domestic Relations Order is a judgment, decree or order (including approval of a property settlement agreement) made under a state domestic relations law which relates to provision of child support, alimony, or marital property rights of a spouse, former Spouse, child or other dependent. To be considered “qualified” by the Plan, the order must meet certain requirements. Please contact the Fund Office if you need more information. A copy of the Plan’s Procedures for Processing Domestic Relations Orders is available from the Fund Office.

If your non-disability pension begins on or after January 1, 1991, you can elect a Pop Up Option when you elect the 50% Husband-and-Wife payment form. (Section 6.08(c)(3)). Under this benefit payment option, if your Spouse dies before you do, your monthly pension returns to the full amount you would have received if you had not elected the 50% Husband-and-Wife payment form. The increase is effective the month following your Spouse’s death. If you elect the Pop-Up Option, the 95% multiplier factor that is adjusted as described above, will be further reduced one percent (1%) to pay for this protection.

*For example:*

Ralph, in the example on pages 22-23, and his spouse do not reject the Husband-and-Wife payment form but he also elects (and his Spouse consents to) the Pop-Up Option. Ralph’s Regular Pension would be adjusted as follows:

$$\$3,080.00 \text{ (monthly pension amount from example)} \times 92.5\% = \$2,849.00$$

In this example, Ralph will get \$2,849.00 per month for the rest of his life, and 50% of that amount (\$1,424.50) will be payable to his wife, if she survives him. If Ralph’s wife does not survive him, Ralph’s pension will increase to \$3,080.00, the Regular Pension amount determined in the example

on pages 22-23, the month following his wife's death. If Ralph had been younger than 61 years old when his pension began, his pension would increase to the Early Retirement amount under this option in the event he survived his wife.

If you do not elect the Pop-Up option, the pension amount you receive will not increase if your spouse dies before you. **As noted above, you may not elect a Pop-Up if you are retiring on a Disability Pension with a 50% Husband-and-Wife benefit payment form.**

**PLEASE REMEMBER THAT, IF YOU ARE MARRIED, THE HUSBAND-AND-WIFE BENEFIT PAYMENT FORM WILL TAKE EFFECT AUTOMATICALLY, UNLESS YOU AND YOUR SPOUSE REJECT IT IN WRITING AND HAVE THE WAIVER WITNESSED BY A NOTARY PUBLIC. ONCE YOU RECEIVE THE REQUIRED INFORMATION FROM THE FUND OFFICE, YOU MAY JOINTLY REJECT THIS FORM OF PAYMENT AT ANY TIME DURING THE 180-DAY PERIOD BEFORE YOUR PENSION BEGINS.**

**SINGLE LIFE PENSION WITH 100-PAYMENT GUARANTEE (SECTION 6.02)—REGULAR AND EARLY RETIREMENT PENSIONS**

If you are not married (or you and your Spouse have properly rejected the Husband-and-Wife benefit payment form) and have elected no other optional form of benefit payment (except the Lump Sum Option, see page 26), the Regular or Early Retirement pension benefit payable to you for your life time is subject to a 100-Payment Guarantee. This is called a "Single Life" because it is paid based only on your lifetime. If you die before you have received 100 monthly payments, your monthly payment will continue to be paid to your designated beneficiary until both of you have received a combined total of 100 monthly payments. The 100-payment guarantee does not apply to Disability or Vested Pensions.

The protection of the 100-Payment Guarantee stops if you return to Covered Employment after retirement and re-qualify for the Pre-Retirement Surviving Spouse Pension for active employees (Section 5.03). You re-qualify for the Pre-Retirement Surviving Spouse Pension after you have worked 350 hours in a calendar year in Covered Employment. The balance of the 100-Payment Guarantee will continue in effect when you retire again.

**SINGLE LIFE PENSION—DISABILITY AND VESTED PENSIONS (SECTION 6.01)**

As noted above, the Single Life Pension with 100-Payment Guarantee is not available if you retire on a Disability or Vested Pension. If you are not married (or you and your Spouse have properly rejected the Husband-and-Wife benefit payment form), retire on a Disability or Vested Pension and do not elect an available optional form of benefit payment, the Disability or Vested Pension will be payable to you for your lifetime only with payment ending on your death.

## BENEFIT PAYMENT OPTIONS

As discussed on page 22, if you are married, the standard form of payment for all types of pensions is the Husband-and-Wife benefit payment form. However, if both you and your Spouse formally reject the Husband-and-Wife payment form in writing and have your signatures witnessed by a Notary Public (or a Plan Representative), together, you may choose from other payment options. If you are not married at the time of your retirement, you may choose a form of payment other than the Single Life Pension for your lifetime. The available payment options are discussed below. Some payment options are available to all types of pension (i.e., Regular, Early Retirement, Disability, Vested.) The chart below indicates which options are available with each type of pension.

<b>Automatic Benefit Payment Options</b>	Regular Pension	Early Pension	Disability Pension	Vested Pension
Married: 50% Husband & Wife Benefit	Yes	Yes	Yes	Yes
Unmarried: Single Life with 100-Payment Guarantee	Yes	Yes	No	No
Unmarried: Single Life	No	No	Yes	Yes
<b>Benefit Payment Options</b>				
Partial Lump Sum is Not available while the Pension Plan is subject to the Rehabilitation Plan.				
Split Level is Not Available while the Pension Plan is subject to the Rehabilitation Plan.				
Split Level with J&S is Not available while the Pension Plan is subject to the Rehabilitation Plan.				
100% J&S	Yes	Yes	No	No
66 2/3% J&S	Yes	Yes	Yes	No
75% J&S	Yes	Yes	Yes	No
Pop Up with 66 2/3% or 75% J&S	Yes	Yes	No	No
Single Life with 100 Payment Guarantee	Yes	Yes	No	No
Single Life	No	No	Yes	Yes

Please note that the Partial Lump Sum and Split Level Options listed above are not available while the Plan's Rehabilitation Plan is in effect. This is a requirement of the law and not a decision of the Plan.

### **100% JOINT-LIFE AND SURVIVORSHIP OPTION (SECTION 6.04)**

If you are eligible to receive a Regular or Early Retirement Pension, you may choose for your beneficiary, whether it be your Spouse or someone else, to receive a lifetime benefit equal to 100% of the reduced amount you have been receiving during retirement. **This option is not available to Participants who retire on a Disability Pension or a Vested Pension.**

If you elect the 100% Joint-Life and Survivorship option, it will not take effect until twelve months after you have made this election. If you decide to retire before this twelve-month period has elapsed, you will receive your Regular or Early Retirement Pension in the Husband-and-Wife form (if you are married and if applicable) until the option is effective. The amount that you will receive as of the Effective Date of the option will be reduced as follows:

The amount of the Regular or Early Retirement Pension is first multiplied by 83%. If you and your beneficiary are less than one year different in age, there is no further adjustment. For each full year your beneficiary is older than you, the 83% multiplier factor is increased by .7%. For each full year that your beneficiary is younger than you, the 83% multiplier factor is decreased by .7%. In any case, your benefit may not be greater than 97% of your original pension amount.

If you choose a beneficiary other than your Spouse to receive this benefit and the beneficiary is more than ten years younger than you, the beneficiary's benefit may be reduced if and to the extent required by IRS regulations. If this applies to you, the Fund Office will let you know.

The 100% Joint-Life and Survivorship Option will not take effect if you or your beneficiary dies before the first payment. Otherwise, unless you elect the Pop-Up Option to apply to the 100% Joint-Life and Survivorship Option, if your beneficiary dies after the effective date of the 100% Joint-Life and Survivorship Option, you will continue to receive the reduced amount for the remainder of your lifetime.

If your pension begins on or after January 1, 1991, you can elect a Pop-Up Option when you elect the 100% Joint-Life and Survivorship Option, provided your Spouse is your beneficiary. Under the Pop-Up Option, if your Spouse dies before you do, your monthly pension returns to the full amount you would have received if you had elected the 100-Payment Guarantee option, however, the 100-Payment Guarantee feature will not apply. The increase is effective the month following your Spouse's death. If you elect the Pop-Up Option to apply to the 100% Joint-Life and Survivorship Option, your monthly benefit will be reduced 1.6% to pay for this protection.

### **66 2/3% AND 75% JOINT-LIFE AND SURVIVORSHIP OPTION (SECTIONS 6.05 and 6.06)**

If you are eligible to receive a Regular, Early Retirement, or Disability Pension, you may choose for your Spouse to receive a lifetime pension equal to either 66 2/3% or 75% of the reduced amount you have been receiving during retirement. If you elect the 66 2/3% or 75% options, you do not have to wait twelve months for the option to be effective. **These options are not available to participants who retire on a Vested Pension.**

If you elect the **66 2/3% Joint-Life and Survivorship Option** and are **not receiving a Disability Pension**, the amount you will receive as of your pension Effective Date will be reduced as follows:

The amount of the Regular or Early Retirement Pension is first multiplied by 92%. If you and your Spouse are less than one year different in age, there is no further adjustment. However, for each full year your Spouse is older than you, the 92% multiplier is increased by .5%. For each full year that your Spouse is younger than you, the 92% multiplier is decreased by .5%. In any case, your benefit may not be greater than 98% of your original pension amount (Section 6.08(i)(1)).

If you elect the **66 2/3% option** and **are receiving a Disability Pension**, the amount you will receive as of your pension Effective Date will be reduced as follows:

The amount of the Disability Pension is first multiplied by 80.5%. If you and your Spouse are less than one year different in age, there is no further adjustment. However, for each full year your Spouse is older than you, the 80.5% multiplier is increased by .5%. For each full year that your Spouse is younger than you, the 80.5% multiplier is decreased by .5%. In addition, the multiplier is increased by .4 % for each full year you are less than age fifty-five. In any case, your benefit may not be greater than 89% of your original pension amount (Section 6.08(i)(2)).

If you elect the **75% option** and are **not receiving a Disability Pension**, the amount you will receive as of your pension Effective Date will be reduced as follows:

The amount of the Regular or Early Retirement Pension is first multiplied by 90.5%. If you and your Spouse are less than one year different in age, there is no further adjustment. However, for each full year your Spouse is older than you, the multiplier is increased by .6%. For each full year your Spouse is younger than you, the multiplier is decreased by .6%. In any case, your benefit may not be greater than 98% of your original pension amount (Section 6.08(j)(1)).

If you elect the **75% option** and **are receiving a Disability Pension**, the amount you will receive as of your pension Effective Date will be reduced as follows:

The amount of the Disability Pension is first multiplied by 79%. If you and your Spouse are less than one year different in age, there is no further adjustment. However, for each full year your Spouse is older than you, the multiplier is increased by .5%. For each full year that your Spouse is younger than you, the 79% multiplier is decreased by .5%. In addition, the multiplier shall be increased by .4 percentage points for each full year the Participant is less than age fifty-five. In any case, your benefit may not be greater than 87% of your original pension amount (Section 6.08(j)(2)).

These options will not take effect if either you or your Spouse dies before the first payment. Otherwise, unless you elect the Pop-Up Option in connection with either the 66 2/3% Survivorship Option or the 75% Survivorship Option, you will continue to receive the reduced amount for the remainder of your lifetime if your Spouse dies after the Effective Date of the option.

If your pension begins on or after January 1, 1991, you can elect a Pop-Up Option when you elect the 66 2/3% or 75% Joint-Life and Survivorship Option. Under the Pop-Up Option, if your Spouse dies before you do, your monthly pension returns to the full amount you would have received if you had not elected the 66 2/3% or 75% Joint-Life and Survivorship Option. The increase is effective the month following your Spouse's death. If you elect the Pop-Up Option, your monthly benefit will be reduced by 1.2% for the 66 2/3% option, or by 1.3% for the 75% option, to pay for this protection. (Section 6.08(c)(3)).

### **EFFECT OF WORK AFTER RETIREMENT ON PAYMENT OPTIONS (SECTIONS 7.08 and 7.09)**

If you return to Covered Employment after retirement, your pension will be recomputed to take into account additional benefits you have earned but only if you complete a year of Vesting Service (950 hours in a calendar year) after your return to Covered Employment.

If you originally retired before Normal Retirement Age (generally before age 65), return to Covered Employment and earn at least one year of Vesting Service (950 hours), you can elect a different benefit payment form for any additional benefits you earn during your return to work, except as provided in the following paragraph. If you originally retired at or after Normal Retirement Age (generally at or after age 65), any additional benefits you earn when you return to work will be paid in the benefit payment form you elected when you originally retired.

If you return to Covered Employment after your retirement and earn at least three (3) consecutive years of Vesting Service after you return, you will be allowed to elect, with the consent of your Spouse (as determined as of each applicable Effective Date), if applicable, a different benefit payment form for all of your benefits including those earned before your return to work, regardless of whether you originally retired before or after Normal Retirement Age.

The following special rules also apply if you return to Covered Employment after your retirement:

- If you rejected the 50% Husband-and-Wife payment form at retirement, the surviving Spouse protection for active employees will be restored the January 1<sup>st</sup> after you complete a year during which you work 950 hours or more. (Section 5.03(d))
- If at retirement you chose a 50% Husband-and-Wife payment form, or any of the other optional forms of payment described above that provide for a benefit after your death, you will not be entitled to the surviving Spouse protection for active employees. The death benefit of the benefit payment form you selected at retirement will remain effective while your benefits are in suspended status with the exception of the 100-payment guarantee described below. (Section 7.09(c))
- If you elected the 100-payment guarantee, its protection stops when you re-qualify for death benefits for active employees (on the January 1<sup>st</sup> after you complete 950 hours of work in a calendar year). The 100-payment guarantee will be in force when you retire again, but the

payments made during your first retirement count toward the 100 payments. (Section 7.09(c))

- The 100-payments guarantee is always based on all pension payments you ever receive from this Fund, even if you change your option to the 100-payment guarantee when you retire again.

# DEATH BENEFITS

## **PRE-RETIREMENT SURVIVING SPOUSE PENSION (SECTION 5.03)**

If you die before you have retired under the Plan but after you are vested, your surviving Spouse will be entitled to a Pre-retirement Surviving Spouse Pension (provided you and your Spouse have been married for at least one year as of the date of your death.). The amount of the benefit payable to your surviving Spouse is based on the monthly benefit you would have been eligible to receive if you had retired at the time of your death.

Your surviving Spouse will be entitled to *the greater of*:

- The value of one hundred of the monthly pension payments you would have been eligible to receive if you had retired at the time of your death actuarially converted to lifetime benefit that your surviving Spouse will receive each month for his or her life, or
- A pension determined as if you had retired the day before your death on a pension payable in the Husband-and-Wife benefit payment form (refer to the section entitled “Husband-and-Wife Benefit Payment Form” on page 22).

Remember, the amount of the Pre-retirement Surviving Spouse Pension is based on the monthly benefit you would be eligible to receive if you had retired at the time of your death. If you die before age 55, your monthly benefit will be calculated as if you had stopped working on the day of your death, lived to and retired at age 55, and died the next day. If you die after age 55, your monthly benefit will be based on your actual age at death.

The Pre-retirement Surviving Spouse Pension is payable to your surviving Spouse on the first day of the month following your death. Your Spouse can elect in writing to have benefits begin at a future date, but not after the later of the December 31 of the year in which you would have been age 70 ½ or the December 31 of the calendar year immediately following the calendar year in which you died.

As noted above, for your Spouse to be eligible for the Pre-retirement Surviving Spouse Pension, you and your Spouse must have been married to each other for at least a one-year period ending on your date of death.

## **LUMP-SUM DEATH BENEFITS**

### **Lump-Sum Death Benefit for Pensioners (Section 3.16)**

Effective January 1, 1982, if you die while receiving a pension from the Plan, your designated beneficiary will get a Lump-Sum Death Benefit of \$1,000 plus \$500 for each Future Service Pension Credit earned after 1974 subject to a maximum of \$5,000.

For example, if you earn 8 Pension Credits after 1974 until the time of your death, your beneficiary will get \$1,000 + (\$500 x 8) or \$5,000.

This benefit will be paid *in addition* to any other benefits your surviving Spouse or beneficiary may be eligible to receive. However, this benefit will not be payable on the death of a surviving Spouse or beneficiary.

**Lump-Sum Death Benefit for Active Employees (Section 3.15)**

Effective January 1, 1988, if you die before retirement but after earning at least five Future Service Pension Credits, a Lump-Sum Death Benefit equal to \$1,000 times the number of Future Service Pension Credits you have earned will be paid to your designated beneficiary. For example, if you have earned 25 Future Pension Credits at the time of your death, your beneficiary will receive \$25,000 (\$1,000 x 25).

The Lump-Sum Death Benefit will *not* be payable if the Husband-and-Wife benefit payment form is in effect or if a Pre-retirement Surviving Spouse Pension is payable to your Spouse.

In addition, to be eligible for the Lump Sum Death Benefit for Active Employees, you must have: worked at least 350 hours in Covered Employment during the calendar year of your death or during the immediately preceding calendar year, or be a former Employee who died while performing qualified military service (as that term is defined in the Internal Revenue Code) on or after January 1, 2007.

**EFFECT OF RETURNING TO WORK AFTER RETIREMENT ON LUMP-SUM DEATH BENEFIT COVERAGE**

If you return to work after you retire, you will continue to qualify for the lump sum death benefit for pensioners until you have worked 350 hours in Covered Employment in a calendar year. After that, you will qualify for the Lump-Sum Death Benefit for Active Employees (\$1,000 per year of Future Service Credit) under its terms and conditions. (See description above.) One of those conditions is that the active Employee Lump-Sum Death Benefit is not available if you and your Spouse elected to have your pension benefit paid in the Husband-and-Wife benefit payment form when you retired. Working retirees who have elected either the Husband-and-Wife benefit payment form or one of the Joint-Life and Survivorship benefit payment options (see page 22) continue to have protection for their surviving Spouses or beneficiaries under the benefit payment form elected even if they return to work after retirement. Therefore, these individuals cannot qualify for Lump-Sum Death Benefit for Active Employees.

In addition, the retiree lump-sum death benefit is no longer available when you re-qualify for the higher Pre-retirement Surviving Spouse Pension benefit payable to surviving Spouses of active Employees. You re-qualify for the pre-retirement surviving Spouse benefits on the January 1<sup>st</sup> after you have worked 950 hours in a calendar year, unless you have elected one of the Joint-Life and Survivorship options with a beneficiary other than your Spouse.

You may want to discuss your situation with the Fund Office concerning options and survivor protection, should you return to work after retirement. Returning to work after retirement may also affect medical coverage under the NASI Welfare Fund for you and your Spouse.

### **BENEFICIARY DESIGNATION (SECTION 3.17)**

The lump-sum death benefit payment is paid to the beneficiary you have designated on the form provided by the NASI Pension Fund for that purpose. An unmarried Participant may change this beneficiary at any time without the consent of the beneficiary. A married Participant may change the designated beneficiary only with the consent of his or her Spouse. The Trustees will pay benefits based on the most recent designation which was received by the Fund Office prior to the date benefit payments are to begin. If your designated beneficiary is your Spouse and you are divorced from your Spouse, this does not invalidate the designation of your former Spouse as your beneficiary. You must submit a change of beneficiary designation to remove your former Spouse as your beneficiary.

### **NO BENEFICIARY DESIGNATION (SECTION 3.18)**

If you do not designate a beneficiary, or if your beneficiary dies before you, the benefit will be paid to the first of the individuals in the order listed:

- Your surviving Spouse; then
- Your surviving children; then
- Your surviving parents.

If none of these beneficiaries are living, no benefit will be paid.

If the present value of any pension benefit payable under this Plan, including Death Benefits, is \$5,000 or less, the Trustees will pay that benefit in a lump sum upon submission of a properly completed application.

### **BENEFICIARY DISCLAIMER OF BENEFITS (SECTION 3.20)**

A beneficiary may decline to accept benefits otherwise payable to the beneficiary as a result of the death of a Participant or another beneficiary. To decline benefits, the beneficiary must sign and deliver to the Fund Office a written disclaimer of Plan benefits which satisfies the requirements below:

- (1) 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;
- (2) 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;
- (3) The disclaiming individual has not accepted any portion of the Plan benefits being disclaimed;

- (4) 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
- (5) The disclaimer must satisfy the requirements of applicable state law, which must be evidenced by an opinion of counsel for the disclaiming individual submitting the disclaimer.

# **SOCIAL SECURITY, MEDICARE, AND INCOME TAX**

The pension benefit that you are eligible to receive from this Plan is paid to you in addition to any Social Security benefits you may also be entitled to receive.

## **SOCIAL SECURITY AND MEDICARE**

Employees born in 1960 or later will be eligible for full Social Security benefits at 67 years of age or reduced benefits at 62 years of age. Those born before 1960 will be eligible to receive full Social Security Benefits somewhat earlier than age 67, depending on their year of birth. Regardless of the age you are eligible for full Social Security benefits, the earliest retirement age for reduced benefits will be 62. For more information, call your nearest Social Security Office and ask for a current booklet which explains the benefits. You will be eligible for Medicare at 65 years of age, regardless of the age you become eligible for full Social Security benefits.

## **PENSION BENEFITS AS TAXABLE INCOME**

Benefits from the NASI Pension Fund **ARE** taxable. You will receive from the Fund Office each year a 1099-R form showing the benefits paid to you.

If you are totally and permanently disabled, a portion of your Disability Pension from the Plan may be excluded from taxable income, but this exclusion is reduced if family taxable income exceeds a certain dollar amount per year. You should seek professional or IRS advice on taxes if this might apply to you.

Plan distributions which are not eligible rollover distributions (described below) are subject to elective Federal tax withholding. Recipients of periodic distributions (monthly pension) may elect either to have their withholding according to the tax table for their stated dependent situation, to have their withholding according to the tax table for the "standard" dependent situation, to have a specified dollar amount withheld, or to have no withholding. Recipients of non-periodic distributions (other than an eligible rollover distribution) will have tax withheld at a flat 10% unless they elect either to have a specified dollar amount greater than 10% withheld or to have no withholding.

## **DIRECT ROLLOVERS OF BENEFIT PAYMENTS AND TAX WITHHOLDING REQUIREMENTS**

If you receive a form of lump sum distribution from this Plan on or after January 1, 1993, which is an "eligible rollover distribution," you must request a "direct rollover" of the money to an IRA or another plan that accepts rollover, or this Plan is required to withhold 20% of your distribution. You will receive information concerning the rules for mandatory withholding and direct rollover at the time you are eligible for a distribution from the plan. The following is a summary of the tax rules:

## **Eligible Rollover Distributions**

Generally, an “eligible rollover distribution” is any distribution of all or a portion of a lump sum distribution made to a Participant, a Participant's surviving Spouse, or an Alternate Payee. Effective September 1, 2007, an eligible rollover distribution may also be made to non-spouse beneficiaries under certain circumstances. (See “Tax Withholding and Eligible Rollover Distributions” below.)

The following distributions from the Plan are eligible rollover distributions:

- Small pension cash-outs to Participants and surviving Spouses. (Section 7.05(a))
- Lump-sum portion under Partial Lump-Sum Payment Option. (Section 6.03). (Effective March 31, 2009, the Partial Lump Sum Option is not available while the Plan's Rehabilitation Plan is in effect.)
- Lump-sum death benefits to your surviving Spouse or former Spouse who is an Alternate Payee (Sections 3.15 and 3.16)

## **Tax Withholding on Eligible Rollover Distributions**

You can have all or any portion of your benefit either paid as a direct rollover or paid to you. (Benefits payable to a non-spouse beneficiary can only be made as a direct rollover.)

A “direct rollover” is a payment, in full or in part, of an eligible rollover distribution made by the Plan directly to an eligible retirement plan. (A direct rollover to a non-spouse beneficiary must be made to an individual retirement account (“IRA”) or individual retirement annuity that is established for the purpose of allowing a non-spouse beneficiary to receive a direct rollover.) Eligible retirement plans include other tax qualified Pension plans, tax qualified annuities, IRAs, and qualified state and local government plans which accept rollovers. Effective for distributions occurring after December 31, 2007, a Participant or beneficiary receiving an Eligible Rollover Distribution from the Plan may elect to have the distribution paid as a Direct Rollover to a Roth IRA. Neither the Fund Office nor the Trustees is responsible for assuring that the Participant or beneficiary receiving the distribution is eligible to make a rollover to a Roth IRA.

If you choose a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year, and no income tax will be withheld.
- Your payment will be made directly to your IRA or, if you choose, to another plan that will accept your rollover.
- Your payment will be made payable to the trustee of the eligible retirement plan and the trustees must identify that it is for your benefit as the named recipient making the election for the direct rollover.

- Your payment may be sent directly to the trustee of the IRA or other retirement plan that will accept your rollover, or a check made payable to the trustee may be given to you for delivery to the trustee.
- Your payment will be taxed later when you take it out of the IRA or the other plan.

If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:

- You will receive only 80% of the payment because this Plan is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes.
- Your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59 ½, you also may have to pay an additional 10% tax unless you received your payment as a retirement benefit after age 55 and after you have completely separated from service with employers that contribute to the Plan.
- You can roll over the payment by paying it to your traditional IRA or to another eligible retirement plan that accepts your rollover within 60 days of receiving the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or employer plan.
- If you want to rollover 100% of the payment to a traditional IRA or an employer plan, **you must find other money to replace the 20% that was withheld.** If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that was not rolled over.

### **Distributions Not Eligible for Rollover**

Generally, you cannot roll over any distribution made under the following circumstances:

- In a series of equal (or almost equal) periodic payments for
  - your lifetime (or your life expectancy);
  - your lifetime and your beneficiary's lifetime (or life expectancies); or
  - a period of ten years or more.
- As a “required minimum payment,” beginning the first of the month after the month in which you reach age 70 ½.

The following Plan benefits and payments are NOT eligible rollover distributions:

- Single Life Pension with 100-Payment Guarantee to Participants and Spouses or beneficiaries. (Section 6.02).
- 100% Joint-Life and Survivorship Option to Participants and Spouses or beneficiaries. (Section 6.04).
- 66 2/3% and 75% Joint-Life and Survivorship Options to Participants and Spouses beneficiaries. (Sections 6.05 and 6.06).
- 50% Husband and Wife Pension to Participants and surviving Spouses (Section 5.02).
- Pre-retirement Surviving Spouse Pension (Section 5.03).

## **WORKING AFTER RETIREMENT – SUSPENSION OF BENEFITS (SECTION 7.08)**

You are expected to retire from the sprinkler industry and from any other industry of the type covered by the Plan in order to receive a pension from the Plan. Working in other industries of a type not covered by the Plan, regardless of the number of hours or how much you earn, will not affect your pension benefits unless you continue to work in employment for which contributions are made to the NASI Pension Fund.

*If you are under 65 years of age*, you may not work in any job at all in the sprinkler, plumbing, or pipefitting industry. You may not work as an employee or be self-employed in union or non-union employment in these industries. This is “Disqualifying Employment” for periods before you are 65 years of age. (Section 7.08(a))

If you are retired, *are under 65 years of age*, and begin working in a job which is considered Disqualifying Employment for that period, your pension benefit will be suspended for each month you work, plus an additional five (5) months. If you do not notify the Fund Office within twenty-one (21) days of the date you begin disqualifying work, your pension will be suspended for an additional six (6) months, making a total of eleven (11) additional months. Effective June 1, 2006, the five-month suspension, mentioned above, will be waived if you notified the Plan of your return to work within twenty-one days of the date you began disqualifying work. This waiver of the five-month suspension period is only good the first time you return to work after June 1, 2006. If you miss the twenty-one day deadline for notifying the Pension Fund of your return to work, and you are subject to the additional six-month suspension, you do not qualify for waiver of the suspension for the first five months after your re-retirement. (Section 7.08(a)).

*If you are past your 65<sup>th</sup> birthday*, you may not perform any work in the United States of the type which is covered by this Plan; that is, work as a sprinkler fitter in the construction industry (or any other industry covered by this plan when you became a pensioner). You may not work as an employee or be self-employed in union or non-union employment as a sprinkler fitter in the construction industry (or any other industry covered by this plan when you became a pensioner) for forty (40) or more hours in a month for which you receive a pension. This is “Disqualifying Employment” for periods once you are 65 years of age. (Section 7.08(b)).

Work for less than Forty (40) hours a month is permitted. (Please note, however, that benefits under the NASI Welfare Fund will be suspended for any hours of such work. The NASI Welfare Plan rules should be consulted for a full description of the consequences of returning to work. The rule also applies to employees who do not retire, but continue to work past age 65. (Section 7.08(b))

If you are retired, *are over 65 years of age*, and begin working in a job which is considered Disqualifying Employment for that period, your pension benefit will be suspended for each month in which you work forty (40) hours or more. The twenty-one day notice requirement still applies.

As a retiree, you may be asked to periodically sign a statement affirming that you are not working in Disqualifying Employment, or to provide the Fund Office with a complete copy of your Federal Income Tax Return. The Fund will, of course, receive work information if you return to work covered by this Plan. If there is evidence from any source that you are engaged in Disqualifying Employment, or if you refuse to provide the Fund with requested information, the Trustees may suspend your pension. Any errors made in this regard will be corrected as soon as you provide satisfactory information about your actual employment status. (Section 7.08(e)).

If your pension is suspended for months for which you have already received a pension benefit payment, the amount you owe the Fund will be deducted from your pension when it starts again until the debt is paid in full. However, after you have reached Normal Retirement Age, no more than 25% of your pension check will be deducted (except for the first check following suspension, which may be offset entirely by deductions). (Section 7.08(h)(2)).

If you return to Covered Employment and earn at least one (1) year of Vesting Service, you will be entitled, upon your return to retirement, to a recalculation of your pension amount, based on your age when benefits resume. Any reduction for an Early Retirement made when you first retired will be adjusted for months during which your benefit was suspended, and/or for which you have already received benefits (see page 14).

If you stop working in Disqualifying Employment and want to retire again, you must notify the Fund Office, in writing, of the date you last worked in such employment. Your first check upon resumption of benefits will contain the full monthly amount owed to you, less any amounts which are owed to the Fund, as previously described. (Section 7.08(d)(3), (h)).

If you receive a notification of suspension which you believe is in error, you may make a written request that the Trustees review the suspension. Your request must be made within 180 days after you are notified of the suspension. You may request the Trustees to consider in advance whether employment you are planning will result in the suspension of your benefit. Such a request must be made in writing. (Section 7.08(f)).

Employment that might be considered work within the sprinkler, plumbing, or pipefitting industry that has been determined to not be Disqualifying Employment includes the following:

- Inspection work when employed directly by a city, county, or municipal government.
- Delegate to the United Association convention.
- Part-time employment on a Local Union executive board, finance or other committee.
- Part-time employment with a JATC (e.g. instructor, tutor-proctor).
- Unpaid volunteer work for a church or charitable organization.
- Work for the International Training Fund.
- Work for the United Association.
- Work for a Building Trades that has never made contributions to the NASI Pension Fund.
- Work for a Sprinkler Industry Promotion Fund.

Suspension of benefit rules are subject to Labor Regulation § 2530.203-3 of the Code of Federal Regulations, Title 29.

# **APPLYING FOR BENEFITS**

## **MAKING APPLICATION (SECTION 7.01)**

You must file a written application with the Board of Trustees on an application form that will be provided, upon request, by the Fund Office. Application for retirement should generally be filed during the month prior to the Effective Date on which you wish to have your pension payments begin. You are encouraged to file as soon as you decide on your intended retirement date. Early filing will avoid a delay in the processing of your application and the start of payment of benefits. An application will be considered to have been received as of the earlier of (a) the date the application is physically received in the Fund Office, or (b) the date the application is provided to a delivery service or mailed, as long as the application is actually received and the Participant provides documentation of the date the application was provided to the delivery service or mailed.

## **WHEN BENEFITS BEGIN (SECTION 7.05)**

Your pension benefits will begin on the first day of the first month after you have met all requirements for entitlement to benefits. Remember, such requirements include filing a complete pension application in advance of the date you want your pension payments to begin.

In some limited circumstances, your benefits may be paid as of a date that is earlier than when you have completed all of these detailed forms and requirements, provided your substantially complete application form was received by the Fund Office before the Effective Date. This is referred to as the “Retroactive Annuity Starting Date.” In no event can a Retroactive Annuity Starting Date be more than six (6) months prior to the date your benefit payments actually begin.

This special rule will help in circumstances like the following: You received your application including the information concerning your benefit payment options on October 1<sup>st</sup> and mailed your application, which was received by the Fund Office on February 28th. The Fund Office discovers that you or your spouse forgot to sign the waiver of the Joint and Survivor Benefit Payment Form and sends it back to you, but you are on vacation celebrating your retirement and don’t get the additional form in until mid-April. Your application was received before March 1<sup>st</sup>, so that should be your pension Effective Date. However, under the law, the Joint and Survivor election must be made within 180 days of the date you received the information from the Plan about the choices available to you under the Plan. Under the old rule, the Plan would have had to send new information to you so that your election of a benefit payment option was made within 180 days of receiving the information about your choices and, as a result, your pension would have been delayed. Under the current rule (which was added when the law changed), you can complete the waiver form in April and elect the earlier, or “retroactive,” annuity starting date and receive your pension benefits for March and April.

Remember, also, that you may not receive a pension for any month in which you have received Weekly Disability benefits from the National Automatic Sprinkler Industry Welfare Fund.

Special conditions may also apply for the Husband-and-Wife payment forms (see page 22).

Under Federal law, the Plan is generally required to provide you with information about your benefit payment options no sooner than 180 days and no less than 30 days before your pension payments begin. This means that the payment of your benefits generally cannot begin sooner than 30 days after the Fund Office has given you benefit election and spousal consent forms and provided you with information about your payment options. However, under the law, you may waive this requirement and have your benefits paid as early as eight (8) days after this information is provided to you.

**AUTHORIZED DEDUCTIONS (WELFARE FUND, UNION DUES, & LOCAL UNION POLITICAL ACTION COMMITTEE) (SECTION 7.05(g))**

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 or her monthly pension check of the amount required for medical coverage. An authorization form may be obtained by contacting the Fund Office.

A Pensioner or beneficiary may also authorize in writing a deduction from his monthly pension check of the amount required for Union dues to a Participating Sprinkler Local Union and/or an amount to be contributed to the Political Action Committee (PAC) of his Local Union. Such authorizations are strictly voluntary and may be revoked at any time. Authorization forms may be obtained by contacting the Fund Office.

**ADJUSTMENTS FOR LATE RETIREMENT (SECTION 7.05)**

If you retire after Normal Retirement Age (generally age 65), you will receive an additional pension payment for the months your pension was delayed and in which you did not work in employment for which your benefit was suspended after Normal Retirement Age.

**MANDATORY BENEFIT COMMENCEMENT (SECTIONS 7.05(d) and 7.17)**

The plan will begin your pension as of the first of the month after you reach the age of 70 ½, even if you do not apply. This rule applies whether or not you retire. You may notify the Plan to delay the commencement of your pension until April 1 of the calendar year following the calendar year in which you reach age 70 ½. If you continue to work in Covered Employment past age 70 ½, your benefit will be adjusted once every year to take into account the additional benefits you earned, and the new pension amount will be payable beginning February 1 of the calendar year following the year the additional amount was earned.

**CLAIMS AND APPEALS (SECTION 7.04)**

After you file a claim for benefits, the Fund Office will generally notify you of its decision within 90 days after it receives the claim. However, if the Fund Office determines that special circumstances require an extension of time for processing the claim, the Fund Office will notify you, in writing and before the end of the initial 90-day period, that it will need additional time to decide the claim. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Fund Office expects to decide your claim. Such date will not exceed 90 days from the end of the initial 90-day period.

Special rules apply to pension claims if your claim depends on whether you are or were disabled. If your claim involves a disability question, the Fund Office will generally notify you of its decision within 45 days after it receives the claim. The Fund Office will seek extensions beyond the 45-day period only for circumstances that are beyond the control of the Fund Office. If the Fund Office determines that an extension is appropriate, the initial 45-day period may be extended by an additional 30 days, provided that the Fund Office notifies you of the extension prior to the expiration of the initial 45-day period. The extension notice will:

- (i) indicate the special circumstances requiring an extension of time;
- (ii) set forth the date by which the Fund Office expects to decide your claim;
- (iii) explain the standards on which entitlement to a benefit is based;
- (iv) describe the unresolved issues that prevent the claim from being decided;
- (v) specify the additional information that may be needed to decide your claim; and
- (vi) provide you with at least 45 days to provide the specified information.

If your claim involves a disability question, and the Fund Office decides that it is unable to decide your claim during the first 30-day extension due to matters beyond its control, a second 30-day extension is possible. In the event that a second 30-day extension is required, the Fund Office will notify you of the extension prior to the expiration of the initial 30-day extension period, and the notification will contain the same type of information required to be included in the first notice.

If your application for benefits is denied in whole or in part, the Fund Office will provide you with a written or electronic notice that sets forth:

- (i) the reasons for the denial;
- (ii) references to any pertinent Plan provisions, internal rules, guidelines, protocol, or other criterion relied on in making the adverse determination;
- (iii) a description of any additional material or information which might help your claim (including an explanation of why that information may be helpful);
- (iv) your right to receive, free of charge, copies of documents, records, and other information relevant to your claim; and
- (v) a description of the appeals procedures and applicable filing deadlines and statement of your right to bring a legal action against the Plan under ERISA if your appeal is denied.

If your claim is denied, or if you disagree with a policy, determination, or action of the Fund, you may submit a written appeal to the Trustees, requesting that the Trustees review your benefit denial or the Fund policy, determination, or action with which you disagree. Your written appeal must be submitted within 180 days of receiving the notice of denial of benefits.

Your written appeal should state the reason for your appeal. This does not mean that you are required to cite all applicable Plan provisions or to make “legal” arguments; however, you

should state clearly why you believe you are entitled to the benefit you claim, or why you disagree with a Fund policy, determination, or action. You are permitted to submit written comments, documents, records, and other information relating to your claim even if such information was not submitted in connection with your initial claim for benefits. The Trustees can best consider your position if they clearly understand your claims, reasons, and/or objections. Your appeal should be sent to:

Board of Trustees  
National Automatic Sprinkler Industry Pension Fund  
8000 Corporate Drive  
Landover, MD 20785

The Trustees, or a designated Appeals Committee of the Trustees, will review your appeal at their quarterly meeting immediately following receipt of your appeal, unless the Fund Office received your appeal within 30 days of the date of the meeting. In that case, your appeal would be reviewed by the second quarterly meeting following receipt of the appeal. You may wish to contact the Fund Office concerning the date of the next meeting, so that you may submit your appeal in time to be heard at that meeting. If special circumstances require an extension of time for reviewing your claim, you will be notified in writing of the need for the extension. The notice will be provided prior to the commencement of the extension, describe the special circumstances requiring the extension, and set forth the date the Trustees will decide your appeal. Such date will not be later than the third meeting of the Trustees or Committee following the Fund Office's receipt of your appeal.

For benefit claims involving disability questions, the Trustees, or the designated Appeals Committee, will give no deference to the initial claim denial. Additionally, if the initial denial was based, in whole or in part, on a medical judgment, the Trustees will consult with a medical professional who has appropriate training and experience in the relevant field of medicine relating to the appeal. The medical professional will not be an individual who was consulted, or a subordinate of any professional consulted, in connection with the initial denial. You have the right to learn the identity of any health care professional contacted in connection with your claim.

Once your claim has been reviewed and a benefit determination has been made, you will receive written or electronic notice of the decision within 5 days. The notice will explain the reasons for the decision, include specific references to Plan provision, internal rule, guideline, protocol, or other criterion on which the decision is based, indicate that you are entitled to request free access to and copies of documents, records, and other information relevant to your claim for benefits, and may state whether additional information may help your claim. The notice will also include a statement that you have the right to bring a legal action against the Plan under ERISA if your appeal is denied.

You may renew your appeal if you have any additional information or arguments to present. A renewed appeal must be submitted in writing, and the rules and limits stated above apply. In connection with an appeal or a renewed appeal, you may review pertinent documents in the Fund

Office after making appropriate arrangements, or you may request that documents be provided to you. Such information will be provided free of charge. The special claims and appeal rules set forth above for questions relating to a disability do not apply if your rights under the Plan are conditioned upon a finding of the Social Security Administration that you are disabled.

You may not commence a judicial proceeding against any person, including the Plan, a Plan fiduciary, the Plan Administrator or Trustees, the Fund Office, or any other person, with respect to a claim for any benefits without first exhausting the claims and appeals procedures set forth above. Once you have exhausted those procedures, if you are dissatisfied with the ultimate outcome, you may bring an action under Section 502 of ERISA to review the Plan's decision in an appropriate court. Such court action must be 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.

## **GENERAL INFORMATION**

### **SELLING, ASSIGNING OR PLEDGING BENEFITS (SECTION 7.13)**

Benefits may not be sold, assigned, or pledged as security for a loan. Furthermore, benefits are not subject to attachment or execution for the payment of a debt under any judgment or decree of a court, except as provided in the Internal Revenue Code and applicable regulations. However, any benefits payable to a former spouse or other alternate payee, under a legally binding Qualified Domestic Relations Order, will be honored by the Fund.

### **RIGHTS OF A FORMER SPOUSE**

If you become separated or divorced, your spouse, former spouse, child, or other dependent (known as an Alternate Payee) may be entitled to some or all of your pension if a Qualified Domestic Relations Order ("QDRO") has been issued by a court. A QDRO is a court order (which the Plan has determined satisfies the requirements of the Plan and of federal law) giving an Alternate Payee a right to a pension. Upon request, the Plan will provide materials and information concerning its procedures and requirements for a QDRO. These materials will be provided without charge.

An Alternate Payee under a QDRO 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 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.

### **MAXIMUM BENEFITS (SECTION 7.18)**

The Internal Revenue Code imposes certain maximums on the pension amount you can receive from the Plan during any year. The Fund Office will let you know if these limits apply to you.

## **PLAN AMENDMENT AND TERMINATION; INTERPRETATION OF PLAN**

The Plan may be terminated by a document in writing adopted by the Trustees. The Plan may be terminated if, in the opinion of the Trustees, the Trust Fund is not adequate to carry out the intent and purpose of the Plan as stated in its Trust Agreement, or is not adequate to meet the payments due or which may become due under the Plan of Benefits. The Plan may also be terminated if there are no individuals living who can qualify as Employees or beneficiaries under the Plan. Finally, the Plan may be terminated if there are no longer any collective bargaining agreements requiring contributions to the Fund. The Fund is considered terminated under the law if it is amended to provide that no further benefits will be earned by employees for employment with Employers. The Trustees have complete discretion to determine when and if the Plan should be terminated.

If the Plan terminates, you will not accrue (earn) any further benefits under the Plan. However, the benefits that you have already accrued will become vested, that is, non-forfeitable, to the extent your benefits can be funded by the Plan assets allocated to such benefits.

If the termination occurs because the Plan is amended to provide that no further benefits will be earned by employees for employment with Employers, the Plan will continue to pay non-forfeitable benefits.

If the Plan terminates because there are no longer any collective bargaining agreements requiring contributions to the Fund, the Plan may be amended to reduce benefits to the extent necessary to ensure that the plan's assets are sufficient to pay non-forfeitable benefits when they are due. If the Plan has been amended and does not have enough assets to pay non-forfeitable benefits, the Plan has the authority to suspend benefits. If benefits are suspended, the Plan will continue to pay the highest level of benefits which can be paid out of the Plan's available resources. If benefits are suspended, the Plan will not be required to make retroactive benefit payments for that portion of a benefit which was suspended.

If the Plan is terminated, the Trustees will: (a) pay the expenses of the Plan incurred up to the date of termination as well as the expenses in connection with the termination; (b) arrange for a final audit of the Plan; (c) give any notice and prepare and file any reports which may be required by law; and (d) apply the assets of the Plan in accordance with the law and the Plan of Benefits, including amendments adopted as part of the termination until the assets of the Plan are distributed.

No part of the assets or income of the Plan will be used for purposes other than for the exclusive benefit of the Employees and the Beneficiaries or the administrative expenses of the Fund. Under no circumstances will any portion of the Plan revert or inure to the benefit of any contributing Employer, the Association, or the Unions, either directly or indirectly.

Upon termination of the Plan, the Trustees will promptly notify the Unions, the Association, Employers, and all other interested parties. The Trustees will continue as Trustees for the purpose of winding up the affairs of the Plan.

In addition, the Trustees have complete discretion to amend or modify the Plan and any of its provisions, in whole or in part, at any time. This means that the Trustees can reduce, eliminate, or modify benefits as well as improve benefits. The trustees may also modify length of coverage for all employees, dependents and retirees, as well as modifying eligibility requirements for coverage.

## TERMINATION INSURANCE

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

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

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (i) 100% of the first \$11 of the monthly benefit accrual and (ii) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service is \$12,870.

The PBGC guarantee generally covers: (i) normal and early retirement benefits; (ii) disability benefits if you become disabled before the plan becomes insolvent; and (iii) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (i) Benefits greater than the maximum guaranteed amount set by law; (ii) benefit increases and new benefits based on plan provisions that have been in place for fewer than five (5) years at the earlier of the date the plan terminates or the time the plan becomes insolvent; (iii) benefits that are not vested because you have not worked long enough; (iv) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (v) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call (800) 400-7242 or 202-326-4000 (not a toll free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to (800) 400-7242. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at [www.pbgc.gov](http://www.pbgc.gov).

# **IMPORTANT PLAN INFORMATION**

The following additional information concerning your Plan is being provided to you in accordance with government regulations:

## **Plan Name and Type of Plan**

The National Automatic Sprinkler Industry Pension Plan is a defined benefit pension plan.

## **Plan Administration**

The Plan is a collectively bargained, joint trustee, labor management trust fund. The Plan is administered by a ten-member Board of Trustees.

## **Source of Financing of the Plan and Identity of Any Organization through Which Benefits are Provided**

Benefits are provided from the Plan's assets, which are accumulated under the provisions of the Agreement and Declaration of Trust that established the Plan. These assets are held in trust and are used for the purpose of providing benefits to Participants and Beneficiaries in accordance with the provisions of the Plan of benefits and for paying the reasonable administrative expenses of the Plan.

All contributions to the Plan are made by Employers in accordance with their collective bargaining agreements with the participating Sprinkler Fitter Local Unions. The collective bargaining agreements require that contributions be made to the Plan at fixed rates per hour worked. The Fund Office will, upon written request, provide you with information as to whether a particular Employer is contributing to this Plan on behalf of Employees working under a collective bargaining agreement.

The Fund's assets are held in custody by Comerica Bank.

## **Service of Legal Process**

The Board of Trustees has been designated as the agent for the service of legal process. Service of legal process may be made upon a Plan Trustee or at the Fund Office.

**Internal Revenue Service Plan Identification Number:** 52-6054620

**The Plan Number is:** 001

**Date of the End of the Plan Year:** December 31

## **BOARD OF TRUSTEES**

### **Employer Trustees**

Fred Barall, Secretary  
National Fire Sprinkler Association  
40 Jon Barrett Rd.  
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Russell Fleming  
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### **Union Trustees**

Shawn Broadrick, Chairman  
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7050 Oakland Mills Road, Ste. 200  
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Philadelphia, Pennsylvania 19154

James E. Tucker  
Road Sprinkler Fitters Local Union 669  
7050 Oakland Mills Road, Ste. 200  
Columbia, Maryland 21046

# **Statement of Rights under the Employee Retirement Income Security Act of 1974**

The Pension Plan was established as the result of collective bargaining agreements, and its purpose is to improve the security and well-being of the Employees and their beneficiaries. The Trustees, the Employers, and the Union want you, as a Participant in the Plan, to enjoy its benefits.

This booklet describes the Plan and tells you and your beneficiaries how to get more information. The description of the claims and appeals procedure tells you how to apply for benefits and how to follow up, if necessary.

However, in addition to what the Trustees, the Employers, and the Union have done, to see that the Plan's benefits are fulfilled, every Participant in the Plan is entitled under the law (ERISA) to receive the following summary of rights and protections.

As a Participant in the National Automatic Sprinkler Industry Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

## **Receive Information About Your Plan and Benefits**

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

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

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

Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (age 65 or, if later, your age on the fifth anniversary of your participation in the Plan) and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension now, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

## **Prudent Actions by Plan Fiduciaries**

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

## **Enforce Your Rights**

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Trustees. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the plan’s decision, or lack thereof, concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

## **Assistance with Questions**

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.