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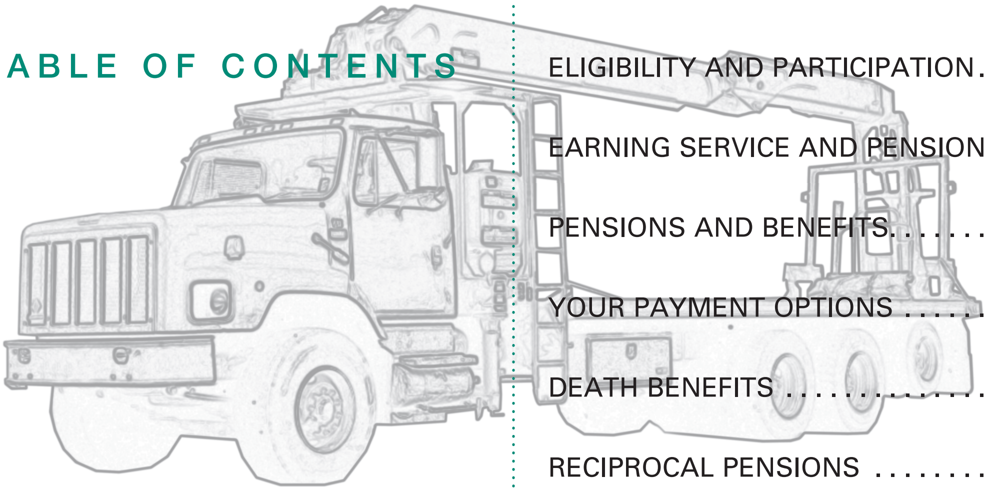

## Your Pension at a Glance

### Eligibility and Participation

Your participation starts on the September 1 or March 1 after you complete at least 10 weeks of Covered Employment (employment for which your employer contributes to the Local 786 Lumber Employees Pension Fund) in any 12-consecutive month period.

### Covered Employment

Generally, the hours that you work for an employer that is party to a collective bargaining agreement with Local 786 or other agreement that requires pension contributions to the Fund on the basis of your work performed.

### Contributions

Your benefit is funded by contributions from your employer that are required by your collective bargaining agreement or other agreement. You may not make contributions to the Plan.

### When You Can Retire

Following are the general requirements for the different pensions offered by the Plan. For a complete description of the eligibility requirements for each type of pension, see the section entitled Qualifying for a Pension. For the definitions of Pension Credits and years of vesting service, see the Earning Service and Pension Credits section.

### Regular Pension

Age 62 or more with 10 or more Pension Credits (not to exceed 25) and has retired from working in Covered Employment.

### Early Retirement Pension

Age 55 or more with at least 10 or more Pension Credits (not to exceed 25) and has worked in Covered Employment.

### Deferred Pensions

After acquiring 5 years of vesting service or 10 years of Pension Credit.

- Basic Deferred (for those with less than 10 Pension Credits and less than 10 Years of Vesting Service). Benefit will commence at Participant's attainment of age 65
- Early Basic Deferred (for those with 10 or more Pension Credits). Monthly benefit will be the Regular Pension, payable at age 62. If elected, payment may be made upon attainment of age 55, reduced for early commencement

*The plan pays different types of benefits depending on your age and service.*

### Disability Pension

Becomes totally and permanently disabled at any age while employed in Covered Employment and with at least 10 or more years of Pension Credits.

The Trustees shall accept as evidence of total and permanent disability an award of Social Security disability benefits. You must present as evidence a Certificate of Insurance Award from the Social Security Administration.

## Supplemental Retirement Lump Sum Benefit

Retires from Covered Employment on or after October 1, 2001, after acquiring 15 Pension Credits (reciprocal pension credits will not be included for this eligibility) based on Covered Employment under the Retirement Fund, and eligible for a Regular, Early, or Disability pension.

## Amount of Benefit

The amount of your benefit is determined by several factors, including:

- The number of Pension Credits you have earned;
- Your years of vesting service;
- The benefit rate in effect on the date you separate from Covered Employment;
- Your age when benefits begin;
- The type of retirement you take; and
- Whether your pension provides payments to your spouse after your death.

Note, the supplemental lump sum benefit is only available to you if your employer made contributions on your behalf before September 1, 2010.

## Your Payment Options

Your pension is paid monthly for as long as you live. The Plan offers several payment options. You can choose an option that pays benefits to you alone for your life, or an option that continues benefits to your spouse or beneficiary when you die. See the section entitled Your Payment Options starting on page 13 for details.

## Survivor Benefits

Following are the general requirements for the different survivor benefits offered by the plan.

### Pre-Retirement

If at the time of your death in Covered Employment you were eligible for the immediate payment of a pension, your eligible surviving spouse will receive a pre-retirement 50% survivor pension. The amount your spouse will receive is equal to the same amount that would have been paid to her if you had retired on the day before your death, i.e., 50% of the Participant's adjusted monthly amount. The Participant's monthly amount shall be a percentage of the full monthly amount otherwise payable as a single-life Pension (after adjustment for early retirement). The percentage is found by multiplying the Participant's monthly amount by the appropriate 50% Joint and Survivor Factor.

If at the time of your death while in Covered Employment you were not eligible for immediate payment of a benefit but you had 5 years or more years of vesting service, your eligible surviving spouse would be eligible to receive a pre-retirement 50% survivor pension. The amount payable to your surviving spouse would be 50% of the reduced pension that would have been payable to you had you retired on the day before your death, i.e., 50% of the Participant's adjusted monthly amount. The Participant's monthly amount shall be a percentage of the full monthly amount otherwise payable as a single-life Pension (after adjustment for early retirement). Payments will be adjusted by ½ of 1% for each month you were younger than age 65. If you are younger than age 55 at the time of your death, you will be considered age 55 for purposes of the adjustments. The amount will be determined as of the earlier of the following: the date last worked in Covered Employment or the date of death. This amount will be payable at the earliest time that you would have been eligible to commence benefit payments and will be payable for your spouse's lifetime.

### Post-Retirement

If you are a married pensioner with at least 15 Pension Credits and your pension is payable as a single life annuity, 36 payments will be guaranteed to be paid on your behalf. If your death occurs prior to receiving 36 monthly payments, the remaining payments would continue to be made to your spouse, as long as he/she remains living and does not remarry, until the total number of payments to you and your spouse combined equal 36.

*Once you qualify, participation starts automatically. You don't need to enroll.*

## Eligibility and Participation

*You're eligible if your employer contributes to the Plan on your behalf. Participation generally begins on the March 1 or September 1 after you complete the first 12 consecutive month period of employment in which you work at least 10 weeks in Covered Employment.*

***What is the requirement for becoming a participant and when do I become a Participant?***

You will become a participant in the Plan on the earliest March 1 or September 1 following completion of:

- a 12 consecutive month period during which you work at least 10 weeks in Covered Employment or
- 12 consecutive month period during which you work at least 10 weeks in non-Covered Employment and then transfer to continuous Covered Employment with the same employer.

***What is a Week of Work?***

A Week of Work is any week for which a contribution is made or required to be made on your behalf.

***Who is Eligible?***

You are eligible for this Plan if the terms of your collective bargaining agreement or other agreement require your employer to make contributions to the Retirement Fund on your behalf. Work for which your employer must make contributions to the Fund is considered Covered Employment.

The following employees are also eligible to participate in this Plan if their employers contribute to the Fund on their behalf:

- Employees of the Union;
- Employees of the Trust Fund of the Local Union 786 Building Materials Pension Fund.

***What is an Hour of Work?***

You will be credited with an hour of Work for each hour that you are paid or entitled to payment for duties performed for your Employer, and any back pay which is awarded to you or agreed to by your Employer.

NOTE: Any hours of Work in non-Covered Employment which is continuous (not separated by a quit or discharge) with your Covered Employment, will be considered in determining when you will become a Participant. However, such time will not be considered for benefit accrual purposes.

***When will I no longer be considered a Participant?***

Your participation in the Plan will end on August 31 of any Plan Year in which you incur a One-Year Break in Service. This rule only applies to those Participants who terminate Covered Employment and are not eligible for any type of Pension. A One-Year Break in Service happens during a Plan Year when you do not Work in Covered Employment for at least 435 Hours.

Those who terminate and are eligible for a Pension (including a Deferred Vested Pension) will be considered a Participant under the benefit attributable to your service until such time as your benefit has been completely awarded in accordance with the terms of the Plan.

**EXAMPLE:**

**Suppose you are a Participant in the Plan and have the following hours of Work:**

| Plan Year | Weeks of Work | Hours of Work |
|---|---|---|
| 9/1/2014 to 8/31/2015 | 40 | 1,800 |
| 9/1/2015 to 8/31/2016 | 42 | 1,890 |
| 9/1/2016 to 8/31/2017 | 11 | 495 |
| 9/1/2017 to 8/31/2018 | 4 | 180 |

**Since you did not complete at least 435 hours of Work in the 2017 plan year and are not eligible for any Pension under the Plan, you would no longer be considered a Participant on August 31, 2018, since 2017 is the plan year that you incurred a One-Year Break in Service.**

**Note: Each Week of Work you are credited with is equivalent to 45 hours of Work.**

*Your employer pays all plan costs. You pay nothing.*

### *If I lose my Participation in the Plan how and when do I again become a Participant?*

You will become a Participant in the Plan if you again satisfy the participation requirement. If you do so prior to incurring a "Permanent Break in Service," a One-Year Break in Service can be repaired. You will incur a Permanent Break in Service and forfeit any previously accumulated years of vesting service and Pension Credits if you have 5 consecutive One-Year Breaks in Service prior to accruing 5 years of vesting service.

### *Who pays?*

The full cost of the Plan is paid by the Employers. Your union dues are not used to provide benefits. The Employers' contributions are paid in accordance with collective bargaining agreements with the Lumber Employees, Lumber, Box, Shaving, Roofing and Insulating Chauffeurs, Teamsters, Warehousemen and Helpers Union No. 786 in the City of Chicago and Vicinity, State of Illinois, affiliated with the International Brotherhood of Teamsters, and other Employers, which provides the contributions to the Fund.

## Earning Service and Pension Credits

*Your eligibility to receive a pension is based on your Pension Credits or Vesting Service. The amount of your pension is based on your Pension Credits.*

*You earn one pension credit for each plan year you work at least 36 weeks. Partial Pension Credits also may be accrued if you engage in at least 10 weeks of Covered Employment in a Plan Year.*

### PENSION CREDIT

*How are Pension Credits used?*

Pension Credit is used in determining the amount of Pension that you may be entitled to and also eligibility for Pensions. Up to 25 Pension Credits can be used for this purpose.

*What is the difference between Pension Credit and Vesting Service?*

Vesting service is used only in determining your eligibility for a Deferred Pension. Pension Credit is used in determining the amount of Pension that you may be entitled to.

*How do I receive Pension Credit?*

You receive Pension Credit based on the weeks of covered employment that you complete during each plan year, September 1 to August 31, as shown in the tables below:

- Covered Employment before September 1, 1976:

| Number of Weeks of Covered Employment in a Plan Year | Pension Credits |
|---|---|
| Less than 10 weeks | None |
| 10 to 18 weeks | ¼ credit |
| 19 to 26 weeks | ½ credit |
| 27 to 35 weeks | ¾ credit |
| 36 weeks or more | 1 credit |

*Can I receive Pension Credit for non-Work periods?*

You may be eligible to earn Pension Credits while you are disabled or in the military. Contact the Fund Office for more information.

### VESTING SERVICE

Below are some questions and answers which will explain what Vesting Service is and how you receive it.

*What is the importance of "Years of Vesting Service"?*

Your number of Years of Vesting Service determines whether or not you are eligible for a Pension and also may determine when a Deferred Pension may be payable.

*How many "Years of Vesting Service" do I need in order to get a Pension?*

Generally, you need 5 Years of Vesting Service in order to receive any Pension. If you have any questions contact the Fund Office.

Note: Years of Vesting Service only determine your eligibility for a Pension and not the amount of your Pension. The amount of your Pension is based on your Pension Credits.

*You earn a year of vesting service for each plan year you work at least 870 hours.*

*How do I receive a "Year of Vesting Service"?*

A Year of Vesting Service is earned in any Plan Year that an Employee has worked in Covered Employment, and whose Employer(s) has reported and paid, for 870 hours or more. You are credited with 45 hours of service for every week that a contribution is made on your behalf by your employer.

*Can I ever lose my Vesting Service?*

Yes. If you ever incur a Permanent Break in Service before you have earned a right to a pension, you lose all your Years of Vesting Service that you earned prior to your Permanent Break in Service (see below for explanation of Break in Service).

## BREAK IN SERVICE

A Break in Service occurs when your employment is interrupted before you are vested. You can lose your Pension Credits and vesting service you have earned if you have a Permanent Break in Service.

Below are some questions and answers which will explain what a Break in Service is and how you incur it.

*What happens if I suffer a Break in Service?*

You lose all your prior Pension Credits and all your prior Vesting Service.

*Why does the Plan have a Break in Service rule?*

The purpose of the Plan is to provide the highest possible pension to those employees who work continuously in Covered Employment. If the Plan did not have the Break in Service rule, Pensions would be lower for everyone.

**Important!**
*You can lose the pension credits and vesting service you've earned if you have a break in service.*

*What are the Break in Service rules?*

The rules regarding Breaks in Service are different prior to August 31, 1976, contact the Fund Office for this information.

Some breaks in service are temporary and some are permanent. On and after August 31, 1976, you will be subject to the following Break in Service rules:

You suffer a One-Year Break in Service if you do not complete at least 435 hours of Covered Employment during a Plan Year, September 1 to August 31. To determine if you have a break, you are credited with 45 hours of service for each week that your employer makes a contribution on your behalf. You also are credited for work with the same employer that immediately precedes or follows Covered Employment.

You have a Permanent Break in Service if you incur 5 consecutive one year Breaks in Service prior to accruing 5 years of vesting service. However, if the break occurred after August 31, 1985, you will incur a Permanent Break in Service only if your 1-year breaks are 5 or more years.

### *What is a Grace Period?*

Under certain circumstances, it is recognized that you should not suffer a Break in Service:

- For total disability, you are allowed a Grace Period of one Plan Year;
- For Military Service, you are granted a Grace Period for the entire time you served in the military provided you returned to Covered Employment within 90 days of discharge; and
- For Pregnancy, you would be credited with a maximum of 501 hours.

## Pensions and Benefits

*Your eligibility for a pension is determined by your age, the Pension Credits you have earned, and, your years of vesting service.*

### Regular Pension

Age 62 or more with 10 or more Pension Credits or age 65 or more with 5 years of continuous participation.

The amount of your pension benefit is calculated by multiplying your years of Pension Credits (up to 25) by the accrual rate in effect at the time of your separation from Covered Employment. Your monthly pension amount is equal to $79 x years of Pension Credits (up to $1,975 with 25 or more years of Pension Credit).

Note: If you leave Covered Employment for a period of at least 24 consecutive months, then your pension shall be determined by adding:

- the product of multiplying the number of Pension Credits by the benefit accrual rate in effect at the time of your separation(s) from Covered Employment; to
- the product of multiplying the number of Pension Credits in your second period of Covered Employment by the benefit accrual rate in effect at the time of your final separation from Covered Employment.

### Early Retirement Pension

Age 55 or more with at least 10 or more Pension Credits (not to exceed 25).

Monthly benefit will be the Regular Pension, payable at age 62. If payment is elected between age 55 and 62, it will be reduced for early commencement. Reduction is 1/6 of 1% for each full month (2% for each year) you are less than age 62.

Reduction table as follows:

| Your Age When Payments Begin | Reduction Factor |
|---|---|
| 61 | 98% |
| 60 | 96% |
| 59 | 94% |
| 58 | 92% |
| 57 | 90% |
| 56 | 88% |
| 55 | 86% |

*You can earn pension credits while you're disabled or in the military.*

## Deferred Pensions

Any age after acquiring 5 years of Vesting Service or 10 years of Pension Credit.

### Basic Deferred (for those with less than 10 Pension Credits and at least 5 Years of Vesting Service).

Monthly benefit will be calculated using the benefit accrual rate in effect at the time of termination X Pension Credit (not to exceed 25).

- Effective September 1, 2004, the benefit accrual rate is $79.00

Benefit payments will commence upon your attainment of age 65.

### Early Basic Deferred (for those with 10 or more pension credits).

Monthly benefit will be the Regular Pension, payable at age 62. If elected, payment may be made upon attainment of age 55, reduced for early commencement. Reduction will be 1/6 of 1% for each full month you are less than age 62.

### Disability Pension

A Disability Pension benefit is available if you become totally and permanently disabled at any age with at least 10 or more years of Pension Credits and worked in Covered Employment for at least 10 weeks during the 52-week period preceding the date the total and permanent disability began. The monthly benefit will be the Regular Pension accrued.

### Supplemental Retirement Lump Sum Benefit

A Supplemental Retirement Lump Sum Benefit is available if you retire after October 1, 2001, after acquiring 15 continuous Pension Credits (neither reciprocal Pension Credits nor deferred Pension Credits earned prior to September 1, 2000, will be included in determining this eligibility) based on Covered Employment under the Fund, and are eligible for either a Regular, Early, or Disibility pension.

The amount of the benefit will be $1,100.00 for each full Pension Credit earned with the Plan for Participants who leave Covered Employment on or after September 1, 2004. For each full Pension Credit payable at the time you receive the first pension payment, not subject to early retirement reduction or maximum Pension Credit accrual. If you die before the time of the first pension payment, the lump sum will be awarded to an eligible spouse or other designated beneficiary.

Note: The supplemental lump sum benefit is only available to you if your employer made contributions on your behalf before September 1, 2010.

### Responsibility of the Participant, Pensioner, Spouse and Beneficiary

It is your responsibility as a Participant, Pensioner, Spouse or Beneficiary to keep the Plan informed regarding your current residence, contact information and marital status. Failure to provide and/or update the Plan with accurate information may result in your benefit being delayed, terminated or forfeited.

*Is there any mandatory retirement date?*

Pension payments must begin no later than the later of April 1 of the calendar year following the calendar year in which you attain age 72 or the date you have retired from Covered Employment. Note, if you are a 5% Owner, you must begin no later than April 1 of the calendar year following the calendar year in which you attain age 72 regardless of whether you have retired from Covered Employment.

## Your Payment Options

*You can choose how your benefit will be paid.*

*How are Retirement Benefits paid?*

The Plan provides standard and optional payment methods.

In general, the standard payment method in effect for you depends on your marital status.

- If you're married, your standard payment method is the 50% Joint and Survivor method.
- If you're single, your standard payment method is the Single Life method.

If you want to choose an optional payment method instead of your standard form, you must reject your standard payment method in writing before it becomes effective. You must make this election during the 90-day period ending on the date your benefits will begin. Once your election has been in effect for 90 days, you may not change it, even if you have not yet begun to receive benefits.

If you're married and elect payment under any method other than your standard payment method, your spouse must consent to the change by signing the election form in the presence of a notary public or Fund representative.

If you are nearing retirement and you would like an estimate of the amount you would receive under the different payment methods, contact the Fund Office.

### Standard Payment Methods

#### 50% Joint and Survivor Method

If you are married and have an eligible spouse when you retire, your Pension will be paid in the form of a Joint and Survivor Pension, unless you and your spouse elect otherwise.

A Joint and Survivor Pension is a form of Pension in which the Pension you are eligible for is reduced. This reduced Pension is paid to you for as long as you live after retirement. Upon your death, 50% of your reduced Pension is paid to your surviving spouse. The payment to your surviving spouse is made for as long as your spouse lives.

#### Amount of Pension

The amount of a reduced Pension paid to you as a 50% Joint and Survivor Pension is determined by a formula adopted by the Trustees. This formula considers your age when your Pension starts and also to the age of your spouse.

The formula adopted by the Trustees is based on actuarial tables and may be changed by the formula in effect as of the date your Pension starts.

Note: Age differential is net difference between the number of full years the Participant's nearest age and spouse's nearest age are different. These figures are subject to change. Please contact the Fund Office for the most current figures.

EXAMPLE:

A Participant retires effective October 1, 2020, at which time he is age 59 and 6 months and his spouse is age 56 and 5 months. The Participant's nearest age is 60 and the spouse's nearest age is 56; hence, the spouse is 4 years younger, and the 50% Joint and Survivor factor is 92.2% for this example.

### Limitations on Joint and Survivor Pensions

Subject to the paragraph below, a Joint and Survivor Pension benefit will not be paid if you have been married for less than one year prior to the date your Pension begins.

For purposes of the Joint and Survivor Pension, an eligible spouse is defined as one who has been married to the Participant throughout the twelve-month period preceding the date on which the pension benefit begins. However, in the case of a Participant who marries within one year before the annuity starting date and the Participant has been married to that spouse for at least one year ending on the date of the Participant's death, such Participant and spouse shall be treated as having been married throughout the one-year period prior to when his Pension begins and a Spousal Pension benefit will be paid as of the date his Pension begins.

*In general, your spouse's benefit is 50% of the pension payable to you.*

*Remember:*

You may elect to not have payments continued to your spouse. You may make such an election within the 90-day period before your retirement. Your spouse must consent in writing to the waiver of the Joint and Survivor Pension, and the written consent must be notarized or witnessed by a Plan Representative.

EXAMPLE:

Suppose you are age 63 and retire as of November 1, 2020, and are eligible for a Regular Pension of $1,896.00 a month. Suppose you have a spouse age 61.

Unless you and your spouse elect otherwise, your Regular Pension of $1,896.00 a month will be paid in the form of a 50% Joint and Survivor Pension as follows:

- The reduced pension factor for an employee age 63 with a spouse 2 years younger is 92.6%. Therefore, you would receive a monthly Pension of $1,755.70 ($1,896.00 x 92.6%), rounded to $1,756.00

**and your surviving spouse at your death would receive a monthly Pension of $877.85 ($1,755.70 x 50%), rounded to $878.00.**

**If your spouse dies while you are receiving the Joint and Survivor Pension, your Pension will not be increased. If you and your spouse elect not to take the Spousal Pension, you will receive a Pension of $1,896.00 a month for your life and no additional benefit will be paid if your spouse survives you.**

*What if my spouse dies after my Pension begins and my Pension is being paid out as a Joint and Survivor Plan?*

If your spouse dies before you but after your Pension begins, the Spousal Pension form cannot be changed. You will continue to receive the adjusted benefit amount and, upon your death, no further payments will be made. However, if the normal form of payments were originally waived and an election was made by you and your spouse to receive either the 50% or 100% Joint and Survivor Pop-Up, then your payment would revert to the original amount prior to any reduction for Joint and Survivor Pension. See below for more details.

*What if my spouse and I divorce after my Pension begins?*

If your ex-spouse was married to you for at least a year (including the Commencement Date of your Pension), he or she would still be eligible to receive the Survivor Pension at your death.

Also, determination for your spouse’s rights to pension benefits may be governed by a Qualified Domestic Relations Order (QDRO) entered by the court. Contact the Fund Office for further details.

*Can I receive a Lump Sum Payment of my benefit?*

Generally, lump sum payments are not available; however, if the total value of the benefit you have earned is less than $1,000, the Plan may pay the entire benefit in the form of a lump sum. Once this lump sum payment is made on your behalf, then the Fund will have no further benefit obligations on your behalf. Note: any lump sum benefit made is eligible for a direct rollover to another qualified retirement plan or to an individual retirement account (IRA).

### Single Life Method

This is the standard payment method if you are single and may be chosen as an option if you are married. The benefit is paid monthly for your lifetime.

### Post-Retirement Death Benefit

If you are married, have at least 15 Pension Credits, and elect to receive your pension under the Single Life method, 36 payments are guaranteed to your eligible surviving spouse. This means that if you die before receiving these 36 monthly payments, the remaining payments will be made to your spouse, as long as he or she survives.

## Optional Payment Methods

Instead of the standard methods described above, you may elect one of these optional payment methods.

### 75% Joint and Survivor Payment Method

This payment method duplicates the 50% Joint and Survivor method described earlier, except that 75% of your adjusted benefit is paid each month for your surviving spouse's lifetime. That means that your pension benefit is further adjusted downward to provide this added income for your spouse.

### 100% Joint and Survivor Payment Method

This payment method duplicates the 50% Joint and Survivor method described earlier, except that 100% of your adjusted benefit is paid each month for your surviving spouse's lifetime. That means that your pension benefit is further adjusted downward to provide this added income for your spouse.

### Joint and Survivor Pop-Up Payment Method

For either the 50% Joint and Survivor, the 75% Joint and Survivor or the 100% Joint and Survivor methods, you may elect the "pop-up" feature. With the pop-up, your initial benefit payments are slightly lower, but should your spouse die first, your benefit payments will revert to the level they would have been if you had elected the Single Life payment method.

### Ten-Year Certain and Life Method

Under this method, the Plan pays monthly benefits for whichever is the longer period of time: your lifetime or a guaranteed period of 10 years (120 months). If you die after the end of the guaranteed period, benefits stop at your death. If you die before the end of the guaranteed period, benefits continue to your beneficiary for the rest of the guaranteed period.

Your monthly benefit is reduced to "pay" for the guaranteed period.

Your beneficiary can be anyone you choose, however, your spouse must consent in writing if you are married and name someone other than your spouse as your beneficiary.

**Important!**

*Once your pension begins, you cannot change the form of payment. This is true even if your spouse dies, you return to work, or you become divorced.*

## Death Benefits

*This plan's survivor benefit protects your eligible spouse in the event of your death.*

### PRE-RETIREMENT SURVIVING SPOUSE BENEFIT

If you have completed at least 5 years of vesting service and you die before retiring, your eligible surviving spouse would be entitled to a benefit to begin on the earliest date that you could have elected to begin to receive your retirement benefit. This benefit would provide your spouse for life with 50% of the reduced payments you would have received under the 50% Joint and Survivor Pension based on your retirement benefit accrued to the date of your death.

If you have completed at least 5 years of Vesting Service and you die before being eligible for your actual retirement, your eligible surviving spouse will be provided with a benefit to begin on the first day of the month following the date of your death. This benefit would provide your spouse for life with 50% of the adjusted payments you would have received if you had retired on the date of your death with the 50% Joint and Survivor Pension in effect. Payments will be adjusted by ½ of 1% for each month you were younger than age 65. If you are younger than age 55 at the time of your death, you will be considered age 55 for purposes of the adjustments.

An eligible surviving spouse is one who is married to the Participant under the laws of the jurisdiction in which the marriage was entered into, consistent with applicable U.S. federal law, throughout the one year prior to death.

Your surviving spouse may defer the start of payments to a later date. However, payments must begin by the first of the month when you would have reached age 72.

## Reciprocal Pensions

*You may be eligible for a reciprocal pension if you worked for two or more employers who contribute to different but reciprocal plans.*

### *Can coverage under other recognized plans benefit me?*

Yes. If you are eligible for a regular, early or disability pension except that your years of employment are divided between employers who contributed to different but "reciprocal plans." No death benefits will be payable from the Fund when the benefit is a Reciprocal Pension.

### *What are the eligibility requirements for a Reciprocal Pension?*

You may be eligible for a Reciprocal Pension if your Joint Service Credits are treated as Pension Credits under each plan, you would not satisfy benefit requirements from either plan if not for this reciprocal agreement, and you have earned at least 1/2 of a service credit from this Plan or from a reciprocal plan.

### *How is a Reciprocal Pension calculated?*

Your benefit will be calculated on your total Joint Service Credits, which are Pension Credits you earn under this Plan plus any reciprocal service credits you earn. Note: In no event can you be credited with more than one Joint Service Credit for any calendar year.

Your pension from this Plan is calculated using your Joint Service Credits and the benefit rate from this Plan in effect when you left covered service from this Fund. This amount is then multiplied by a fraction determined as follows: your Pension Credits earned under this Plan (limited to 25) divided by your total Joint Service Credits. This amount is then reduced for early retirement or for any payment method chosen, when applicable. Simplified as follows:

Pension (accrual rate in effect upon termination from the Retirement Fund) X (Pension Credits from the Retirement Fund plus pension credits under any Reciprocal Pension / Total Joint Service Credits) X any reduction for early benefits and/or payment method.

### *What are Reciprocal Service Credits?*

Reciprocal Service Credits are pension credits that are accumulated and credited under the provisions of an official reciprocal plan.

As a general matter, your Pension Credits and your attainment of vested status are based solely on service under the Fund, and not on Reciprocal Service Credits.

## Benefit Denial and Appeal Procedure

***Will I be notified if my application for benefits is denied?***

If any application for benefits is denied, you will receive a written notice giving a specific reason for the denial and explaining how you can appeal the initial determination. This notice also will contain a specific reference to certain provisions on which denial was based. You also will be told if any additional information should be furnished to permit further consideration of your application and why such material or information is necessary.

Normally, your application for benefits will be acted on within 90 days of its receipt. If this time period cannot be met, you will be so informed in writing. The Trustees may take, at their option, an additional 90 days to process your application provided you are notified in advance. If these time periods are not adhered to, your application will be deemed denied.

***Can I appeal to the Trustees any denial of benefits?***

If you believe that your application for benefits was not handled correctly, you may file an appeal with the Trustees.

***What is the procedure for appealing any denial of benefits?***

If you decide to appeal the denial of benefits, you must file a written appeal with the Plan Administrator within 90 days of the notice denying your benefit request. Your written appeal must set forth the reason as to why your claim was wrongfully denied, and must include documentation or other evidence supporting your position. These submissions must be attached to your written request. You also may request to address the Board of Trustees personally on this issue and may bring with you any witnesses to testify to any fact, which you believe the Board of Trustees should consider prior to deciding your appeal. You also may consult with or have a lawyer represent you at your own expense.

When the review of your appeal has been completed, you will be notified in writing of the action taken. You also will be provided a full description of the reason and the basis for the decision, and a statement of your right to sue the Plan under ERISA Section 502(a), including the Plan’s contractual time limits for pursuing a lawsuit and the calendar date upon which such time limit expires.

Normally, you will be informed of the action on your appeal within 60 days) of the date of your completed application or appeal hearing, whichever is later, unless up to an additional 60 days is needed, in which case you will be notified.

*If you have Pension Credits from two or more reciprocal plans, you may be able to combine credits to receive a pension.*

### Important Note

The Trustees reserve discretionary authority to interpret the terms of the Plan and determine eligibility and benefits and shall exercise such powers in a uniform and non-discriminatory manner.

The Trustees shall, subject to the requirements of the law, be the sole judges of the standard of proof required in any case and the application and interpretation of the Plan, and decisions of the Trustees shall be final and binding to all parties, except as set forth herein.

Once a final determination on your claim is made, either in writing or due to the expiration of the time period within which you must appeal such initial benefit determination, you may pursue your claim in a court of law. If you wish to do so, you may file suit in federal court based upon the record presented to the Trustees on appeal. Prior to filing suit, however, you must exhaust your administrative remedies by filing a timely and complete application for appeal with the Board of Trustees. Failure to do so, will operate as a bar to your right to file a lawsuit against the Plan for a wrongful denial of benefits.

Any such claim must be initiated within 12 months from the date a final determination is made. Failure to initiate a claim within the 12-month period from the date a final determination is made shall bar you from bringing any such claim.

## Some Other Things to Know

*Can I borrow money from the Pension Fund? Can I take out the contributions made on my behalf by Employers?*

No. The purpose of this Plan is to ensure that Participants will receive their Pension benefit when they retire. Therefore, you cannot borrow money from the Plan, take out any money from the Pension Fund, sell, assign or pledge any amounts that have been contributed by the Employers to the Pension Fund on your behalf. The Pension Fund will not recognize any attachment or assignment of any contributions made on your behalf or of any benefits payable to you, except as required pursuant to a qualified domestic relations order.

*Can the Retirement Fund be amended?*

Yes, the Trustees may amend the Retirement Fund at any time as they deem proper provided that the Accrued Benefit of any Participant shall not be reduced retroactively by any amendment unless it is necessary to establish or maintain the tax qualified status of the Plan or as otherwise permitted by law.

*Can the Retirement Fund be terminated?*

It is the intent of the Trustees to continue the Retirement Fund indefinitely; however, the right is reserved by the Trustees to terminate the Plan or the Plan may be terminated by the Pension Benefit Guaranty Corporation. Upon termination, the value of your Accrued Benefit, as of such termination date, shall to the extent of the assets then available, be nonforfeitable. Benefits will be distributed to you in any manner permitted by the Plan.

*What happens if I return to work prior to commencement of my pension benefits?*

If you separate from covered employment after qualifying for a pension and return to work at a later date, your separation date will remain the same until you work at least 10 weeks during a plan year. If you work 10 or more weeks, your separation date will be the date you stop working in Covered Employment that is followed by a plan year (September 1 through August 31) during which you work less than 10 weeks. Hence, this may affect the calculation of a previously determined benefit.

*If benefit payments have commenced and I return to work in the business or trade what happens to my payments?*

If you are working or return to work in the business or trade covered by the collective bargaining agreement for Teamsters Local 786 Lumber Employees Pension Fund, your monthly benefits may be subject to suspension for each month you are employed.

It is your responsibility to notify the Fund Office of any employment that may be considered "disqualifying employment". If you do not, your pension may be suspended to recover benefits paid that you were not entitled to receive. There may also be additional penalties imposed.

"Disqualifying Employment" means employment or self-employment that is:

(A) in an industry covered by the Plan when your pension payments began,

(B) in the geographic area covered by the Plan when your pension began, and

(C) in any occupation in which you worked under the Plan at any time or any occupation covered by the Plan at the time your pension payments began.

However, if you worked in Covered Employment only in a skilled trade or craft, employment or self-employment shall be Totally Disqualifying only if it is in work that involves the skill or skills of that trade or craft directly or, as in the case of supervisory work, indirectly. In any event, work for which contributions are required to be made to the Plan shall be totally disqualifying.

The term "industry covered by the Plan" means the Lumber and Recyclable Building Material Industries and any other industry in which Employees covered by the Plan were employed when your pension began, or would have begun (but for the suspension).

The geographic area covered by the Plan is the State of Illinois and all of any Standard Metropolitan Statistical Area which falls in part within Illinois and any other area covered by the Plan when your pension payments began or, but for suspension, would have begun.

The geographical area covered by the Plan shall also include any area covered by a plan which, under a reciprocal agreement in effect when your pension payments began, had forwarded contributions to this Plan, on the basis of which this Plan accrued benefits for you.

If you retired and re-enter Covered Employment to an extent sufficient to cause a suspension of benefits, and your pension payments are subsequently resumed, the industry and area covered by the Plan "when your pension began" shall be the industry and area covered by the Plan when your pension was resumed.

Paid non-work time shall be counted toward the measure of 40 hours if paid for vacation, holiday, illness or other incapacity, layoff, jury duty, or other leave of absence. However, time compensated under a Workers' Compensation or temporary disability benefits law shall not be so counted.

Please contact the Fund Office with any questions you may have about disqualifying employment.

*Are there any circumstances when my benefit will not be suspended for such work in the business or trade after my retirement?*

After you reach age 65, you may work up to 39 hours per month with a Contributing Employer in the business or trade without any suspension or reduction in benefits.

*Who has the authority to administer and interpret the Plan provisions?*

The Trustees have discretionary authority to decide all matters concerning eligibility to participate, interpretation of Plan provisions, determination of benefits and all other questions that may arise during the operation of the Plan. Any such interpretation is to be upheld unless it is determined to be arbitrary or capricious.

*This booklet is provided for your convenience. You should note that if there is ever a disagreement between the plan's legal document and this booklet, the legal document will have the final say. The plan document is available for your inspection through the plan administrator.*

## Rights Under ERISA

As a Participant in the Retirement Fund you have 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, all Plan documents, including insurance contracts, Collective Bargaining Agreements and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.
- Obtain copies of all Plan documents and 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 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) and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to receive a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge. The Plan will provide this information to the extent it is able to, based on available records.

### 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 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 must receive a written explanation of the reason for the denial. You have the right to have the Plan reviewed and reconsider your claim.

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 Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order you may file suit in a federal court. If it should happen that the Plan fiduciaries misuse the Plan's money, or if you believe that you have been 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 lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. If you are successful, the court may order the person you have sued to pay these costs and fees.

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

## Insurance Provided by the 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 credited service multiplied by: 100% of the first $11 of the monthly benefit accrual rate, plus 75% of the next $33. The PBGC's maximum guarantee limit is $35.75 per month times a Participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be $1,072.50 or annually $12,870.

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

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

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 800-400-7242. TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

## General Information

*This section provides important information about the plan and the people responsible for administering it.*

### Name of Retirement Fund

Lumber Employees Local Union 786 Retirement Fund

### Plan Sponsor

Trustees of Lumber Employees Local 786 Retirement Fund

### Employer Identification Number

51-6067407

### Plan Number

001

### Plan Administrator

The Board of Trustees

### Type of Retirement Fund

Defined Benefit

### Type of Administration

The Board of Trustees administers the Retirement Fund.

The Trustees of this Plan are:

<u>Employee Trustees</u>

Edward Rizzo
300 South Ashland Avenue, Suite 500
Chicago, Illinois 60607

Richard Blevins
300 South Ashland Avenue, Suite 500
Chicago, Illinois 60607

Alternate: James Goddard
300 South Ashland Avenue, Suite 500
Chicago, Illinois 6060

<u>Employer Trustee</u>

Michael G. Philipp
Philip Law Office
5201 Washington Street, Suite 2
Downers Grove, Illinois 60515

Ron Sandack
Gaido and Fintzen
30 North LaSalle Street, Suite 3010
Chicago, Illinois 60602

## Agent for Service of Legal Process

Jeffery Hoff
300 South Ashland Avenue, Suite 500
Chicago, Illinois 60607

Service of legal process may also be made upon any Plan Trustee.

## Name of Trust Fund

Lumber Employees Local 786 Retirement Fund.

## Source of Contributions to the Plan

The benefits described in this booklet are provided through Employer Contributions. The amount of Employer Contributions is determined by the provisions of the Collective Bargaining Agreements.

## Contributing Employers

The Plan Administrator will advise Participants or beneficiaries, upon written request, whether or not a particular employer is a party to a Collective Bargaining Agreement requiring contributions to the Pension Fund or is a participating employer.

## Plan Year

The Trust Fund is maintained on a 12 month fiscal year basis, beginning on September 1 and ending August 31.

## Plan Funding Agent

Contributions are paid to the Trust Fund and all benefits are paid from the Trust Fund.