

A Guide to Your Plan of Benefits

Summary Plan Description

Effective January 1, 2021

UNITED ASSOCIATION LOCAL NO. 7 PENSION PLAN

Plan Highlights

Normal Pension

- ◆ At least age 65, with ten (10) years of Pension Service counting no more than one (1) year of Pension Service in any one (1) Plan Year, or five (5) years of Vesting Service, or five (5) years of continuous plan participation.
- ◆ Monthly Pension: \$76.00 for each year of uninterrupted Pension Service, for pensions effective on or after June 1, 2018.

Unreduced Early Pension

- ◆ At least age 60, with ten (10) years of Pension Service counting no more than one (1) year of Pension Service in any one (1) Plan Year or ten (10) years of Vesting Service.
- ◆ Monthly Pension: Same as normal pension.

Early Pension

- ◆ At least age 55, with ten (10) years of Pension Service counting no more than one (1) year of Pension Service in any one (1) Plan Year.
- ◆ Monthly Pension: Actuarially reduced pension.

Disability Pension

- ◆ If you are a recently active participant under age 60, entitled to a Social Security disability pension, do not work, and have five (5) years of Pension Service counting no more than one (1) year of Pension Service in any one (1) Plan Year or five (5) years of Vesting Service.
- ◆ Monthly Pension: Same as normal but reduced 5%.

Surviving Spouse Pension

- ◆ If you die after you are vested but before you have started receiving a disability, early, unreduced early or normal pension.
- ◆ Monthly Pension: Actuarially reduced pension.

Pension Plan

Lump Sum Death Benefit

- ◆ If you were an active participant with five (5) years of Pension Service or you are a retired participant who retired on an early, unreduced early, normal or disability pension.
- ◆ Return of employer contributions less any pension payments that were made (if any).

Post-Retirement Death Benefit

- ◆ After effective date of pension, at least 60 monthly pension payments will be paid (unless the married couple, the life annuity with continuance (50%, 75%, and 100%), 10 year certain, or level income form was chosen).

Vesting

- ◆ If you have five (5) years of Vesting Service (which have not been forfeited because of a break in service) and at least one (1) hour of Pension Service earned after June 1, 1997, or ten (10) years of Pension Service (counting no more than one year of Pension Service in any one Plan Year), or have reached your early, unreduced early or normal pension date, then you are vested in your accrued pension benefit.

**IMPORTANT: THIS PAGE IS ONLY A SHORT OUTLINE OF THE PLAN BENEFITS.
PLEASE READ THE WHOLE BOOKLET.**

United Association Local No. 7 Pension Plan

18 Avis Drive, Latham, New York 12110

Telephone: 518-785-3440

January 1, 2021

Dear Participant:

This booklet is intended to describe fully the various provisions of the Pension Plan as it is in effect on January 1, 2021. This booklet has two (2) sections:

- Section 1.** Questions & Answers – this section provides the answers to the most commonly asked questions regarding your Plan.
- Section 2.** Technical Details – this section is provided to you under the terms of the Employee Retirement Income Security Act of 1974 (ERISA) and contains many technical details of the Plan intended to ensure that you will be able to enjoy all the rights to which you are entitled under the provisions of the Plan.

The Plan is governed by a Board of Trustees of which half represent the Union and half represent the participating employers. As Trustees of the Pension Plan, our role includes responsibility for collecting and administering the contributions of the Pension Plan which are required by an agreement between your employer and United Association Local 7 or between your employer and the Trustees. In addition, the Board of Trustees has the sole power to amend the Plan, as provided in the Agreement and Declaration of Trust.

The Board of Trustees is assisted in these tasks by professional advisors that we hire from time to time. These include an actuary, an accountant, an attorney and one or more investment managers and consultants.

The daily operation of the Plan is maintained by the Fund Administrator, Ryan Heimroth. Mr. Heimroth is available to answer any questions or as a resource to obtain additional information.

We encourage you to familiarize yourself with this booklet and the benefits that are available to you and your family. If, after having gone through this booklet thoroughly, you have any questions regarding the Plan and its operation, please do not hesitate to contact the Fund Office.

Sincerely,

Board of Trustees
United Association Local No. 7 Pension Plan

Important Notice

In the event that there appears to be a conflict between the description of any Plan provision in this booklet and its statement in the Pension Plan document itself, the language contained in the Pension Plan document (available at the Fund Office) is the official and governing language.

Nothing in this booklet is meant to interpret, extend, or change, in any way, the provisions expressed in the Plan. The Trustees reserve the right to amend, modify or discontinue all or part of this plan whenever in their judgement, conditions so warrant. The Trustees also reserve the right to modify, reduce and increase the benefits provided by this plan. This includes, but is not limited to, accrual rate increases and providing additional benefits, providing such modification, reduction or increases is permissible under applicable federal law and regulations.

Caution

This booklet and the Fund Administrator at the Fund Office are authorized sources of Plan information for you. The Trustees of the Plan have not empowered anyone else to speak for them regarding the Pension Plan. No employer, union representative, supervisor or shop steward is in a position to discuss your rights under this Plan with authority.

Communications

If you have a question about any aspect of your participation in the Plan, you should, for your own permanent record, write to the Fund Administrator or Trustees. You will then receive a written reply, which will provide you with a permanent reference.

United Association Local 7

Pension Plan

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Section 1

Questions & Answers

General Information

Some major changes have taken place in your Pension Plan as the result of improvements made by the Trustees since the last booklet was printed.

The effective date of the changes in the Plan have been at different times. However, no Pension Service or Vesting Service that was lost under prior Plan provisions is restored as a result of these changes and no frozen benefit is increased.

1. *What is the purpose of the Plan?*

The purpose of the Plan is to provide an income for you following the time that you retire from active employment in the plumbing and steamfitting trade in the area. This benefit is in addition to any Social Security benefit to which you may be entitled.

2. *When did the Plan start?*

The Plan started June 1, 1954.

3. *Who is responsible for the operation of the Plan?*

The Board of Trustees, composed of persons elected by the membership of United Association Local No. 7 and by representatives of contributing employers who are appointed by the President of the Mechanical Contractors Association of the Capital District. United Association Local No. 7 and the contributing employers are equally represented on the Board of Trustees.

4. *Who is responsible for interpreting the Plan and for making determinations under the Plan?*

The Board of Trustees. In order to carry out this responsibility, the Board of Trustees, or their designee, shall have exclusive authority and discretion:

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- ◆ to determine whether you are eligible for any benefits under the Plan;
- ◆ to determine the amount of benefits, if any, you are entitled to from the Plan;
- ◆ to interpret all of the Plan's provisions;
- ◆ to interpret all of the provisions of the Summary Plan Description;
- ◆ to interpret the provisions of any collective bargaining agreement or written participation agreement involving or impacting the Plan;
- ◆ to interpret all the provisions of any other document or instrument involving or impacting the Plan;
- ◆ to interpret the provisions of the Trust Agreement governing the operation of the Plan;
- ◆ to recover any overpayments or mistaken payments made by the Plan;
- ◆ to interpret all of the terms used in the Plan, the Summary Plan Description, and all of the other previously mentioned agreements, documents, and instruments.

All such determinations and interpretations made by the Trustees, or their designee:

- ◆ shall be final and binding upon any individual claiming benefits under the Plan and upon all employees, all employers, the Union, and any party who has executed any agreement with the Trustees or the Union;
- ◆ shall be given deference in all courts of law, to the greatest extent allowed by applicable law; and
- ◆ shall not be overturned or set aside by any court of law unless the court finds that the Trustees, or their designee, abused their discretion in making such determination or rendering such interpretation.

5. What is a Plan Year?

A Plan Year means the 12 consecutive month period beginning with June 1st and ending with the following May 31st.

Financing

A most important element of your Pension Plan is money. Where it comes from, how it is managed, and to what uses it may be put should be of interest to you.

6. *Who pays for the Plan?*

The employers who have collective bargaining agreements with United Association Local No. 7 that call for contributions to this Plan. In addition, there are certain other pension plans in other geographical areas with which this Pension Plan has reciprocal agreements. Under the terms of these reciprocal agreements, some contributions are required to be made to this Pension Plan by other pension plans.

7. *How are Plan moneys managed?*

All of the Plan assets are held in trust by the Board of Trustees for the participants and beneficiaries of the Plan.

The Board of Trustees has the ultimate responsibility for the management of Plan money. However, the Board is allowed, under law, to hire professional investment managers to provide expert assistance in this very complex field of managing pension plan money.

8. *If the Plan is discontinued, what will happen to the assets of the Plan?*

Under the terms of federal law, the assets of the Plan are to be used for the benefit of the participants, surviving spouses, and beneficiaries, in an order of priority that is set forth under federal law. If all of the plan benefits are provided by the assets of the Plan and there is still money left over, the money is to be used to increase the benefits of everyone. Under no circumstances may money that has been properly contributed to the Plan ever be returned to any employer or the Local Union.

NOTE: To the extent permitted by law, the Trustees may amend, modify, and/or terminate all or part of the Plan, in their sole discretion.

Joining The Plan

A qualifying period of service is required before you are considered a participant in the Plan. Being a participant entitles you to receive certain documents explaining the Plan and reports dealing with the Plan's operation. You should be interested in how you become a participant and how your participation can stop.

9. How do I become a participant in the Plan?

Anyone who had Pension Service on June 1, 1976, became a participant when they first earned such Pension Service. (Pension Service is explained under the section titled *Pension Service*)

After May 31, 1976, you become a participant if you earn at least 350 hours of Pension Service during a Plan Year. You will become a participant on the first day of the Plan Year following the Plan Year that you earned the required hours.

Another way to become a participant after May 31, 1976, is to earn at least 1,000 hours of Vesting Service during your first 12 consecutive months of employment. If you satisfy this requirement in your first 12 consecutive months of employment, you will become a participant on the earlier of June 1st or December 1st next following the last day of such completion. If you do not earn at least 1,000 hours of Vesting Service during the first 12 consecutive months of your work, your qualifying period will be switched to a Plan Year basis. This means that in order to become a participant after that, you must earn at least 1,000 hours of Vesting Service during a Plan Year. When you do satisfy this requirement, you will become a participant on the first day of the Plan Year following the Plan Year that you earned the required hours.

When a survivor of a participant starts receiving a survivor's benefit he or she will also be considered a participant.

10. Can my participation in the Plan ever stop?

Yes. Your participation in this Plan will cease on the earliest of:

- the time you no longer have any Pension Service or Vesting Service under the Plan; or
- your death; or
- the date your benefit payments cease permanently if you are receiving periodic benefit payments.

Earning Pension Service

The Pension Service you accumulate under the Plan is valuable to you because the more Pension Service you earn, the larger your pension benefit will be.

Because of this, it is very important that the Fund Office has a complete record of each hour of your work that might earn you Pension Service under the Plan.

11. What is Pension Service?

Pension Service refers to Pension Service you receive for time in covered employment after May 31, 1954. The hours of Pension Service that you earn are used to build years (and fractions of years) of Pension Service.

12. What is covered employment?

Covered employment is employment with an employer who is required to contribute to this Pension Plan because the employer has entered a collective bargaining agreement with United Association Local No. 7 (or a participation agreement with the Trustees).

13. What is a collective bargaining agreement?

A collective bargaining agreement is an agreement between an employer and United Association Local No. 7, or between an employer and the Pension Plan that calls for contributions to be made to the Plan on behalf of a participant's covered employment.

14. What if my employer does not have a collective bargaining agreement with the Plan?

The right for an employer to contribute to the Plan must be specifically covered in a collective bargaining agreement or other written agreement, such as a reciprocal agreement or a participation agreement. If your employer does not have such an agreement with the Plan, contributions cannot be accepted on behalf of your work. Furthermore, no Pension Service can be credited to you for any work you do, even if your employer or you contribute to this Pension Plan.

15. Why is Pension Service important?

Pension Service is important in determining your eligibility for a benefit and, if eligible, the size of your benefit. Earning enough Pension Service is also one way you can become vested under the Plan.

16. How do I earn Pension Service?

Pension Service is earned as follows:

United Association Local 7

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- ◆ For Pension Service from June 1, 1954 through May 31, 1975, you receive one (1) year of Pension Service for each Plan Year in which you earned at least 1,000 hours of Pension Service.
- ◆ For Pension Service from June 1, 1975 through May 31, 1980, you receive Pension Service according to the following schedule:

Hours of Pension Service Earned in Plan Year	Pension Service Earned
less than 350	0
350 but less than 700	1/4
700 but less than 1,000	1/2
1,000 or more	1

- ◆ For Pension Service from June 1, 1980 through May 31, 1984, you earn one-tenth of a year of Pension Service for each 100 hours of Pension Service you earned in a Plan Year. However, you must earn at least 350 hours of Pension Service in a Plan Year to receive any credit for that Plan Year.
- ◆ For Pension Service after May 31, 1984, you receive one-thousandth (.001) of a year of Pension Service for each hour of Pension Service you earn in a Plan Year. However, you must earn at least 350 hours of Pension Service in a Plan Year to receive any credit for that Plan Year, unless your pension date falls within such a Plan Year and the hours were worked prior to retirement.

17. Will I receive Pension Service and Vesting Service for time spent in the military?

A person who is serving a period of qualified military service will be treated as if they are working in covered employment, to the extent required by the Uniformed Services Employment and Reemployment Rights Act (USERRA). You are responsible for bringing your military service to the attention of the Trustees and verification of your military service – such as a copy of your military discharge – will be requested during the pension application process.

If your contributing employer goes completely out of business while you are serving in the military, the Plan will still give you credit for your military service if USERRA would require that you receive the credit had you been reemployed by your employer.

One general requirement under USERRA is that you must return to covered employment within the time period prescribed by the law. However, if you die on or after January 1, 2007, while performing qualified military service, your survivors are entitled to any other additional benefits

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(other than benefit accruals relating to the period of qualified military service) provided under the Plan as if you had resumed and then terminated employment on account of death.

18. Does the amount of the hourly rate of contribution to the Plan on behalf of my work have any effect on the amount of Pension Service or Vesting Service that I earn?

For time before August 1, 2003, you received credit for Pension Service and Vesting Service on an hour-for-hour basis regardless of what the hourly rate of contribution to the Plan for your work was.

However, for your work after July 31, 2003, either locally or in a reciprocal area, the size of the hourly rate of contribution made to the Pension Plan on behalf of your work will have an impact on the amount of Pension Service credited to you. If the hourly contribution rate for your work is different from the rate for United Association Local No. 7 Journeymen, there will be a proportional adjustment in the hours of Pension Service credited to you.

For example, when the United Association Local No. 7 contract calls for an hourly Pension Plan contribution of \$11.00 for Journeymen and you work in a reciprocal plan area that returns \$12.00 per hour in Pension Plan contributions, you will receive 1.09 hours of Pension Service Credit for each hour of such work. In a similar way, if you work at a classification within or outside the United Association Local No. 7 collective bargaining unit that calls for \$6.00 per hour in Pension Plan contributions, you will receive .54 hours of Pension Service Credit for each hour of such work.

Credit for Vesting Service will still be earned on an hour-for-hour basis.

19. Can I earn Pension Service while I'm disabled?

Yes, you can receive credit for disability time. If you fail to earn 1,000 hours of Pension Service while you are a participant in the Plan because you are so disabled that you cannot work in covered employment, you will be given credit for Pension Service. Pension Service will be credited at the rate of 8 hours of Pension Service for each day (excluding Saturdays and Sundays) that you are disabled. However, to receive any Pension Service credit, you must provide proof to the Trustees within 90 days following the Plan Year that you were disabled.

Under this provision, you may not receive more Pension Service than that which would be enough to raise your hours of Pension Service for the Plan Year to 1,000. Furthermore, you will not get such credit during any more than two Plan Years as the result of any one disability or all periods of disability relating to the same or related causes. This provision applies only to active participants, retirees cannot earn Pension Service while disabled.

20. Can I earn Pension Service in any other way?

Yes. Pension Service can also be earned if you work in covered employment in another pension plan's area which has a reciprocal agreement with this Plan (See question 103).

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21. Is there a limit on the number of years of Pension Service that I can accumulate in my lifetime?

No.

22. Is there a limit on the amount of Pension Service that I can earn in any one (1) Plan Year?

Yes. There is a limit of one (1) year of Pension Service that you can earn in any one (1) Plan Year prior to June 1, 1980. Pension Service earned under the former Local 61 plan is not subject to this limit. After May 31, 1980, there is no such limit.

23. Does my age have anything to do with the earning of Pension Service?

No.

24. Can I lose my Pension Service once I have earned it?

Yes. If you incur a break in service (See question 33) at a time when you are not vested (See question 32), you will forfeit the Pension Service and Vesting Service that you accumulated prior to the end of the break in service. However, under certain circumstances, such forfeited Pension Service and Vesting Service can be reinstated (See question 38).

Earning Vesting Service

Vesting Service is determined by your Pension Service and other Related Service. You need to accumulate enough Vesting Service to enjoy many benefits of the Plan. An explanation of Vesting Service and why it is of such importance is described below.

25. Why is Vesting Service important?

There are three main reasons why Vesting Service is important:

- ◆ Accumulating enough years of Vesting Service (5) is one way to become "vested" under the Plan. (See question 32)
- ◆ The amount of your Vesting Service can also be important in determining whether or not you are eligible for a normal pension. (See question 41)
- ◆ The amount of your Vesting Service is important if you break your service after May 31, 1976, but before you are vested. If this does occur and you return to covered employment soon enough after the break, your lost Pension Service and Vesting Service will be reinstated. The number of years of Vesting Service that you have under the Plan at the time of the break will be important in determining whether you qualify for reinstatement. (See question 38)

26. What is a year of Vesting Service?

This means a Plan Year in which you earn at least 1,000 hours of Pension Service and/or certain related service.

27. Is there a limit on the amount of Vesting Service that I can earn in any one (1) Plan Year?

Yes, in any one (1) Plan Year you can either earn no Vesting Service or one (1) year of Vesting Service.

28. What is Related Service?

Related Service (just as Pension Service) is important in determining your eligibility for a benefit and, if eligible, the size of your benefit. Earning enough Related Service is one way you can become vested under the Plan. You earn an hour of Related Service for each hour you work for a contributing employer in a job classification for which the employer is not required, by an agreement, to contribute to the Plan.

For example, let's assume you are working for a contributing employer who is making contributions to this Plan for you and your employer promotes you to a supervisor position. Let's assume further that your employer's agreement with this Plan does not call for contributions to be made for supervisors. Related Service allows someone in this situation to continue earning Vesting Service.

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If you are in a position that may earn Related Service and you are not working but the contributing employer is still paying you for that time, that time will also count as Related Service.

29. Are there any limitations regarding Related Service?

Yes, the limitations are as follows:

- ◆ You cannot earn Related Service unless such employment immediately precedes or follows employment that earned Pension service.
- ◆ There is a limit of 501 hours of related service that you can earn during any one (1) period of non-work. If you are working and earning Related Service there is no such limit.
- ◆ If you are earning Related Service and interrupt your employment by quitting, retiring, or being fired, you will not earn any Related Service for time worked after the interruption. This is applicable regardless of whether you were working or not working at the time the interruption occurred.

30. Can I lose my Vesting Service or Related Service once I have earned it?

Yes. If you incur a break in service (See question 33) at a time when you are not vested, you will forfeit the Vesting Service and Related Service that you accumulated prior to the end of the break in service. Under certain circumstances, forfeited Vesting Service and Related Service can be reinstated (See question 38).

Becoming Vested

This aspect of the Pension Plan is a special concern to a participant who leaves the bargaining unit before pension age.

31. What is vesting?

Vesting refers to non-forfeitable ownership of your right to a pension benefit under the Plan. Once you become vested, it does not matter what happens after that time, you will be entitled to receive your accrued pension benefit at your normal pension date (or your early, unreduced early or disability pension date, if eligible).

In order to become vested, you must fulfill certain requirements.

32. What are the requirements for vesting under the Plan?

After May 31, 1976, you will be 100% vested in your accrued pension benefit if you satisfy one (1) of the following requirements:

- ◆ you satisfy the age and service requirements for a normal, unreduced early or early pension;
or
- ◆ you have at least 10 years of Pension Service (counting no more than one (1) year of Pension Service in any one (1) Plan Year); or
- ◆ you have at least 10 years of Vesting Service; or
- ◆ you have at least 5 years of Vesting Service and at least one (1) hour of Pension Service earned after May 31, 1997.

If you became vested in accordance with prior Plan provisions prior to June 1, 1976, you will remain vested.

The vesting requirement is not retroactive. If you have broken your service and lost Pension Service and/or Vesting Service (because you were not vested), the revised Plan does not reinstate such lost service.

Break In Service

There may be times in your work history when your employment under the Plan is interrupted by a break in service. Several Plan provisions deal with this situation.

33. What is a break in service?

If you experience three (3) consecutive break years after May 31, 1980, you will incur a break in service.

Prior to June 1, 1980 you will incur a break in accordance with the following provisions:

Before 6/1/54 - Earn less than 2,000 total hours in 4 consecutive Plan Years.

6/1/54 – 9/30/74 - Earn less than 3 years of Pension Service in a 5 year period.

12/1/74 – 5/31/80 – No break rules for this period.

34. What is a break year?

A break year means a Plan Year during which you are credited with less than 350 hours of Pension Service and less than 500 hours of Vesting Service.

35. Are there any exceptions to this provision?

Yes. A break year will not be charged to you for any Plan Year in which you were totally disabled for more than one-half the Plan Year, provided you are not due a disability pension from this Plan. This exception applies to a maximum of two (2) consecutive Plan Years.

Further, a break year will not be charged to you for any Plan Year after June 30, 1985, if you are absent from covered employment because of your:

- ◆ pregnancy,
- ◆ the birth or adoption of a child,
- ◆ caring for your child immediately following birth or adoption,
- ◆ enlistment in the armed forces of the U.S.A. (unless you enlisted when there was no war or national emergency); or
- ◆ authorized periods of family and medical leave, to the extent required by the Family and Medical Leave Act.

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However, if the Plan Year in which any of these exceptions occurs is not a break year for the participant without the exclusion provided by such, then the immediately following Plan Year shall not be a break year for him or her. Plan Years protected for you in this way will not operate alone to protect you from a period of interrupted Pension Service.

36. *What happens if I experience a break in service when I am not vested?*

If you are not vested, you will forfeit your Pension Service and Vesting Service that were earned before the end of the three-break-year period.

37. *What happens if I experience a break in service when I am vested?*

If you are vested at the time of the break in service, you have a non-forfeitable ownership of your right to a pension. This means that you will be entitled to receive an accrued pension benefit associated with the Pension Service that you earned before your break in service. However, this amount will be "frozen" at the benefit amount in effect just before the start of your three (3) break years. If you return to covered employment, your "frozen" Pension Service will be added to any additional Pension Service you may earn.

38. *Can any Pension Service that I lose because of a break in service ever be reinstated?*

This is where your years of Vesting Service can play an important role.

If you break your service before July 1, 1985, when you are not vested and return to covered employment and earn at least 1,000 hours of Vesting Service or 350 hours of Pension Service in one (1) Plan Year, your Pension Service and Vesting Service will be reinstated if the number of consecutive break years that you incur is less than the number of years of Vesting Service, or Pension Service, whichever is greater, that you had at the time of the break.

If you break your service after June 30, 1985, when you are not vested, return to covered employment and earn at least 1,000 hours of Vesting Service or 350 hours of Pension Service in one (1) Plan Year, your Pension Service and Vesting Service will be reinstated if the number of consecutive break years that you are out is either less than five (5) or less than the number of years of Vesting Service, or Pension Service, whichever is greater, that you had at the time of the break.

Remember, however, that because you did receive a break in service, all of your pension will be classed as interrupted Pension Service and your benefit associated with your Pension Service earned before the break will be "frozen."

39. Can my “frozen” benefit ever be “unfrozen”?

Yes, if your effective date of pension is after December 31, 1994, any pension benefits that were “frozen” because of a break in service may be “unfrozen” if you earn a number of consecutive years of Vesting Service equal to or greater than the number of consecutive break years you incurred. Any adjustment in the amount of your monthly pension benefit shall be effective on the later of your pension date and January 1, 1998.

If a participant experiences more than one period of interrupted Pension Service and returns to work and earns enough Vesting Service years to repair one of the breaks, each vesting year will restore the most recent break year.

Normal Pension

The purpose of the Pension Plan is to arrange for the continuation of a portion of your wages after your working career is completed. Normally, this is at age 65, if you have satisfied the necessary service requirement.

40. *When can I start receiving my normal pension?*

Once you are at least age 65 and withdraw from work at the trade in the Plan area, you may apply for a normal pension benefit, provided that you have satisfied the service requirement for a normal pension.

41. *How do I satisfy the service requirement for a normal pension?*

In any one (1) of the following ways:

- ◆ you have at least ten (10) years of Pension Service (counting no more than one (1) year of Pension Service in any one (1) Plan Year); or
- ◆ you have at least five (5) years of Vesting Service and one (1) hour of Pension Service earned after May 31, 1997; or
- ◆ you have been in the Plan continuously for at least 5 years.

42. *If I have not satisfied the service requirement at age 65, can I still qualify for a normal pension at a later age?*

Yes. When you satisfy the service requirement after age 65, you are then eligible to retire and receive a normal pension.

43. *How much is the normal pension?*

Your normal pension is a monthly benefit equal to \$76.00 (if paid as a straight life annuity with 60 months guaranteed) for each year of uninterrupted Pension Service that you have at your normal pension age.

However, if you suffer a break in service (See questions 33 and 37) your benefit amount will be frozen at the level in effect just before the start of your 3 break years. The table on the next page summarizes the applicable monthly unit benefit based on the date of determination. If you return to covered employment, your frozen pension benefit will be added to any additional benefit you may earn.

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<u>Date of Determination</u>	<u>Unit Month Pension Benefit</u>
Prior to July 1, 1981	\$13.75
July 1, 1981 to January 31, 1984	15.30
February 1, 1984 to September 30, 1985	23.55
October 1, 1985 to September 30, 1986	25.10
October 1, 1986 to September 30, 1987	27.90
October 1, 1987 to September 30, 1989	31.60
October 1, 1989 to September 30, 1990	34.40
October 1, 1990 to September 30, 1991	36.75
October 1, 1991 to September 30, 1992	38.15
October 1, 1992 to September 30, 1993	40.00
October 1, 1993 to September 30, 1994	41.85
October 1, 1994 to September 30, 1995	44.30
October 1, 1995 to September 30, 1996	47.22
October 1, 1996 to May 31, 1997	49.40
June 1, 1997 to May 31, 1998	52.76
June 1, 1998 to May 31, 1999	55.41
June 1, 1999 to May 31, 2000	57.82
June 1, 2000 to May 31, 2001	61.57
June 1, 2001 to May 31, 2006	61.80
June 1, 2006 to May 31, 2007	64.00
June 1, 2007 to May 31, 2014	70.00
June 1, 2014 to May 31, 2018	74.00
June 1, 2018 to Present	76.00

Unreduced Early & Early Pension

Under certain conditions, you may start your pension before age 65. However, if you choose to retire early, there may be a reduction in the amount of your pension. These pension options and reductions are explained in this section.

44. *Must I wait until age 65 to start my pension?*

No. If you have the proper service requirement for an unreduced early or early pension, you may start your pension at any time after age 55.

45. *How do I satisfy the service requirement for an unreduced early pension?*

To be eligible to receive an unreduced early pension, you must have at least ten (10) years of Pension Service (counting no more than one (1) year of Pension Service in any one (1) Plan Year) or 10 years of Vesting Service and be at least age 60.

46. *How is my unreduced early pension calculated?*

Your unreduced early pension is calculated in the same way as the normal pension.

47. *How do I satisfy the service requirement for an early pension?*

To be eligible to receive an early pension, you must have at least ten (10) years of Pension Service (counting no more than one (1) year of Pension Service in any one (1) Plan Year) and be at least age 55.

48. *How is my early pension calculated?*

You start by calculating the amount of your monthly pension benefit as if you had reached your normal pension date. Then you reduce that amount by 1/8 of 1% for each calendar month that your early pension date precedes your 60th birthday. This reduction is necessary because it is assumed that the earlier you start to receive your pension payments the longer you will receive your pension payments.

Disability Pension

It's possible you may not be able to reach unreduced early, early or normal pension age in active service because of a total and permanent disability. A special plan benefit is intended to provide a pension benefit to eligible disabled participants.

49. How disabled must I be in order to receive a disability pension?

You must be so disabled that you are entitled to receive a Social Security disability monthly pension for the month in which your disability pension starts. You must also not perform any work at the plumbing and/or steamfitting trade for remuneration.

50. What are the requirements for entitlement to a disability pension?

In addition to the definition of disability (above), you must also satisfy the following requirements to be entitled to a disability pension:

- ◆ you must make application for the pension,
- ◆ you must not yet be age 60 at the time of the commencement of your disability pension,
- ◆ you must have at least five (5) years of Pension Service (counting no more than one (1) Year of Pension Service in any one (1) Plan Year) or five (5) years of Vesting Service,
- ◆ you must not be receiving a "loss of time benefit" from the United Association Local 7 Welfare Plan,
- ◆ you must not have received a normal, unreduced early or early pension from the Plan, and
- ◆ you must have been recently active in covered employment.

51. What does "recently active" mean?

This means that you earned at least 350 hours of Pension Service during the Plan Year in which your disability occurs, or in one of the two (2) consecutive Plan Years immediately before that Plan Year. Further, at the time the incident that caused your disability took place, you must not have been working in substantial gainful employment outside the collective bargaining agreement and you must have been available for (or working in) covered employment.

52. *When should I apply for my disability pension?*

You should not wait to hear from Social Security to file your application with the Fund Office. You should apply for a United Association Local No. 7 disability pension as soon as you believe you may be eligible because a United Association Local No. 7 disability pension cannot start before the date you apply, even if your Social Security disability pension is approved and paid retroactively.

53. *What is the amount of the monthly disability pension?*

The amount is calculated in the same way as the normal pension and then reduced 5%.

Applying For Pension Benefits

In this section, we discuss the rules you must follow when you apply for your pension. We have also included the most commonly asked questions about the application process. Regardless of the type of pension you wish to elect, proper application procedures must be followed. This rule applies to employees, surviving spouses, and beneficiaries.

54. *When should I submit an application for my pension?*

Normally, your application should be filed three (3) months in advance of the date you wish to have your pension start. You may file an application while you are still working.

It is important to note that, pursuant to IRS rules, the purpose of a pension is to provide you with income in retirement. To be considered to retired and to qualify for pension benefits under the Plan, a participant must separate from all service with contributing employers (even work that is not with the tools and would not be covered by the collective bargaining agreement), with the intent that such separation be permanent. The intent to permanently separate may be evidenced by a participant not working for contributing employers for at least 90 days starting from the date of retirement.

55. *How do I submit an application for my pension?*

You should contact the Fund Office for an application form. The Fund Office staff will help you start the application process.

56. *Do I have to take a medical examination?*

No medical examination is required to qualify for a normal, unreduced early or early pension. However, a medical examination will most likely be required for the purpose of determining your eligibility for a Social Security disability pension and eligibility for Social Security disability pension is one requirement for determining your eligibility for a disability pension under this Plan. Your ability to qualify for a disability pension is contingent upon your receipt of Social Security disability benefits. The Trustees will exercise no discretion with regard to the determination of whether or not you are totally and permanently disabled.

57. *Will proof of age be required?*

Yes. In order to receive a pension benefit, proof of age must be submitted to the Fund Office. A birth certificate is the best proof; however, if you cannot obtain a birth certificate, the Fund Administrator can tell you what other documents are acceptable. This also applies to a surviving spouse entitled to a pension under the Plan. You need not wait until your pension date to submit evidence of your date of birth; the earlier you submit evidence, the better.

58. *If I forget to apply when I am eligible, can my pension payments be retroactive?*

In general, the answer to the question is "no." However, if you have satisfied all of the

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requirements for a normal pension but have not applied for it, when you do, under certain circumstances, there may be an adjustment in the amount of your benefit to account for the postponement.

Remember that one (1) of the requirements that must be satisfied in order to be eligible for a normal pension is that you stop working at the covered trade in the area. Accordingly, this retroactive provision cannot operate to make the due date of your normal pension prior to any Plan Year in which you have worked at the trade in New York State.

59. *Must I apply for my pension as soon as I am eligible?*

No. You may postpone the start of your pension but you cannot postpone the effective date of your pension beyond the April 1st after the calendar year in which you reach age 72 (70 ½ if you were born before July 1, 1949). After this time, you must receive your pension even if you are still working in covered employment. When you do apply, the amount of your postponed benefit will be adjusted to the extent required by law.

60. *What happens if I receive an overpayment of benefits?*

If you are paid an amount in error, or if you receive benefits to which you are not entitled, the Trustees have the right to recover from you the amount overpaid plus appropriate interest by all equitable and legal means. If you do not repay the amount you owe, the Trustees have the right to deduct the amount from any future payments.

61. *Can I choose what kind of pension I am to receive?*

Yes. In the following sections of this booklet, we will discuss several different forms of payment and types of pension that are available. Many of the choices carry specific service and age requirements, which may limit your options. Please read the remainder of this booklet to gain a better understanding of what forms of payment and types of pension are available to you.

62. *Can I choose to provide a benefit for my spouse?*

Yes. In fact, the “standard form” of pension benefit for a married participant is the married couple form (the “standard form” of pension means the form that will automatically be used unless you elect otherwise). This means that if you are eligible, you and your spouse will participate in your pension. The Fund Office can give you the details as they apply to your own situation.

For more on providing a benefit for your spouse, please refer to the section of this booklet titled, *Surviving Spouse’s Pensions*.

63. *After I retire, can I change the form of payment I have chosen?*

No. Once your monthly pension commences, the form is irrevocable.

Receiving Your Pension Benefit

Your pension payments will be a substantial part of your retirement income. The details regarding the actual payment of your pension benefit are explained in this section.

64. When will my pension payments start once I have applied?

If you have satisfied all of the requirements, your pension will start effective with the first day of the calendar month following the date the Fund Office receives your application.

- ◆ **Example:** If you submit your application to the Fund Office on January 18, your pension payment is scheduled to start no earlier than February 1. However, thirty (30) days must elapse before your normal pension benefit actually starts; which means your payments will actually start on March 15 and the amount will be paid retroactive to February 16.

65. How often will I receive my pension payments?

Pension payments are made monthly on the 15th of the month for that month.

66. For how long will I receive my pension payments?

Normal, unreduced early and early pension payments are payable for as long as you live with 60 payments guaranteed. If you die before you receive 60 monthly payments, then monthly payments will continue to your beneficiary (or your estate) until a total of 60 monthly payments have been made.

Disability pension payments are payable as long as you live with 60 payments guaranteed, except that, if you stop being disabled (in accordance with the terms of what disability means under the Plan) before age 60, the last disability pension payment will be the payment due for the month in which you recover.

However, the period of time for which your pension payments are made will vary if you choose the married couple form or an optional form of pension.

67. Can my pension payments ever be suspended or forfeited?

Once you become eligible for a normal, unreduced early or early pension, the payments are non-forfeitable. The only instance that a suspension of such payments may take place is if you are employed or self-employed in the trade in this plan area for at least 40 hours during a particular month. If you do work (or are self-employed) in such employment, you are not entitled to a pension payment for that month.

Please refer to the section of this booklet titled, *Suspension Of Pensions*.

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68. How is my pension calculated if I return to work after I retire?

You will receive credit for the Pension Service you have earned. If you earn additional Pension Service, your pension benefit will be adjusted at the beginning of the Plan Year following the Plan Year in which you earned the additional Pension Service. Your additional Pension Service will, however, be offset by any pension payments received for this same period of work. Please contact the Fund Administrator for more information regarding Pension Service earned after retirement.

69. May I transfer a distribution from this plan directly into another qualified retirement plan or to an Individual Retirement Account?

You have the right to transfer some benefits under the Plan, at the time of distribution, to an Individual Retirement Account (IRA) or other qualified plan. These benefits, which are called "eligible rollover distributions," include lump sum cash-outs of small pensions (See Question 74) and lump sum death benefits. Lump sum death benefits payable to surviving non-spouse beneficiaries will only be treated as eligible rollover distributions if the beneficiary requests that the Fund Office transfer the lump sum benefit directly to an "inherited IRA."

If you are eligible to receive any of these benefits, you will receive a notice about the tax implications of eligible rollover distributions and a rollover election form.

The United Association Local 7 Pension Plan does not accept rollovers from other plans.

70. How will payments be made to me if I am unable to care for myself?

If the Trustees determine that you are unable to care for your affairs because of mental or physical incapacity, then the Trustees may, in their discretion, pay your benefits to any entity or individual who the Trustees believe will provide for your maintenance and support. If proper claim is made by your legal representative prior to any such payment, then the Trustees may pay your benefits to such representative instead.

71. What happens to my retirement benefits if I am divorced?

If, pursuant to a court order, your spouse, child or other dependent is awarded all or a portion of your pension benefits under the Plan, and such court order meets the requirements to be a Qualified Domestic Relations Order (QDRO), your pension benefits must be paid in accordance with the court order. You should understand that the Trustees are required by law to pay benefits as required by a QDRO.

The person claiming entitlement to your pension benefits must furnish the Trustees with a certified copy of the court order, which will be reviewed by the Trustees and plan counsel to determine if it meets all requirements to be a QDRO. Once the Trustees receive a certified copy of a QDRO, you will be notified of their receipt and a copy of the provisions of the Plan relating to QDROs will

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be provided to you. If there is a dispute as to whether the order is a QDRO, then any amounts which are payable before the dispute is resolved will be placed into a separate account until a final determination is made.

72. Can I borrow from the pension money I am to receive?

No, it is prohibited to borrow from your pension money.

73. Can my pension money ever be assigned to pay for outstanding debts or any other obligation?

Usually the answer is no, however, there are four exceptions and a special rule for certain arrangements. The four exceptions are:

- ◆ QDROs (Qualified Domestic Relations Order) see question 71;
- ◆ Federal tax levies or collection by the US on a judgment resulting from an unpaid tax assessment;
- ◆ certain voluntary and revocable assignments or alienations, limited to 10% of any benefit payment; and
- ◆ amounts you are ordered or required to pay the pension fund for your or your spouse's violation of certain portions of the federal Employee Retirement Income Security Act of 1974, as amended or for committing a crime involving the pension fund.

A special rule allows you to elect to voluntarily have a portion of your pension check deducted each month to pay your welfare plan premium. You may revoke such election at any time.

74. May I take a cash settlement instead of monthly pension payments?

No, a lump sum cash settlement is not an option. The purpose of the Plan is to help provide a monthly income for retired participants. However, there is an exception for small benefits that total less than \$5,000.00 in value.

Surviving Spouse's Pensions

There are two (2) benefits available that apply to your eligible surviving spouse. These benefits and requirements to be eligible for the benefits are explained in this section.

75. What are the requirements for my spouse to be considered an “eligible spouse”?

An eligible spouse is a spouse who is lawfully married to you for at least one (1) year up to the start of your pension (he or she need not be married to you at the time of your death).

Post-Retirement Surviving Spouse's Pension *(may be waived by you and your spouse)*

76. What is the married couple form?

The married couple form of pension is the standard form of pension for all married participants. This means that unless you elect to receive your pension in another available form, your pension will be paid to you as long as you live with the provision that, if your eligible spouse outlives you, he or she will start receiving 50% of the monthly pension that you had been receiving.

If you are married on the effective date of your pension, but have not been married for at least one (1) year, you may also elect the married couple form. However you will be paid in the five year certain and life form until the married couple form becomes effective. The married couple form will not become effective until the first day of the month coinciding with or following your first wedding anniversary.

77. How much is the monthly pension in the married couple form?

The married couple form of pension is reduced depending on your spouse's age, as well as your own.

- ◆ **Example:** Let's assume that you are retiring at age 60 with an accrued monthly pension benefit of \$1,000.00 and your spouse is age 57. If you and your spouse decided to not receive your benefit in the married couple form, you would receive a monthly pension of \$1,000.00 that would be paid as long as you live with 60 payments guaranteed. Payments would stop with the later of the date of your death or the date of the 60th payment.

If you choose to receive a reduced monthly pension with the provision that 50% of such reduced monthly pension would continue to your surviving spouse as long as they live (i.e., the married couple form), you would receive a monthly pension of \$873.90 with the provision that your eligible surviving spouse would start receiving one-half of that, \$436.95, for the remainder of their lifetime after your death.

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If your spouse were 52 years old (instead of 57) the corresponding figure for the married couple form would be \$843.10 per month for you (instead of \$873.90).

These reductions apply to only the age combinations used in this example. In all cases, you should check with the Fund Office for the exact reductions for your situation.

78. *Can we choose not to receive my benefit in the married couple form?*

When you are applying for your pension, you and your spouse will have the opportunity to choose whether or not you will receive your benefit in the married couple form. You and your spouse will have a period of at least 30 days to decide how the benefit is to be paid.

Both you and your eligible spouse must elect not to receive your benefit in the married couple form in order for it to be paid in an optional form. Your spouse's agreement to this waiver must be notarized.

79. *How can we learn more about the married couple form of pension?*

When you are considering retirement, contact the Fund Office at least 30 days prior to the effective date of your pension and the Fund Office will provide you and your spouse with a written explanation of:

- ◆ the terms and conditions of the married couple form;
- ◆ your right to waive the married couple form and the effect of such waiver;
- ◆ your spouse's rights with respect to your choice of pension; and
- ◆ your right to revoke a previous election to waive the married couple form and the effect of such revocation.

80. *How does my eligible surviving spouse receive his or her portion of my pension after I die?*

The reduced monthly benefit will not begin automatically; your eligible surviving spouse must contact the Fund Office to apply for the benefit.

81. *For how long will my eligible surviving spouse's pension be paid?*

For the life of your eligible surviving spouse. Once they start receiving it, it is non-forfeitable for any reason except death.

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82. What happens if we choose the married couple form but I no longer have a spouse when I retire?

In the event that your spouse predeceases you prior to the time your pension payments are scheduled to begin, any election of the married couple form will be void and your pension will be determined in accordance with the provisions of the Plan on a "life annuity with 60 months guaranteed" basis unless you are divorced before you retire and your ex-spouse has a right to part of your pension under a qualified domestic relations order. In such case, your ex-spouse's claim will be honored.

83. If I start receiving my married couple pension and something happens to my spouse, will the amount of my pension be raised to its original level?

No, unless you and your spouse have elected the married couple form with the pop-up option and your spouse dies before you.

For details about the pop-up option please refer to the section titled *Optional Forms of Pension Payments*.

Pre-Retirement Surviving Spouse's Pension

84. How does the pre-retirement surviving spouse pension work?

In the event you die after you are vested but before you have actually started receiving any pension under the Plan, your eligible surviving spouse will start receiving a pension benefit on what would have been your earliest unreduced early, early or normal pension date (immediately if you had already reached unreduced early, early or normal pension age). It will be payable to your eligible surviving spouse monthly for as long as they live.

This is called the pre-retirement surviving spouse pension.

85. How much is the monthly pre-retirement surviving spouse's pension?

The monthly pension that is payable to the surviving spouse of a vested participant who met the service requirements for an early pension benefit is 50% of the early pension benefit payable in the married couple form.

- ◆ **Example 1:** Assume that you had been eligible for an early pension, accrued a monthly pension benefit of \$1,000.00 at the date of your death and were age 55. If your eligible surviving spouse were the same age, they would start receiving, at your death, \$417.96 per month for his or her lifetime.

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- ◆ **Example 2:** Assume that you had at least ten (10) years of Vesting Service and had accrued the same monthly benefit as above but you were only 40 years old at the time of your death. If your eligible surviving spouse were the same age, they would be eligible to receive a monthly pension of \$417.96 for their lifetime. However, your surviving spouse's monthly pension will not begin until the first day of the month coinciding with or next following what would have been your 55th birthday.

The monthly pension that is payable to the eligible surviving spouse of a vested participant who did not meet the service requirements for an early pension benefit under the Plan is 50% of the married couple benefit payable at your normal retirement date.

- ◆ **Example 1:** Assume that you had accrued a monthly pension benefit of \$500.00 at the date of your death, were age 55 and your spouse was age 53. Let's assume you had only seven (7) years of Vesting Service at the time of your death; therefore, you had not been eligible for an early pension. Your accrued monthly pension benefit was scheduled to start at your normal pension date, payable in the married couple form. The amount of your monthly accrued pension benefit in the married couple form is \$434.80. In this example, your spouse would begin receiving \$217.40 on the first day of the month following what would have been your 65th birthday.

Lump Sum Death Benefit

In the event you pass away, your named beneficiary may be entitled to the return of your contributions, less any pension payments made. This section reviews the requirements to qualify for the lump sum death benefit.

86. How do I qualify for the lump sum death benefit covered under the Pension Plan?

If, at your death, you are an active participant with five (5) years of Pension Service or a retired participant who was receiving an early, unreduced early, normal or disability pension, your beneficiary is entitled to a lump sum death benefit.

87. How much is the lump sum death benefit?

The amount is the total of the contributions made to the Plan by your employers, less any pension payments made to you before your death.

Any contributions made for work before a break in service that took place before you were vested (and was not reinstated) will not be a part of your death benefit.

88. How does the pre-retirement surviving spouse pension affect the lump sum death benefit?

The lump sum death benefit that might be due before your retirement will not be paid until all payments to your eligible surviving spouse have been made first. If your eligible surviving spouse dies before an amount at least equal to the lump sum death benefit that was in effect at your death has been paid (in pension payments), then the difference between the death benefit and the sum of the pension payments already received will be paid in a lump sum to your beneficiary.

However, if you die after you are vested, but before you have satisfied the age and service requirements for an unreduced early, early or normal pension, then your eligible surviving spouse will be given the option of receiving their pre-retirement surviving spouse pension as a lump sum settlement. This option is only available within the twelve (12) month period following your death. If he or she elects the lump sum value of the deferred pension, the excess of the value of the lump sum death benefit over the lump sum settlement for the pre-retirement surviving spouse pension (if any) would then be paid to your beneficiary. If the lump sum settlement for the pre-retirement surviving spouse pension is less than or equal to \$5,000, then your eligible spouse must receive their benefit as a lump sum.

89. Who can be my beneficiary for the lump sum death benefit?

You may name anyone to be your beneficiary. You may change your designation at any time. Your designation and any changes must be made in writing and given to the Trustees. Any beneficiary designation or change in beneficiary designation received by the Trustees after your death will not be honored.

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If a death benefit is due and you have not chosen a beneficiary, or the beneficiary you have chosen has died, the death benefit will be paid to your estate or to your surviving spouse's estate (if appropriate).

90. Will a death benefit be paid automatically at my death?

No, as with all the other benefits under this plan, application must be made for the death benefit.

Post-Retirement Death Benefit

After you retire, the Plan provides for a "60 month minimum" feature that pays a death benefit to your beneficiary for a guaranteed minimum of 60 months. This special feature is an added benefit and is not usually included in most plans. Please read this section for more information about this generous provision.

91. What is the 60 month guaranteed benefit?

Once you start receiving a pension, even though it is to stop at your death, payments will be made after your death if at least 60 monthly pension payments have not been made at the time you die. The additional payments will be made to your beneficiary until a total of 60 monthly payments have been made.

This benefit does not apply if you are receiving your pension in the married couple form, with or without the pop-up option, the ten year certain form, the level income form or in any of the life annuity with continuance forms.

92. Who can be my beneficiary for the post-retirement death benefit?

As with the pre-retirement death benefit, you may name anyone to be your beneficiary. You may change your designation at any time. Your designation and any changes must be made in writing and given to the Trustees. Any beneficiary designation or change in beneficiary designation received by the Trustees after your death will not be honored.

If a death benefit is due as the result of your death and you have not chosen a beneficiary, or the beneficiary you have chosen has died, the death benefit will be paid to your estate.

However, when you retire, if your eligible spouse consents to waive the married couple form of pension, they have the right to either name the beneficiary and form of payment for the post-retirement death benefit, or to waive their right to name the beneficiary and form of payment. If your eligible spouse does not waive their right to name the beneficiary and form of payment then any change in beneficiary or form of payment designation must be approved by them as well.

Optional Forms Of Pension Payment

If you are single on your disability, early, unreduced early or normal pension date, your pension will be paid for your lifetime with 60 payments guaranteed. If you are legally married to an eligible spouse on your disability, early, unreduced early or normal pension date your pension will be paid in the married couple form (See question 76). However, optional forms of payment are available if you (and your eligible spouse, if applicable) so choose.

93. *May I receive my pension in a form other than those already discussed?*

Yes, if you do not want the standard form, you may select an optional form of payment.

If you are married, both you and your eligible spouse must elect not to receive your benefit in the married couple form in order for it to be paid in an optional form. Your spouse's agreement to this waiver must be notarized and made during the 180-day period ending with the effective date of your pension.

94. *What are the optional forms of pension payment?*

The optional forms of pension payments available to you are:

- ◆ a life annuity with 50% continuance to your surviving spouse with the pop-up option,
- ◆ a life annuity with 75% continuance to your surviving spouse with or without the pop-up option,
- ◆ a life annuity with 100% continuance to your surviving spouse with or without the pop-up option,
- ◆ a ten year certain and life annuity; and
- ◆ a level income annuity (paid for your lifetime only).

95. *What is the pop-up option and how does it work?*

As described previously, the married couple form, which is the standard form for married applicants, is a life annuity with 50% continuance to your surviving spouse. The married couple form is explained under the section titled *Surviving Spouse's Pensions*.

If you elected the pop-up option at retirement, you will receive an increase if your spouse dies. The increase will be effective on the first day of the month following the death of your spouse. The amount of the increase will be the difference between the monthly pension benefit you would have received on the effective date of your pension had you elected a life annuity with 60 payments guaranteed and the amount you actually received on such date. However, you should

be aware that the reduction for the pop-up option is greater than that of the standard form.

If you predecease your spouse, there is no such pop-up option for surviving spouses.

96. What is the life annuity with 75% continuance to my surviving spouse?

As you already know, the married couple form, which is the standard form for married participants, is a life annuity with 50% continuance to your surviving spouse (See questions 76 and 77).

The life annuity with 75% continuance to your surviving spouse is a reduced monthly pension paid to you as long as you live with the provision that, if your spouse outlives you, they will start receiving 75% of the reduced monthly pension that you had been receiving. The reduction for the 75% continuance is greater than the reduction for the 50% continuance.

You may also choose the pop-up option with this form of pension. (See question 95)

97. What is the life annuity with 100% continuance to my surviving spouse?

The life annuity with 100% continuance to your surviving spouse is similar to the form described above except that if your spouse outlives you, they will receive 100% of the reduced monthly pension that you had been receiving. The reduction for the 100% continuance is greater than the reduction for the 50% or 75% continuance.

You may also choose the pop-up option with this form of pension. (See question 95)

98. What is the ten year certain and life annuity?

This form of payment provides you with an actuarially reduced monthly pension for life. If you die before you receive 120 monthly payments (10 years), then monthly payments will continue to your beneficiary until a total of 120 monthly payments have been made.

If, after payments begin, both you and your beneficiary die before 120 monthly payments are made, then your remaining benefit will be paid in the form of a lump sum equal to the actuarial present value of the remaining payments. This lump sum will be paid either to your estate or to your beneficiary's estate, depending on who dies last.

99. What is the level income annuity?

The level income annuity is an optional form of pension payment that is coordinated with your other sources of retirement income to help maintain a more level monthly income for you. Under this option, you will receive larger monthly pension payments from this Plan until age 62 (when your other sources of retirement income begin). After age 62, your pension payments from this Plan will be reduced (or terminated, if necessary).

◆ **Example:** Suppose you wanted to retire before age 65 and you were planning on applying

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for a Social Security pension at age 62. Suppose further that your unreduced early or early pension benefit from this plan beginning at age 60 would be \$1,000 if paid to you for life with no survivor's benefit and your estimated monthly Social Security pension at age 62 also totals \$1,000.

If you elect to receive your unreduced early or early pension benefit as a life annuity with 60 guaranteed monthly payments, you would receive \$1,000 per month from this Plan until age 62. You would then receive \$2,000 per month from age 62 forward, taking into account the pension you would receive from this plan plus your Social Security pension.

If you elect to receive your unreduced early or early pension benefit as a level income annuity, your monthly pension benefit from this Plan would be \$1,849 until age 62 and \$849 after age 62. Taking into account your early pension plus your estimated Social Security pension of \$1,000, this means that you would receive a level amount (\$1,849) from your retirement date forward.

The adjustment made for the level income annuity depends on your age at retirement, your estimate of other retirement income sources commencing at age 62 and the amount of your pension benefit accrued under this plan.

You are responsible for providing the Fund Office with a written estimate of your other retirement income. The estimate must be in a form satisfactory to the Board of Trustees. For example, if you are relying on a Social Security pension at age 62, you may write to Social Security for assistance, but the ultimate responsibility for the estimate is yours.

100. What are the eligibility requirements for the level income annuity?

You may elect the level income option if you elect an unreduced early or early pension and you must satisfy both of the following eligibility requirements:

- ◆ the effective date of your pension must be prior to your 62nd birthday, and
- ◆ if necessary, you and your spouse must have rejected the married couple benefit as described in the answer to question 76.

101. Can I change my post-retirement income estimate that I had submitted after I begin receiving my pension?

No, once your monthly pension commences, you may not revise your estimate of other retirement income for pension calculation purposes.

102. Can I change my form of payment once I begin receiving my pension?

No, once your monthly pension commences, whether in a standard or optional form, the form is irrevocable.

Other Plans

Agreements and arrangements have been made to protect your participation in this Plan when you are forced to work in certain other plan areas. These agreements are called reciprocal agreements.

103. Are there any circumstances where I can receive credit under this plan for work in other plan areas?

Yes, the Pension Plan has entered agreements with certain other pension plans for United Association bargaining unit employees. In accordance with the terms of these agreements, when a permanent member of the United Association Local No. 7 Pension Plan works in the area of the other pension plan, payments are sent by the other pension plan to this Pension Plan. You would receive no credit of any kind under the other pension plan. For hours worked before August 1, 2003, you will receive hour for hour credit under this Pension Plan regardless of what the hourly rate of contribution was.

For hours worked after July 31, 2003, the amount of the hourly rate of contribution made to this Plan on behalf of your work will have an influence on the amount of Pension Service credited to you. If the hourly contribution rate for your work is different from the rate for a United Association Local No. 7 Journeyman, there will be a proportional adjustment in the hours of Pension Service credited to you.

Likewise, if you are not a permanent member of this Pension Plan but work in this Pension Plan's area, and are a permanent member of a pension plan with which this Pension Plan has such a reciprocal agreement, you will receive no credit under this Pension Plan. Your credit for your work here will be determined by the rules of the other pension plan.

104. How am I treated if I was a participant in the Plumbers' Local 61 Pension Plan at the time it merged with this Pension Plan?

If you were receiving a pension benefit already, your pension will continue. If you were not receiving a pension benefit, your accrued Pension Service and Vesting Service will be treated as Pension Service and Vesting Service under this Plan. Your eligibility for pension benefits and the amount of the pension will be determined in accordance with the rules under this Plan.

105. How am I treated if I was a participant in the Plumbers' Local 105 Pension Plan at the time it reconciled with this Pension Plan?

You will become fully vested after working one hour of covered employment on or after July 1, 2004. Your vesting service under the Plumbers and Pipefitters National Pension Plan will count

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as Vesting Service under this Plan and Pension Service from the Plumbers and Pipefitters National Pension Plan will count for benefit eligibility purposes only.

106. Are there any circumstances where I can combine credit under this Plan with credits earned in other pension plans?

Yes, in order to safeguard your right to a pension while working in the jurisdiction of another local union, this Plan is signatory to partial pension agreements with the plans of certain other local unions that will pay you a pension based on the Pension Service you accumulated under this Plan and each of the plans signatory to such agreement.

The amount of the partial pension will be based only on the years of Pension Service that you have under this Plan. The payment of a partial pension is subject to all of the conditions which apply to other types of pensions, including filing a timely application for a benefit.

You should contact the Fund Office if you have any questions about partial pensions, such as the other retirement plans which have entered into agreements to pay partial pensions.

Appeal Procedure

Each claim for any benefit disbursement under this Plan is reviewed under the direction of the Board of Trustees. The facts that are presented with the claim are what are considered, primarily, in evaluating it. Sometimes the Fund Office will not receive all the pertinent details when a claim is presented which could result in a denial of your claim. However, regardless of the reason for the denial, you are entitled to a review of your denied claim.

**** Special temporary COVID-19 related Plan provision** – Effective March 1, 2020, any Plan deadline for filing a claim or appealing an adverse benefit determination that falls within the COVID-19 Outbreak Period (March 1, 2020 until 60 days after the announced end of the COVID-19 National Emergency) has been suspended until the earlier of: (a) one year from the initial deadline; or (b) the end of the COVID-19 Outbreak Period.

107. What happens if my application for benefits under the Plan is denied?

Initial Adverse Benefit Determinations

If your claim for benefits is denied in whole or in part for any reason, then within 90 days after this Plan receives your claim, this Plan will send you written notice of its decision, unless special circumstances require an extension, in which case the Plan will send you written notice of the decision no later than 180 days after the Plan receives your claim. If an extension is necessary you will be given written notice of the extension before the expiration of the initial 90-day period, which shall indicate the special circumstances requiring the extension of time and the date by which the Plan expects to render the benefit determination.

The Plan's written notice of its decision will include the specific reason or reasons for the adverse benefit determination; reference to specific Plan provisions on which the determination is based; a description of any additional material or information necessary for you to complete your claim and an explanation of why such material or information is necessary (if applicable); and a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended, following an adverse benefit determination on review.

Appeal of Adverse Benefit Determinations

If you are not satisfied with the reason or reasons why your claim was denied, then you may appeal to the Board of Trustees. To appeal, you must write to the Trustees within 60 days after you receive this plan's initial adverse benefit determination. Your correspondence (or your representative's correspondence) must include the following statement: "I AM WRITING IN ORDER TO APPEAL YOUR DECISION TO DENY ME BENEFITS. YOUR ADVERSE BENEFIT DETERMINATION WAS DATED _____, 20__." If this statement is not included, then the Trustees may not understand that you are making an appeal, as opposed to a general inquiry. If you have chosen someone to represent you in making your appeal, then your letter (or your representative's letter) must state that you have authorized him or her to represent you with

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respect to your appeal, and you must sign such statement. Otherwise, the Trustees may not be sure that you have actually authorized someone to represent you, and the Trustees do not want to communicate about your situation to someone unless they are sure he or she is your chosen representative.

You shall have the opportunity to submit written comments, documents, records, and other information related to the claim for benefits. You shall also be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits. A document, record, or other information is relevant to a claim if it was relied upon in making the benefit determination; was submitted, considered, or generated in the course of making the benefit determination, without regard to whether such document, record, or other information was relied upon in making the benefit determination; demonstrates compliance with the administrative processes and safeguards required in making the benefit determination; or, in the case of disability pension claims only, constitutes a statement of policy or guidance with respect to the Plan concerning the denied benefit, without regard to whether such advice or statement was relied upon in making the benefit determination. The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

Determinations on Appeal

The Trustees at their next regularly scheduled meeting will make a determination of the appeal. However, if the appeal is received less than thirty (30) days before the meeting, the decision may be made at the second meeting following receipt of the request. If special circumstances require an extension of time for processing, then a decision may be made at the third meeting following the date the appeal is made. Before an extension of time commences, you will receive written notice of the extension, describing the special circumstances requiring the extension. The Plan will notify you of the benefit determination no later than 5 days after the determination is made.

If your appeal is denied, the Plan's written notice of the Board's decision will include the specific reason or reasons for the adverse benefit determination; reference to specific Plan provisions on which the determination is based; a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits; and a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended.

The Trustees' final decision with respect to their review of your appeal shall be final and binding upon you, since the Trustees have exclusive authority and discretion to determine all questions of eligibility and entitlement under this plan. Nonetheless, if you disagree with the final decision of the Trustees with respect to your appeal, then you may start a legal action against this Plan. However, no legal action may be commenced or maintained against this Plan more than 180 days after the Plan Trustees' final decision on appeal is deposited in the mail to the participant's or beneficiary's last known address.

Suspension Of Pensions

If you are an early, unreduced early, disability or normal pensioner and work at least 40 hours in prohibited employment in the Plan Area in a month, after 1981, for which you are entitled to an early, unreduced early, disability or normal pension payment hereunder as the result of your successful application for such payment, your pension payment hereunder for such month shall be withheld and forfeited provided the proper notice is provided to you by the Trustees.

108. What is considered prohibited employment?

Prohibited employment is employment in a classification described in the current Articles of Agreement between United Association Local No. 7 and Mechanical Contractors Association of the Capital District or as described in any subsequent Articles of Agreement (whether union or non-union, self-employment or employed, whether actually working or supervising such work, whether contributions are required to be made to the Fund on account of such hour or not) for which you are compensated by the employer.

109. What is the Plan Area?

The Plan Area means New York State.

110. Will I be notified before my benefits are suspended?

No pension benefit payments may be withheld from you in any month unless, and until, the Trustees notify you of the suspension. Such notification shall be delivered personally or by first class mail and shall contain:

- ◆ a description of the reason pension payments are being suspended;
- ◆ a general description of this Section;
- ◆ a copy of this Section;
- ◆ a statement that an appeal of the Trustees' decision in this matter may be accomplished using the Plan's claim denial appeal procedure;
- ◆ a statement that the Department of Labor regulations dealing with suspension of benefits may be found in section 2530.203-3 of the Code of Federal Regulations;

Subject to correction by actual evidence, the Trustees may presume that you worked at least some time in prohibited employment in a month or will work at least 40 hours in such prohibited employment in that month unless, within 5 days of the start of such employment you notify the Trustees of such commencement and have not refused to cooperate with reasonable requests by the Trustees to assist them in administering the provisions of this Section.

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111. When will my benefit payments resume after a suspension?

In order that the payment of monthly pension benefits be resumed after suspension, you must notify the Trustees in writing that you have ceased working at prohibited employment. The Trustees shall resume the pension payments to you in the same monthly amount that you had been receiving prior to suspension on the first day of the third calendar month following the calendar month in which the Trustees receive your notice called for in the prior sentence. Subject to the following sections, should you be due any payments that were withheld for months prior to the resumption of payments in which you did not work the prescribed duration of prohibited employment, such withheld payments shall be paid upon recommencement of pension payments.

112. What happens if I receive a payment for a month in which my benefits should have been suspended?

In the event you receive a monthly pension payment for a month for which the Trustees have the right to withhold and forfeit such payment, the Trustees shall recover such payment by reducing the payment otherwise payable to you for the month immediately following your cessation of work in prohibited employment for which payment is not due until the third month following your notification to the Trustees called for in the preceding section. If the reductions described in the prior sentence are not sufficient to permit recovery of payments that should not have been made, the Trustees shall recover such difference by reducing the amount of future recommenced monthly pension payments by no more than 25% until such recovery is complete.

113. Who determines if employment is prohibited employment?

You may write to the Trustees to determine if an actual or contemplated employment is prohibited employment and the Trustees shall reply to such request for information after securing enough details to make such a judgment.

114. How are my benefits determined after I stop working and retire again?

Benefit payments are recalculated once a year if you return to work at the beginning of the Plan Year. All factors remain the same as those used in the original pension calculation including the monthly benefit rate.

115. Are there any circumstances where I could work with no suspension of benefits?

Effective June 1, 2001, if economic circumstances warrant, the Board of Trustees may designate periods when you may work in excess of 39 hours per month in prohibited employment and continue to receive monthly pension payments during such period. Any additional Pension Service accumulated will be used to increase future monthly benefits effective on the first day of the first Plan Year following the Plan Year in which such additional Pension Service is earned, offset by the amortized value of any pension payments paid for any month in such Plan Year in which at least 40 hours were worked in prohibited employment.

Section 2

Technical Details

As required by the Employee Retirement Income Security Act of 1974, as amended (ERISA)

Plan Name: United Association Local No. 7 Pension Plan.

Edition Date: This Summary Plan Description is produced as of January 1, 2021.

Plan Sponsor: Board of Trustees of United Association Local No. 7 Pension Fund.

Plan Sponsor's Employer Identification Number: 91-2055384

Plan Number: 001.

Type Of Plan: The Plan is a multiemployer defined benefit pension plan.

Plan Year: For purposes of maintaining the Plan's fiscal records and for computation of Vesting Years and benefit accrual, the Plan Year is June 1 – May 31.

Administration: The Plan is jointly administered by a Board of Trustees, consisting of an equal number of Union representatives and Employer representatives. The Board of Trustees is both the Plan Sponsor and the legal Plan Administrator under the Employee Retirement Income Security Act of 1974 (ERISA). The Trustees hire a Fund Administrator and office staff to keep records, make benefit payments and otherwise assist in the administration of the Plan. The names and addresses of the Trustees can be found in the Directory included in the front matter of this booklet.

Agent For The Service Of Legal Process: Ryan Heimroth, 18 Avis Drive, Latham, NY 12110. Phone # (518) 785-3440.

In addition to the person designated as agent for service of legal process, service of legal process may also be made upon any Plan Trustee.

Funding Medium: Benefits are provided from the Pension Fund's assets, which are

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accumulated under the provisions of a collective bargaining agreement, participation agreements, and the Trust Agreement, and held in a trust fund for the sole purpose of providing benefits to covered participants and beneficiaries and defraying administrative expenses

Sources Of Contributions To Plan: All contributions to the Plan are made by employers in accordance with the collective bargaining agreement with the Union or their participation agreement with the Plan. No employee contributions are permitted. The Fund Office will provide you, upon request and free of charge, with a copy of the collective bargaining agreement. The collective bargaining agreement is also available for examination by you at the Fund Office.

Participating employers: The Plan was established by the United Association Local No. 7 and various employers. The Fund Office will provide you, upon written request, with information about whether a particular employer is contributing to the Plan on behalf of employees working under the collective bargaining agreement.

Statement of ERISA Rights: As a participant in this Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- ◆ Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. In addition, ERISA as revised by the Pension Protection Act of 2006 (PPA) entitles you to receive the following additional documents upon request: periodic actuarial reports including sensitivity testing in response to a certification of critical or endangered status, and quarterly, semi-annual or annual financial reports including investment reports or other financial reports.
- ◆ Obtain, upon written request to the Plan administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- ◆ Receive a summary of the Plan's Annual Funding Notice and a copy of any automatic amortization extension, if applicable. The Trustees are required by law to furnish each participant with a copies of these notices..
- ◆ Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65, or, if later, your age on the fifth anniversary of your participation in the Plan) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12)

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months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

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

Enforce Your Rights

If your claim for a pension benefit is denied 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 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 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 or a medical child support order, you may file suit in a state or Federal court. In addition, if it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with 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 also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration (EBSA). For single copies of publications, contact EBSA at 1-866-444-3272 or contact the EBSA

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field office near you. You may also find answers to your questions at the EBSA website at www.dol.gov/ebsa.

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

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

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$12,870.

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

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the earlier of: (i) The date the Plan terminates or (ii) the time the Plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the Plan becomes insolvent; and (5) nonpension 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 800-877-8339 and ask to be connected to 800-400-7242. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at www.pbgc.gov.