# UNITED WORKERS PENSION FUND

**367 Long Beach Road #147**
**Island Park, New York 11558**
**Tel: 888-666-1974**
**Fax: 516-706-0879**

## SUMMARY PLAN DESCRIPTION

Dear Participant:

We are pleased to provide you with this booklet summarizing the provisions of the United Workers Pension Fund (the "Plan"). The Plan is a defined contribution plan with individual accounts for each participant. This Plan provides additional financial security for you and your family upon your retirement. Besides retirement benefits, this Plan also provides benefits upon death, disability or job termination.

To make this information as clear as possible, every effort has been made to write this Summary Plan Description or "SPD" in a plain, straightforward manner. Please read this SPD carefully and show it to your family. It is important for your family to be aware of the benefits available to you under the Plan, including the Plan's survivor protection features.

In translating from legal language to everyday English, we have done our best to explain everything correctly. However, please note that this SPD is not a substitute for the official Plan document and does not change or otherwise alter the terms of the Plan. In all cases, the actual text of the Plan governs all aspects of participation, eligibility benefit payments and in general, any aspects of administration of the Plan. If there are any discrepancies between this SPD and the Plan document, the language of the Plan is controlling in all cases. The Board of Trustees governs the interpretation of plan provisions and reserves the right to amend, modify or terminate the Plan (in whole or in part) at any time. We urge you to review the terms of the Plan document which is available at the Fund Office. Other official Plan documents, such as the trust agreement under which the Plan was established, and applicable collective bargaining agreements, are also available for your inspection at the Fund Office.

You may direct any questions you may have about your benefits to the Fund Office. The Fund Office can be reached at 367 Long Beach Road #147, Island Park, New York 11558, telephone 888-666-1974.

Sincerely,

BOARD OF TRUSTEES

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## INTRODUCTION

The Plan was established as the result of collective bargaining agreement between certain employers and Local 621, United Workers of America ("the Union"). It covers employees of employers who are obligated to make contributions to the Plan under a collective bargaining agreement or participation agreement with the Union (each such contributing employer is referred to in this as an "Employer"). The Plan is a defined contribution plan. Upon written request, the Fund Office will provide you with information as to whether a particular Employer is contributing to the Plan on behalf of employees working under contract.

The Plan is administered exclusively by the Board of Trustees (the "Trustees"), which consists of representatives of the Union and the Employers. The Union Trustees as a group, have voting rights which are equal to the voting rights of the Employer Trustees. All Trustees serve without compensation. They have the sole power and discretionary authority to construe and interpret the terms of the Plan, and no other individuals have any authority to interpret the Plan (or other applicable documents) or to make any promises to you about it, including any claim for benefits.

A separate trust fund has been established for the purpose of holding and investing funds belonging to the Plan and paying benefits provided under the Plan.

The Plan was originally established effective August 26, 2004. The Plan has been determined to be tax-qualified by the Internal Revenue Service ("IRS").

## PARTICIPATION AND CONTRIBUTIONS

You can become a participant in this Plan if you are working in a job covered by a collective bargaining agreement or participation agreement between your Employer and the Union that requires your Employer to make contributions to the Plan on your behalf (i.e., you are working in "covered employment"). Your participation begins when you become actively engaged in covered employment for which employer contributions to the Plan are required on your behalf.

### Employer Contributions

For each Plan Year (the period January 1st to December 31st) while the collective bargaining agreement (or other agreement requiring contributions to the Plan) is in effect, your Employer will contribute to the Plan on your behalf an amount based either on the number of weeks you work in covered employment or as a percentage of your earnings. The contribution rate is specified in the collective bargaining agreement (or such other agreement) applicable to you and may change from time to time.

**Salary Reduction Contributions**

As a Participant in the Plan, you may elect to defer from 1% to 15%, in whole percentage points, of your wages to the Plan. You also have the opportunity to opt out of the Plan. If you do not opt out, and do not set a contribution level, your contribution level will be set at 3% of wages. Your Employer will reduce your weekly gross wages by the amount of the applicable deferral and contribute that amount to the Plan.

You may obtain election forms to enroll in or opt out of the Plan, or to change your contribution rate, from the Fund Office.

The Internal Revenue Code limits the amount you may contribute as salary reduction contributions in any calendar year. The amount is adjusted periodically by the Internal Revenue Service to reflect changes in the cost of living. The limit for 2015 is $18,000.

Your salary reduction contributions are not includable for income tax purposes in your taxable income in the year they are contributed. There will be no income tax withheld from the contribution, but the contributions are subject to Social Security and Medicare (FICA) and Unemployment (FUTA) Tax, and those taxes will be withheld from your paycheck. If you have questions about the tax consequences of contributing to the Plan you should consult a qualified tax advisor.

**Rollover Contributions**

You may be permitted to deposit into the Plan distributions from other tax-qualified pension or profit-sharing plans and IRA's, but not from any Roth IRA account. Such a deposit is called a "rollover" and may result in tax savings to you. You may ask your prior plan administrator to transfer directly to this Plan (a "direct rollover") all or a portion of any amount which you are entitled to receive as a distribution that is eligible for rollover. Alternatively, if you receive a distribution from a prior plan, you may elect to deposit in this Plan any amount eligible for rollover within 60 days of your receipt of the distribution. You should consult with a qualified tax advisor to determine if a rollover is permitted and is in your best interest.

## YOUR INDIVIDUAL ACCOUNT

Once you become a participant in this Plan the Trustees will establish an account in your name (your "Individual Account"). All contributions required on your behalf are credited to this account. As of each Valuation Date, the amount in your Individual Account will be adjusted to take account of:

(1) new contributions made for and by an employee;

(2) investment results since the previous valuation was made. The investment results are shared on a pro-rata basis as applied to the individual account

balances on the immediately preceding valuation date; and

(3) the Fund's administrative expenses.

The Valuation Dates are the end of each calendar quarter - March 31, June 30, September 30, and December 31.

As soon as practicable after the end of each year, you will receive a statement from the Trustees reflecting the balance of your Individual Account as of that date.

## VESTING

For the portion of your Individual Account balance that relates to your salary reduction and rollover contributions, you are 100% vested at all times. This means that you have a non-forfeitable right to all salary reduction and rollover contributions made and held on your behalf and any earnings on these contributions.

For the portion of your Individual Account balance that relates to employer contributions, you become 100% vested after completion of three (3) years of "Vesting Service". Prior to the completion of three years of Vesting Service, you are not vested in the employer contributions made and held on your behalf and any earnings on these contributions.

You earn a year of Vesting Service for each plan year that you complete at least 1,000 hours of service for one or more contributing employers.

Prior to January 1, 2007, the vesting requirement was five (5) years of Vesting Service. The 5-year vesting requirement applies to participants who have not worked in covered employment on or after January 1, 2007.

### Breaks in Service

A "Break in Service" will be incurred for any plan year during which a Participant has not completed more than 500 hours of service with a contributing employer. A Participant who has not satisfied the conditions for vesting, and who has incurred a break in service, will forfeit years of Vesting Service if the number of consecutive years of breaks in service equals or exceeds the greater of 5 years or the years of Vesting Service earned prior to incurring a break in service. In such a case, if the Participant is subsequently reemployed with a contributing employer, forfeited credits will not be reinstated.

## WHEN ARE YOU ELIGIBLE FOR BENEFITS?

Generally, the amount in an Individual Account, according to the last valuation, will be paid under the following circumstances:

1. IF YOU RETIRE. Retirement means that you have attained age 65 and are no longer working for a contributing employer.

2. IF YOU SEPARATE FROM SERVICE, and are no longer working for any contributing employers.

3. IF YOU BECOME TOTALLY AND PERMANENTLY DISABLED, and have been awarded a Social Security Disability Pension.

4. IF YOU DIE. Benefits may be payable as Pre-retirement Survivor Benefits as explained below.

## FORMS OF BENEFIT PAYMENT

### Married Participants

If you are married at the time you become eligible to receive benefits, your Individual Account will automatically be distributed in the form of a Qualified Joint and Survivor Annuity unless both you and your spouse reject that form of payment.

A Qualified Joint and Survivor Annuity provides you with equal monthly benefits during your lifetime, and upon your death, continues to provide 50% of your monthly benefit to your surviving spouse. The monthly payment which will be provided under the Qualified Joint and Survivor Annuity is calculated on the basis of your (and your spouse's) life expectancy, prevailing interest rates for annuities, your age and your spouse's age at the time of payment. The Fund Office will inform you of the amount of this benefit before you begin receiving benefits.

You must first obtain your spouse's consent, in writing, to elect payment in one of the optional forms described below. Your spouse's consent must also be notarized. You may not change your beneficiary subsequently without your spouse's consent. Any consent by a spouse is effective only with respect to that particular spouse. The Fund Office will provide you with a detailed written explanation of the Qualified Joint and Survivor Annuity after you have applied for benefits.

**Does the Qualified Joint and Survivor Annuity apply to a couple who were recently married?**

A Qualified Joint and Survivor Annuity shall be effective only if the employee and spouse were married within the year immediately preceding the date the employee's annuity payments start and they were married for at least one year before the employee's death.

**What happens to a Qualified Joint and Survivor Annuity if the spouse dies or is**

**divorced?**

The Qualified Joint and Survivor Annuity is cancelled if the spouse dies or is divorced before the payments begin.

Once payment in the Qualified Joint and Survivor Annuity form begins, the amount is not changed because of the death or divorce of the spouse. However, if you become divorced your Individual Account may be subject to the terms of a Qualified Domestic Relations Order ("QDRO") submitted to the Plan. A QDRO is a court order under domestic relations law assigning all or part of your benefits to your former spouse your child, or other dependent, to provide child support, alimony payment and/or property rights to your former spouse.

**Single Participants**

If you are not married at the time you become eligible to receive benefits, your Individual Account will automatically be distributed in the form of a Single Life Annuity, unless you waive this form and elect an optional form of payment. A Single Life Annuity provides you equal monthly benefits during your lifetime. The monthly payment which will be provided is calculated on the basis of the value of your Individual Account, your life expectancy, prevailing interest rates for annuities, and when you retire. The Fund Office will inform you of the amount of this benefit before you begin receiving benefits.

**Optional Forms of Benefit Payment**

If both you and your spouse reject the Qualified Joint and Survivor Annuity, or if you are not married, you can choose to be paid:

- in a single Lump Sum, or
- in a Single Life Annuity.

Please note that, if your Individual Account balance is $1,000 or less at the time of payment, the Trustees will pay it to you in one lump sum without additional consent.

## PRE-RETIREMENT SURVIVOR BENEFITS

If you are married for at least one year and die prior to retirement, and both you and your spouse have not rejected the Qualified Joint and Survivor Annuity benefit, your spouse will receive the value of your Individual Account to be paid monthly in the form of a Single Life Annuity benefit. However, if your spouse chooses, she or he may reject this form and elect to have your Individual Account paid in a lump sum.

If you are not married, have been married for less than one year, or if both you and your spouse reject the Qualified Joint and Survivor Annuity benefit, your named beneficiary (if consented to by your spouse) can choose to receive her or his portion of your Individual Account in a lump sum.

Pre-retirement survivor death benefits must be paid in their entirety by December 31 of the calendar year of the fifth anniversary of your death, except as follows: If your designated beneficiary is your spouse, payments are not required to begin until December 31st of the calendar year immediately following the year of your death OR the December 31st of the calendar year in which you would have turned 70½, whichever is later.

If your designated beneficiary is not your spouse, payments may be made over a period not greater than the beneficiary's life expectancy, and must begin no later than December 31st of the calendar year immediately following the year of your death.

**Beneficiary Designation**

You must notify the Fund Office, in writing, of the person you would like to designate as your beneficiary. You may change your beneficiary designation at any time before you retire and begin receiving benefit payments. If you are married, your spouse's written, notarized consent must be provided if you designate a beneficiary other than your spouse, as explained above. If you are not married, you may designate anyone you wish as your beneficiary.

If you have not designated a beneficiary, or if your beneficiary dies before you do, your Individual Account will be paid to your surviving spouse, or if there is no surviving spouse, to your surviving children in equal shares. If there is no surviving spouse or children, your Individual Account will be paid to your heirs under a valid will or the intestate laws of the state of New York.

## APPLYING FOR BENEFITS

To apply for benefits under the Plan you have to submit a completed written application to the Trustees. When you are ready to apply, contact the Fund Office for the necessary application forms.

Benefit payments will begin the first day of the month after your application is approved.

If you satisfy the requirements for receiving your Plan benefits, but do not apply for benefits, you will be deemed to have elected to postpone commencement of your benefits. Your Individual Account balance will be adjusted at each valuation date until you elect to receive your Individual Account balance, provided that no election may postpone the commencement of payment of your Individual Account balance beyond your Required Beginning Date.

Your Required Beginning Date, which is set by the Internal Revenue Code, is April 1st of the calendar year following the later of the calendar year in which you reach age 70½, or the calendar year in which you retire. The commencement of payments from your Individual Account must begin no later than your Required Beginning Date.

## OTHER IMPORTANT INFORMATION

### Social Security Benefits

In addition to Plan benefits, Social Security provides you with another source of retirement income which can begin as early as age 62. During your career, both you and your Employer contribute to the cost of providing Social Security benefits. Because these benefits are an important financial resource during retirement, you should contact your local Social Security Administration office within the three months before you plan to retire.

### Withholding of Federal Income Tax

Generally, distributions you receive from the Plan will be subject to federal income taxes. Pension withholding is very much like withholding from wages, in that IRS tables prescribe the amount of tax to be withheld, which varies with the amount of the monthly pension benefit and the number of exemptions that you claim on your withholding certificate.

However, unlike wages, you can elect to have no federal income tax withheld from your monthly benefit. If you do not file a withholding certificate with the Fund, then the Fund is required to withhold the amount that the IRS wage withholding table prescribes for an individual who is married and has three (3) exemptions. Because of this ‘married and three” rule, according to the IRS withholding tables, no income tax will be withheld from your monthly benefit that is less than a stipulated amount, unless you request withholding and file the appropriate forms with the Fund Office.

If you receive your benefit in a lump sum, you may defer the taxes by rolling over part or all of your distribution into another qualified plan or a rollover Individual Retirement Account (“IRA”). Taxes due on the amount rolled over are deferred until you begin withdrawing funds. You will be provided with forms and instructions to assist you at the appropriate time. If you do not roll over your lump sum distribution, the Fund must withhold 20% of any portion of the distribution which you do not roll over to an IRA or other qualified plan.

<u>Important Note</u>: Neither the Trustees nor the Fund Office are qualified to provide you with advice as to the legal and/or tax ramifications of distributions under the Plan. You are urged to consult with a qualified tax advisor or financial planner in order to fully understand the consequences of any Plan distribution and how it may affect your situation.

### Military Service

If you are in service in the armed forces of the United States, your military service shall be counted and contributions shall be required in accordance with federal laws.

## RIGHT OF APPEAL

If you file an application for benefits and you receive a decision you disagree with, and you act within 60 days, you can get your case reviewed. You can ask for any information the Trustees have that is relevant to your case. You can also submit arguments or comments in writing. After you ask for a review (or appeal), the Trustees will review all pertinent evidence at their next regular meeting scheduled at least 30 days after the appeal is received. You'll receive a written decision from the Trustees, which will include the specific reasons for the decision and will refer to the provisions of the Plan on which the decision was based.

## PLAN AMENDMENT

The Trustees may amend the Plan at any time provided, however, that no amendment shall reduce your account balance. Notice of all amendments will be provided to Participants.

## PLAN TERMINATION

Although the Trustees intend to maintain the Plan indefinitely, they reserve the right to terminate the Plan at any time. Upon termination, no further contributions will be made to the Plan. The Trustees will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. You will be notified of any termination of the Plan.

## ADMINISTRATIVE INFORMATION

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|---|---|
| Plan Name: | United Workers Pension Fund |
| Employer Identification Number: | 84-1655235 |
| Plan Number: | 001 |
| Plan Year: | January 1 - December 31 |

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

The Plan is a defined contribution profit sharing plan. A joint Board of Trustees, consisting of an equal number of Employer and Union representatives is the Plan Administrator. The Board of Trustees has been designated as the agent for the service of legal process. Service of legal process may be made upon a Plan Trustee or the Administrator at the address shown below:

Board of Trustees of United Workers Pension Fund
367 Long Beach Road #147
Island Park, New York 11558
Tel. 888-666-1974

All contributions to the Plan are made by Employers in accordance with their collective bargaining agreements with the Union. The collective bargaining agreements require contributions to the Plan either at fixed rates per week worked or as a percentage of earnings. The Fund Office will provide you, upon written request, with information as to whether a particular Employer is contributing to this Plan on behalf of employees working under the collective bargaining agreement or any other agreement allowing participation in the Plan.

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

The Fund's assets and reserves are held in custody by various banks and invested by the Board of Trustees. The names of these institutions are available upon request from the Fund Office.

The Plan shall be administered and operated by the Plan Administrator, in its sole and absolute discretion. The Plan Administrator, and any duly authorized delegate thereof, shall have the complete authority to administer, apply and interpret the Plan (and any related documents) and to decide all matters arising in connection with the operation or administration of the Plan. All determinations made by the Plan Administrator with respect to any matter arising under the Plan (and any other Plan document) shall be final and binding on all parties, subject to every participant's rights under law and under the provisions of the Plan. The benefits under this Plan are not guaranteed (or otherwise insured) by the government's Pension Benefit Guaranty Corporation (PBGC) because the Plan is a defined contribution "Individual Account" plan. The PBGC provides insurance solely for certain benefits under "defined benefit" pension plans (which this plan is not).

## YOUR RIGHTS UNDER ERISA

As a participant in the United Workers Pension Fund, 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 are entitled to:

**Receive Information About Your Plan and Benefits**

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

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

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

Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age (age 65) 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 benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

**Prudent Action by Plan Fiduciaries**

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who have the responsibility for the operation of the 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 a copy of plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order you may file suit in federal court. If it should happen that the Plan fiduciaries misuse 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 federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim frivolous.

**Assistance with Your Questions**

If you have any questions about your Plan, you should contact the Fund Office. 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 area 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, NW, 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 or going online at http://www.dol.gov/ebsa.