

**SHEET METAL WORKERS LOCAL 71
PENSION FUND
SUMMARY PLAN DESCRIPTION**

DATED: April 2018

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I.

GENERAL INFORMATION

Name of Plan

Sheet Metal Workers Local Union No. 71 Pension Plan

Board of Trustees

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Buffalo, New York 14207

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Buffalo, New York 14206

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495 Kennedy Road
Buffalo, New York 14227

Plan Number

001

Plan Sponsor and Plan Administrator

Board of Trustees
Sheet Metal Workers Local No. 71 Pension Plan
24 Liberty Avenue
Buffalo, NY 14215
(716) 835-8836

Employer Identification Number

16-6051585

Type of Administration
Jointly Administered Trust Fund

Plan Year
June 1 – May 31

Agent for Service of Legal Process
Service of legal process may be made on any of the Trustees at the plan office.

Collective Bargaining Agreements

This Plan is maintained pursuant to one or more Collective Bargaining Agreements between Local Union No. 71 of Sheet Metal Workers' International Association (the "Union") and various Employers. A copy of the Collective Bargaining Agreement between the Union and your Employer, and a complete list of Employers contributing to the Plan, may be obtained upon written request to the Fund Office, and is also available for examination at the Fund Office.

Legal Counsel
Lipsitz Green Scime Cambria LLP
42 Delaware Avenue, Suite 300
Buffalo, NY 14202

Accountants
Tronconi Segarra & Associates LLP
8321 Main Street
Buffalo, NY 14221

II.

STATEMENT OF ERISA RIGHTS

1. Your Rights Under ERISA

As a participant in the Sheet Metal Workers Pension Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

2. Information About Your Plan and Benefits

ERISA provides that Plan Participants shall be entitled to:

- Examine, without charge at the Plan Office, all Plan documents, including copies of all documents filed by the Plan with the US Department of Labor, such as detailed annual reports and collective bargaining agreements.
- Obtain copies of all Plan documents and all other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan’s annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of the summary annual report.
- Obtain a statement telling you whether you have a right to receive a benefit at Normal Retirement Age (age 64 under the Plan) and if so, what your benefits would be at Normal Retirement Age if you stopped working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to obtain a right to a benefit. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide this statement free of charge.

3. 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.

4. Enforce Your Rights

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits, which is denied or ignored, in whole or in part, you may file in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file a suit in 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 frivolous.

5. Assistance with Your Questions

If you have any questions about your Plan you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining Plan documents, 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 Ave. N.W., Washington, D.C. 20210. You may also obtain information about ERISA by calling the publications hotline of the Employee Benefits Security Administration.

III.

APPLYING FOR BENEFITS

How do I file an application for a pension?

You must file a written application with the Board of Trustees on a form that will be provided upon request by the Fund Office. Applications for retirement benefits must be filed at least one month in advance of the month you wish your benefits to begin.

While the rules require pension applications to be filed one month in advance, you are urged to file as soon as you decide on your intended retirement date. Early filing will avoid delay in the processing of your application and payment of benefits.

The Trustees have the right to request any information or proof they require to determine your right to a benefit.

When do pension benefits begin?

If you have met all the requirements of the Pension Plan, including the month advance filing, your pension will begin on the first day of the month following entitlement to benefits. However, please note that no pension benefits will be paid for any month in which you receive weekly disability payments from the Sheet Metal Workers Local 71 Welfare Fund.

If my application is denied, do I have the right to appeal?

Yes. See the paragraph below, entitled "Claims Review Procedure" for more information regarding the appeals process.

Can I sell, assign or pledge my right to benefits?

No. Benefits cannot be sold, assigned or pledged to anyone, even as security for a loan. Under most circumstances, they are not subject to attachment or execution under any judgment or decree of a court or otherwise.

However, in a divorce situation a court may issue a "Qualified Domestic Relations Order" which may entitle your divorced spouse to a portion of your benefits.

Claims Process

Benefits will be paid to participants and beneficiaries without the necessity of formal claims. You or your beneficiaries, however, may make a request for any Plan

benefits to which you may be entitled. Any such request may be in writing, and should be directed to the Plan Administrator.

Your request for Plan benefits shall be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator will furnish you with a written notice of this denial. This written notice must be provided to you within 45 days for disability pension claims and 90 days for all other claims after receipt of your claim. If the Plan Administrator determines that an extension of time is necessary for processing the claim (due to circumstances beyond the control of the Fund), the 45-day period will be extended for an additional 30 days, and if additional time is still needed to make a determination, there may be an additional extension of 30 days. In any such case the Plan Administrator will notify you (within the initial 45-day period or prior to the expiration of the first 30-day extension) of the circumstances requiring the extension, the date by which the Plan Administrator expects to render a determination, the standard, on which entitlement to benefits is based, the unresolved issues that prevent a decision on the claim and additional information needed to resolve those issues. You will have 45 days from receipt of the notice to provide the Fund Administrator with any additional information needed.

In the event your claim is denied in whole or in part, (“an adverse benefit determination”) you will be provided with written notification including:

- The specific reason or reasons for the adverse benefit determination and reference to the specific Plan provisions on which the determination is based;
- A description of any additional material or information needed to complete the claim (including an explanation of why the information is needed);
- A statement that you will be provided, upon written request and free of charge, with reasonable access to (and copies of) all documents, records and other information relevant to your claim; and
- A description of the Plan’s appeal procedure and applicable time limits, as well as a statement of the claimants rights to bring suit under federal law (Section 502(a) of ERISA) following an adverse determination on appeal.

In addition to the above notification requirements, notification with regards to a disability pension claim shall also include:

- A discussion of the decision, including any reasons for disagreeing with the views of the claimant, any treating professionals, medical or vocational experts consulted, or a Social Security Administration determination; and
- A description of any internal rule, guideline or similar standard that the Fund relied on in making a decision based on medical necessity, experimental treatment or a similar limitation, or statement that such explanation will be provided (without charge) upon the claimant’s request;

- A description of any scientific or clinical judgment that the Fund relied on in making a decision based on medical necessity, experimental treatment or a similar limitation, or a statement that such explanation will be provided (without charge) upon your request; and
- If notice of the denial of a claim is not furnished to you in accordance with the above within a reasonable period of time, your claim will be deemed denied. You will then be permitted to proceed to the review stage described in the following paragraphs.

If notice of the denial of your claim is not furnished to you within the specified time periods above and you have not received notice that there has been an extension of time, your claim will be deemed denied.

If your claim has been denied, and you wish to submit your claim for review, you must follow the Claims Review Procedure.

Claims Review Procedure

Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Board of Trustees.

You must file such claim for review no later than 60 days (180 for disability claims) after you have received written notification of the denial of your claim for benefits, or if no written denial of your claim was provided, no later than 60 or 180 days as applicable, after the deemed denial of your claim. In the case of an adverse benefit determination regarding a rescission of disability coverage, the claimant must request a review within 90 days of the notice.

You or your authorized representative have the right to review (free of charge) all documents, records or other information pertinent to the denial of your claim. You also have the right to submit any issues or comments in writing and discuss such documents and issues with the trustees.

For disability pension benefit claims, a different person will review your claim than the one who originally denied the claim and the reviewer will not be a subordinate of the person who originally denied the claim. You will be advised of the identity of any medical or vocational expert who were consulted in connection with the initial denial. The reviewer will not give deference to the initial adverse benefit determination. The decision will be made on the basis of the record, including such additional documents and comments that may be submitted by you. In addition, if your claim was denied on the basis of a medical judgment, a health care professional who has appropriate training and experience in a relevant field of medicine will be consulted. The health care professional will not be the same person who was consulted with respect to the initial adverse benefit determination (or a subordinate of such person).

If the Trustees consider, rely upon or create any new or additional evidence during the review of the adverse benefit determination, they will provide such new or

additional evidence to you, free of charge, as soon as possible and sufficiently in advance of the time within which a determination on review is required to allow you time to respond.

Before the Trustees issue an adverse benefit determination on review that is based on a new or additional rationale, you will be provided a copy of the rationale at no cost. The rationale will be provided as soon as possible and sufficiently in advance of the time within which a final determination on appeal is required to allow the claimant time to respond.

The Trustees will review the claim and provide a determination as soon as possible, but no later than the date of the first Board meeting following the date the Plan receives your request for review. If your request for review is filed within thirty (30) days prior to the date of such meeting a determination will be made no later than the date of the second Board meeting following the date the trustees receive your request for review. If special circumstances (such as the need to hold a hearing) require a further extension of time for processing, the Board of Trustees will notify you in writing describing the special circumstances and the date by which a determination will be rendered. The determination will be made no later than the date of the third Board meeting following the date the trustees receive your request for review.

The Board of Trustees will notify you in writing of their determination as soon as possible, but no later than five (5) days after the determination is made. Such notification will include all of the information described above with respect to the initial review.

If the Trustees' decision on review is not furnished to you within the time limitations described above, your claim will be deemed denied on review.

IV.

THE PENSIONS, IN BRIEF

Five types of pensions are provided under the plan:

1. A Regular Pension
2. An Early Retirement Pension
3. A Deferred Pension
4. A Disability Pension
5. Reciprocal Pension

When am I eligible for a Regular Pension?

For Plan Years beginning before June 1, 1997, you are eligible to retire on a Regular Pension if you are age 65 or older and have earned at least 15 Pension Credits. However, if you completed at least one Hour of Service on or after June 1, 1997, you are eligible to retire on a Regular Pension if you are age 64 or older and have earned at least 15 Pension Credits.

What is the amount of the Regular Pension?

The monthly amount of your Regular Pension will depend on your years of credit, the contribution rate at which your employer contributed and the amount of contributions made to the Fund on your behalf.

The monthly benefit is based on your years of Pension Credit (to a maximum of 40) multiplied by the accrual rate that corresponds to your contribution rate as shown below, plus .85% of the total amount of contributions received by the Fund on your behalf. (However, effective July 1, 2009, the contribution rate increase approved for the period May 1, 2009 through April 30, 2010 will not be applied toward the calculation of the amount for determining the monthly benefit described in this section. Effective June 1, 2015, with respect to retirements occurring on or after June 1, 2014, the contribution rate increase approved for the period May 1, 2009 through April 30, 2010 will be applied toward the calculation of this amount for determining your monthly benefit. If you retire on or after June 1, 2014 but before June 1, 2015, your monthly benefit will be increased beginning June 1, 2015.) Contributions received by the Fund after you have accumulated 40 years of service will be included in the .85% portion of your benefit.

For example, Joe intends to stop working and retire on June 1, 1992, his 65th birthday. He has 25 years of Pension Credit, is being contributed for at \$.75 per hour and has had \$10,000 contributed to the Fund during his years of employment. His monthly Pension will be calculated as follows:

a)	.0085 of \$10,000 =	\$ 85.00
b)	25 Years of Credit x \$20.85	<u>521.25</u>

\$ 606.25

The monthly Pension amount of \$606.25 is before adjustment for the Husband and Wife Pension, if applicable.

Accrual Rates

The following are accrual rates applicable to pensions commencing on or after June 1, 1992:

a)	<u>Contribution Rate</u>	<u>Monthly Amount Per Year of Pension Credit</u>
	\$0.15	\$8.55
	0.20	9.58
	0.25	10.61
	0.30	11.61
	0.35	12.64
	0.40	13.67
	0.45	14.71
	0.50	15.73
	0.55	16.76
	0.60	17.78
	0.65	18.81
	0.70	19.83
	0.75	20.85
	1.28	23.93
	1.38	23.93
	1.80	27.50
	2.05	29.25
	2.30	30.95
	2.50	31.95
	3.00	31.95
	4.00	31.95
	4.50	31.95
	4.00	31.95
	5.00	31.95
	5.25	31.95
	5.50	31.95
	5.75	31.95
	6.00	31.95

- b) plus an additional monthly benefit of .85 of 1% of the amount required to be contributed to the Fund for the Participant's employment during the years of contributed service, excluding the contribution increase for the period May 1, 2009 through April 30, 2010 for retirements before June 1, 2014.

Except as provided in the following paragraph, the benefit level to which you will be entitled at retirement will be determined on the basis of the contribution rate in effect

immediately preceding your retirement or separation from Covered Employment (work for which contributions are payable to the Fund).

If you worked in more than one category of employment with different contribution rates, (for example, production work and kitchen equipment work), your benefit level will depend on the category of employment, and resulting contribution rate, at which you worked the majority of hours of work during your last most recently completed five consecutive Plan Credit Years.

When am I eligible for an Early Retirement Pension?

You are eligible to retire on an Early Retirement Pension if you are at least age 55, have earned at least 15 Pension Credits and ceased employment in the Sheet Metal Industry. (See Article IX regarding Work After Retirement.)

What is the amount of the Early Retirement Pension?

The Early Retirement Pension is adjusted downward from the Regular Pension amount, based on your age. For Participants retiring on or after October 1, 1994, but before June 1, 1997, the reduction factors are $\frac{1}{4}\%$ per month for each month of age under 65. For Participants retiring on or after June 1, 1997, the reduction factors are $\frac{1}{4}\%$ per month for each month of age under 64.

When am I eligible for a Deferred Pension?

For years beginning before June 1, 1997, you become entitled to a Deferred Pension if you:

- (1) have at least 10 Years of Vesting Service and
- (2) reach your Normal Retirement Age (age 65).

If you completed at least one Hour of Service on or after June 1, 1997, you become entitled to a Deferred Pension if you:

- (1) have at least 5 Years of Vesting Service and
- (2) reach your Normal Retirement Age (age 64).

It is called a "Deferred Pension" because the actual payments will not begin before you reach age 55 or 64 (years on or after June 1, 1997), or age 65 (years before June 1, 1997). It will begin as early as age 55, if you have met all the requirements for an Early Retirement Pension. Otherwise, you cannot receive payment until your Normal Retirement Age.

What is the amount of the Deferred Pension?

If the Deferred Pension begins after you reach your Normal Retirement Age, the monthly amount of the Deferred Pension will be calculated the same as the Regular Pension.

However, if payment of the Deferred Pension begins before June 1, 1997 and before you reach age 65, the monthly amount will then be calculated the same as the Early Retirement Pension. If the Deferred Pension begins on or after June 1, 1997 and before you reach age 64, the monthly amount will then be calculated the same as the Early Retirement Pension.

When would I be eligible to retire on a Disability Pension?

You may retire on a Disability Pension if:

- (1) You have at least 15 Pension Credits, and
- (2) You are totally and permanently disabled and
- (3) You worked in Covered Employment (work for which contributions are payable to the Fund) for at least 300 hours within 24 months of the time you became permanently and totally disabled.

What is the amount of the Disability Pension?

The monthly amount of the Disability Pension is the same as the Regular Pension calculated as if the Participant were age 64. A Disability Pension will not be paid during the first six months of disability.

The Disability Pension will continue for life, provided you remain permanently and totally disabled. If you cease to be permanently and totally disabled, your Disability Pension will cease starting with the first month following the end of the disability.

How is permanent and total disability defined?

You will be deemed totally and permanently disabled only if the Trustees find on the basis of medical evidence that you are totally and permanently unable, as a result of bodily injury or disease, to engage in any employment. The Trustees may rely on a Social Security Administration Disability Determination Award as evidence of total and permanent disability. If you apply for a Disability Pension, you may be required to submit to an examination by a competent physician or physicians selected by the trustees and may be required to submit to re-examination, periodically as the trustees may direct.

Additionally, if you are a participant in the Sheet Metal Workers National Pension Plan, in addition to the above requirement, you will be deemed totally and permanently disabled only if you have been awarded and continue to receive Disability Benefits from the Sheet Metal Workers National Pension Plan.

The Trustees will be the sole and final judges of total and permanent disability and of your entitlement to a Disability Pension.

Is there an Industry Related Disability?

Yes, you may retire on an Industry Related Disability Pension if:

- (1) You have at least 10 Pension Credits, and
- (2) You suffer an Industry Related Disability and
- (3) You worked in Covered Employment (work for which contributions are payable to the Fund) for at least 300 hours within 24 months of the time you became permanently and totally disabled.

What is an Industry Related Disability?

An Industry Related Disability means that, in the Trustees' sole judgment, you are totally and permanently disabled by injury or disease so as to be permanently prevented from engaging in any employment in the Sheet Metal Industry.

If you are a participant in the Sheet Metal Workers National Pension Plan, you must make application for and receive approval for a Sheet Metal Workers National Industry Related Disability Award and that approval will constitute medical evidence of an industry related disability hereunder. You may be required to submit to an examination by a physician or physicians selected by the Trustees and may be required to submit to reexamination periodically as the Trustees may direct.

What is the amount of the Industry Related Disability Pension?

The monthly amount of the Industry Related Disability Pension is the same as the Early Retirement Pension calculated as if the Participant were age 55, increased by 10%, but not to an amount greater than a Regular Pension. An Industry Related Disability Pension will not be paid during the first six months of disability.

The Industry Related Disability Pension will continue for life, provided you remain permanently and totally disabled. If you cease to be permanently and totally disabled, your Pension will cease starting with the first month following the end of the disability.

What happens if I work in Covered Employment under the jurisdiction of more than one Local?

The Trustees have signed the Sheet Metal Workers International Reciprocal Agreement. This agreement will allow you to combine the vesting service that you may have earned while you worked in the jurisdiction of two or more local unions. This may help you to become eligible for a Pension even if you do not have enough credits in a single local union Pension Plan.

V.

YOUR RIGHTS UNDER USERRA

Under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), you have certain rights to continued benefits should you leave your employment to enter the uniformed services, whether the service is voluntary or involuntary. Generally, you will be entitled to reemployment if certain procedures are met, as discussed below, and your time in the uniformed services will not count against you for the purposes of the break in service rules and for benefit accruals. This means that if you return to work under USERRA, you will be entitled to the seniority and other rights and benefits that you had on the day your military service commenced plus any seniority, rights, or benefits that you would have attained had you still been employed.

Moreover, the plan must consider any time served with the uniformed services as time served as service with the employer for the purposes of determining your accrued benefits and other nonforfeitability rights associated with such benefits. In other words, the period of military service shall, *for up to five years*, be credited toward your years of vesting service and other benefit rights.

To be able to use this protection under USERRA, you must notify the Plan within 30 days after you return to employment. In addition, when seeking reemployment, you must notify the Plan of your intent to return to work within specified time periods or submit an application for reemployment within the following time periods based on the length of service:

- If the uniformed service was for less than 31 days, you must report to work on the first regularly scheduled workday that begins within eight hours after returning home from service.
- If the uniformed service was for more than 30 days, but less than 181 days, you must submit an application for reemployment within 14 days after completion of service.
- If the uniformed service was for more than 180 days, you must submit an application for reemployment within 90 days after completion of the service.

VI.

**EARNING CREDIT FOR PENSIONS AND YEARS
OF VESTED SERVICE**

How are Pension Credits accumulated?

Pension Credit is earned once you become a Participant in the Plan. You become a Participant in the Plan on the earliest June 1 or December 1 following completion of a 12 consecutive month period during which you complete at least 870 hours of work in Covered Employment. You cease to be a Participant if you fail to complete 435 hours of work in Covered Employment in a Plan Year.

Pension Credit is accumulated on two bases:

- (1) Credit for Covered Employment DURING the Contribution Period, (From June 1, 1963); and
- (2) Credit for Covered Employment BEFORE the Contribution Period, (Before June 1, 1963).

The Contribution Period is the time during which the Employer contributed to the Pension fund on your job. Covered Employment is employment under the collective bargaining agreement which requires the Employer to contribute to the Plan.

How are Pension Credits earned for employment DURING the Contribution Period?

During the Contribution Period, after June 1, 1963, Pension Credits will be granted on the following three schedules:

- (1) You will receive Pension Credit according to the following schedule, for the period June 1, 1963 through May 31, 1972.

**Hours Worked for Which
Contribution Made or
Earned in a Plan Year**

**Amount of
Pension Credit
Earned**

0 – 349	0
350 – 699	¼ of one year
700 – 1,049	½ of one year
1,050 – 1,399	¾ of one year
1,400 and over	1

- (2) You will receive Pension Credit according to the following schedule, for the period June 1, 1972 through May 31, 2003.

**Hours Worked for Which
Contribution Made or
Earned in a Plan Year**

**Amount of
Pension Credit
Earned**

0 – 299	0
300 – 599	¼ of one year
600 – 899	½ of one year
900 – 1,199	¾ of one year
1,200 and over	1

- (3) You will receive Pension Credit according to the following schedule, for work performed on or after June 1, 2003.

**Hours Worked For Which
Contributions Have Been Made
Or Earned in a Plan Year**

**Amount of
Pension Credit
Earned**

0 - 99	0
100 - 199	1/12 of One Year
200 - 299	2/12 of One Year
300 - 399	3/12 of One Year
400 - 499	4/12 of One Year
500 - 599	5/12 of One Year
600 - 699	6/12 of One Year
700 - 799	7/12 of One Year
800 - 899	8/12 of One Year
900 - 999	9/12 of One Year
1,000 - 1,099	10/12 of One Year
1,100 - 1,199	11/12 of One Year
1,200 and Over	1 Year

How are Pension Credits earned for employment BEFORE the Contribution Period?

You will be credited with Pension Credits for the time before the Contribution Period on the basis of your work in Covered Employment. However, no Pension Credit will be given unless contributions have been made on your behalf to the Sheet Metal Workers Local Union No. 71 Health and Welfare Trust Fund during the year before June 1, 1963 for 100 hours in Covered Employment.

What are “Years of Vesting Service”?

This is a special test, used to determine eligibility for a Deferred Pension.

- (a) You will receive vesting credit for those years before June 1, 1976 based on your Pension Credit earned; and
- (b) You will be credited with one Year of Vesting Service for each year after May 31, 1976 in which you worked in Covered Employment for 870 hours or more.

In addition, if you work for a Contributing Employer in a job not covered by this Plan and that non-covered employment is continuing with (immediately before or after) employment with the same employer in Covered Employment, your hours of Work in that non-covered job during the Contribution Period after May 31, 1976 will also be counted towards a Year of Vesting Service.

Is the AMOUNT of the Deferred Pension based on Years of Vesting Service?

No. The AMOUNT depends on the number of Pension Credits earned during each Plan Credit Year.

Can credit for Pension be lost or cancelled?

Yes, through a Break-in-Service. The rules on breaks are as follows:

(a) General.

For Plan Years before June 1, 1997, if you have a Break-in-Service before earning at least 10 Years of Vesting Service or 10 Years of Pension Credit, your previously credited Years of Vesting Service and previous Pension Credits are cancelled. However, if you completed at least one Hour of Service on or after June 1, 1997, and if you have a Break in Service before earning at least 5 Years of Vesting Service or 5 Years of Pension Credit, your previously credited Years of Vesting Service and previous Pension Credits are cancelled. However, a break may be temporary and may be repaired by a sufficient amount of subsequent service. A longer break may have a permanent effect.

(b) Temporary Break – One-Year Break-in-Service.

You have a One-Year Break-in-Service if in any Plan Credit Year after May 31, 1976 you fail to complete at least 435 hours of Work in Covered Employment. The effect of this break is eliminated, if, before incurring a permanent Break-in-Service, you subsequently earn a Year of Vesting Service. The credit that was cancelled by the One-Year Break-in-Service is then restored to you.

(c) Permanent Break-in-Service AFTER May 31, 1976 But Before June 1, 1984.

You have a PERMANENT Break-in-Service if you have consecutive One-Year Breaks-in-Service, including at least one after May 31, 1976, that equal or exceed the number of full years of Vesting Service with which you were last credited. For example, if you earn 5 Years of Vesting Service and then are inactive to the extent

that you have 5 or more consecutive One-Year Break-in-Service your previous credit is PERMANENTLY cancelled.

(d) Permanent Break-in-Service BEFORE June 1, 1976.

You have a Permanent Break-in-Service if BEFORE JUNE 1, 1976 you failed to earn at least one-quarter ($\frac{1}{4}$) of a Pension Credit in three consecutive years. However, if you had earned at least 15 years of Pension Credit, had reached age 45 and had earned three-quarters ($\frac{3}{4}$) of one year of Future Pension Credit of which $\frac{1}{4}$ of one year of future service was earned after age 44, this break rule does not apply to you.

(e) Permanent Break-in-Service AFTER May 31, 1984.

You have a PERMANENT Break-in-Service if you have at least 5 consecutive One-Year Breaks-in-Service or, if greater, One Year Breaks-in-Service that equal or exceed your Years of Vesting Service.

Those employees who had a Permanent Break will be given credit under the Plan only from the time they returned to Work AFTER that break in Service.

However, to repeat, under the current Plan, once you have accumulated at least 5 Years of Vesting Service, your credit cannot be cancelled. If you had accumulated at least 10 Years of Vesting Service prior to June 1, 1997, your credit also cannot be cancelled.

For absences that begin after May 31, 1984, when determining whether a One-Year Break in Service has occurred, an absence due to (a) pregnancy, (b) birth of a child, (c) placement of a child with you in connection with your adoption of the child, or (d) care for such child for a period beginning immediately after birth, will be credited as Hours of Service to the extent that Hours of Service would have been credited without the absence. In any event, no more than 501 hours will be credited for such pregnancy, childbirth, or placement.

What happens if I reach my Normal Retirement Age and have not accumulated enough Years of Vesting Service?

All Participants who reach their Normal Retirement Age under the Plan become fully vested in their accrued benefits, regardless of the number of years of Vesting Service those Participants had accumulated.

VII.

BENEFITS TO SURVIVORS

Does the Plan pay any benefits upon the death of a Pensioner?

Yes. The benefit may depend in many cases on your choice. There is a Husband-and-Wife Pension for a surviving spouse unless you choose instead the Pensioner "Death Benefits" described later. There are also two pre-retirement death benefits to choose from. They will be described later as well.

VIII.

THE HUSBAND-AND-WIFE PENSION

What is a Husband-and-Wife Pension?

Under a Husband-and-Wife Pension, a lifetime benefit is provided for your spouse as well as for yourself. Under this arrangement, the amount of the monthly benefit payable to you is reduced during your lifetime from what it would be if the pension were taken in regular form. You may elect a 50% Husband-and-Wife Pension. Upon your death, and based on your election, 50% of the benefit amount you were receiving will be paid to your surviving spouse for life.

Important. If you retire on any pension it must be paid in a lifetime Husband-and-Wife Pension form unless it is rejected in writing by you and your legal spouse and notarized by a notary public. If both you and your spouse reject the lifetime Husband-and-Wife Pension (or you are not married), you will receive your pension in an unreduced amount and upon your death no additional payment will be made to anyone.

The amount of the reduction in your benefit depends on the form of benefit chosen, your age and your spouse's age and can be determined using the Plan's Rules and Regulations. Since the reduction will vary from one case to another, the Fund Office will furnish to you the actual figures applicable to the facts of your case.

In any event, when you apply for a pension, you and your spouse will be given the full facts and an opportunity to choose or reject the Husband-and-Wife Pension.

Are there any benefits for a spouse if the EMPLOYEE dies BEFORE going on pension?

Yes. If you qualify for a Normal or Early Retirement Pension, but you die before applying for a pension, your spouse will receive a lifetime monthly benefit as if you had retired on a Husband-and-Wife Pension on the day before your death, provided you and your spouse had not previously rejected this payment option.

Your spouse's pension will be equal to the amount of the lifetime 50% Husband-and-Wife Pension to which your spouse would have been entitled had you retired on the day before your death and elected the 50% Husband-and-Wife Pension. In this case, the pension to your spouse will start with the first month after the month in which your death occurred.

If you are vested and die before retirement, but at a time when you did not qualify for a pension and you are survived by your spouse, your spouse will be entitled to a lifetime pension under the 50% Husband-and-Wife form, payment of which however, will be deferred until the earliest date you would have been eligible to receive a pension had you lived.

Does the Husband-and-Wife Pension apply to a couple who are married very recently?

To be entitled to a Husband-and-Wife Pension, a couple must have been husband and wife throughout the twelve month period immediately before the participant's death.

What happens to the Husband-and-Wife Pension if the spouse dies or is divorced from the pensioner?

The Husband-and-Wife Pension option is cancelled if the spouse dies or is divorced before the pension begins; the pension is then paid to the Employee in the unadjusted amount.

However, once payment in the Husband-and-Wife form begins, the amount will not be changed because of the death or divorce of the spouse.

What are the other Pensioner "Death Benefits"?

If you and your spouse reject the Husband-and-Wife Pension or if you are single when you retire, upon your death after retirement your named beneficiary will be eligible to receive an amount equal to the greater of either (a) or (b):

- (a) One-half(1/2) of the Employer contributions made on your behalf, minus the total amount of benefits paid to you up to the date of your death; or
- (b) The monthly benefit amount payable to you as a Pensioner times thirty-six (36), minus the total amount of benefits paid to you up to the date of your death.

Are there any Pre-Retirement Death Benefits?

Yes. There are two such death benefits. You can only be eligible for one of them.

- (a) **Pre-Retirement Husband-and-Wife Pension.** The Plan has a provision for a survivor benefit if any Employee with a vested right to a pension who is still active in Covered Employment dies. A survivor benefit is payable at a time when he would have been entitled to retire on a Regular or Early Retirement Pension (age 55 or older with enough credit to be eligible). This survivor benefit will be the lifetime payment to the spouse under the Husband-and-Wife Pension (calculated just as if the Employee had retired before he died). **If you are married, this Husband-and-Wife Pension will be paid automatically unless you gave written notice to the contrary to the Fund Office at any time before the effective date.**
- (b) **Pre-Retirement Employee “Death Benefit”.** A death benefit equal to one-half (1/2) of the Employer contributions made on your behalf will be paid to your named beneficiary upon your death while you are an employee.

PLEASE NOTE, if you want to make a choice of which of the above two pre-retirement death benefits you wish to be covered by, that choice must be in writing and filed with the Fund Office.

How can I name a Beneficiary?

You may name any beneficiary with your spouse’s consent if you wish, or change your beneficiary, by completing an approved form received from the Fund Office.

IX.

WORK AFTER RETIREMENT

To what extent will I be allowed to work and still receive a pension from the Plan?

There are certain limits. If you perform certain “forbidden work”, your monthly pension will be suspended for a period of time. Exactly what kind of work is “forbidden” depends on your age as explained below.

Before Normal Retirement Age. You will lose your pension for any month in which you are employed in work in the Sheet Metal Industry. Work in the Sheet Metal Industry includes any and all types of work covered by a SMART/SMWIA collective bargaining agreement, and all types of work under the trade jurisdiction of the Union as defined in the SMART/SMWIA Constitution or any other work to which a sheet metal worker has been assigned, referred, or can perform because of his or her skills and training as a sheet metal worker.

It is important to check with the Fund Office, *in writing*, before engaging in any employment or self-employment to confirm whether that work might be considered to be in forbidden employment.

After Normal Retirement Age. If you have reached Normal Retirement Age (age 64), you will lose your pension for any month in which you are employed or self-employed for 40 or more hours:

- in an industry covered by the Fund when your pension payments began;
- in the geographic area covered by the Fund when your pension payments began (note – the Fund’s geographic area consists of Western New York State and any other area covered by the Plan when the your pension began); and
- in any trade or craft in which you worked at any time under the Fund.

Except for these limitations, you will be free to work at anything else, without affect on your pension.

If you work at a “forbidden” job, your pension will be cancelled for the month or months in which you worked.

However, your benefits will not be suspended after the April 1st following the year in which you attain age 70½.

You are required to report within 15 days to the Fund Office any “forbidden” work you undertake.

Do the Plan Benefits affect my Social Security?

No. You are entitled to Social Security benefits independently. Your Plan benefits are not affected by your Social Security benefit.

X.

AMENDMENT, TERMINATION, AND INTERPRETATION OF YOUR PLAN

Amendment

The Trustees have the right to amend your Plan at any time. In no event, however, will any amendment:

- authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries; or
- cause any reduction in the amount of your accrued benefit

Termination

The Trustees have the right to terminate the Plan when there is no longer a collective bargaining agreement in force between the Union and an Employer requiring contributions to the Plan. Upon termination, all amounts credited to your accrued benefits will continue to be 100% vested.

Plan Interpretation

The Trustees and/or their duly authorized designee(s) have the exclusive right, power, and authority, in their sole and absolute discretion, to administer, apply and interpret the Plan, including this booklet, the trust agreement and any other Plan documents, and to decide all matters arising in connection with the operation or administration of the Plan or trust underlying it. Without limiting the generality of the foregoing, the Trustees and/or their duly authorized designee(s) shall have the sole and absolute discretionary authority to:

- Take all actions and make all decisions with respect to the eligibility for, and the amount of, benefits payable under the Plan;
- Formulate, interpret and apply rules, regulations and policies necessary to administer the Plan in accordance with the terms of the Plan;
- Decide questions, including legal or factual questions, relating to the calculation and payment of benefits under the Plan;
- Resolve and/or clarify any ambiguities, inconsistencies and omissions arising under the Plan, including this booklet, the trust agreement, any collective bargaining agreement or participation agreement or other Plan documents;
- Process and approve or deny benefit claims; and

- Determine the standard of proof required in any case.

All determinations and interpretations made by the Trustees and/or their duly authorized designee(s) shall be final and binding upon all Participants, beneficiaries and any other individuals claiming benefits under the Plan, and shall be given deference in all courts of law to the greatest extent permitted by applicable law.

XI.

OTHER INFORMATION

The following additional information concerning your Plan is being provided to you in accordance with government regulations. This Plan is a defined benefit plan. A joint Board of Trustees, consisting of Union representatives and Employer representatives, is the Administrator of the Plan. The Board of Trustees has been designated as the agent for the service of legal process. Service of legal process may also be made upon a Plan Trustee or the Administrator at the address shown below:

Sheet Metal Workers Local Union 71 Pension Fund
24 Liberty Street
Buffalo, New York 14215

All contributions to the Plan are made by Employers in accordance with their collective bargaining agreements with the Union. The collective bargaining agreements require contributions to the Plan at fixed rates per hour worked.

The Fund Office will provide you, upon written request, with information as to whether a particular employer is contributing to the Plan on behalf of employees working under the collective bargaining agreement.

Benefits are provided from the Fund's assets, which are accumulated under the provisions of the collective bargaining agreement and the trust agreement and held in a trust fund for the purpose of providing benefits to covered participants and defraying reasonable administrative expenses.

The Fund's assets and reserves are held in custody by Key Bank Trust Co.

Pension Benefit Guaranty Corporation

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

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the

plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33.

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

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of: (i) the date the Plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 1-202-326-4000 (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 1-202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.