PACE INDUSTRY UNION-MANAGEMENT PENSION FUND

SUMMARY PLAN DESCRIPTION

June 2006

June 2006

To All Participants and Beneficiaries**:**

The Board of Trustees of the PACE Industry Union-Management Pension Fund is pleased to present you with this updated summary plan description booklet that summarizes the rules and regulations of your Plan. Pension Plan benefits are funded by employer contributions (and earnings on those contributions) according to collective bargaining agreements with the USW International Union, AFL-CIO.

The Plan can provide valuable security for you and your family both before and after retirement. We urge you to read this booklet carefully so that you will be familiar with the benefits available to you and your family and will understand your rights and responsibilities under the Plan.

This booklet is not meant to be a substitute for the full text of the Plan document. If there are differences between this summary plan description and the Plan document, the Plan document will govern.

The Trustees will continue to advise you of any changes in the rules and regulations of the Plan as we try to provide you a greater measure of retirement security.

If you would like to have a copy of the Plan document, or if you have any questions about your benefits under the Plan, please call or write to the Fund Office.

Sincerely,

The Board of Trustees
PACE Industry Union-Management Pension Fund
3320 Perimeter Hill Drive
Nashville, TN 37211-4123
1-800-474-8673
pensions@uswbenefitfunds.com

TO ALL PIUMPF PARTICIPANTS:

The information below describes the monthly benefit level or accrual rate that has been negotiated on your behalf as of January 1, 2006, for the contributing employer and USW Local indicated. Your pension credit is also used to determine your benefit under the Plan, as described in this SPD. Please note that certain requirements must be met in order to be eligible for the benefit level or accrual rate under the Program indicated below. These requirements are explained in this SPD. For further information, please contact the Fund Office.

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HIGHLIGHTS OF PENSION PLAN

The PACE Industry Union-Management Pension Plan ("Plan") provides several types of pensions and other benefits if you leave covered employment and the industry represented by the USW International Union, AFL-CIO ("Union") after having met the eligibility requirements for such benefits. The specific eligibility requirements for the various benefits provided under the Plan and the amount of such benefits are determined by the benefit program in which your employer participates on your behalf. The Plan provides benefits through Programs A through G. The details of each of these Programs will be described in the pages that follow.

Nothing in this summary is meant to interpret, extend or change in any way the provisions in the Plan. The Trustees reserve the right to amend, modify or discontinue all or part of this Plan whenever, in their judgment, conditions so warrant.

This summary plan description reflects the terms of the Plan in effect on January 1, 2002, as amended through September 14, 2005, and generally applies to Participants who have service under the Plan on or after that date. If you retired or terminated covered employment before January 1, 2002, the Plan document in effect on the date of your retirement or termination of employment will define the benefits available to you.

In general, the following benefits are available under the Plan:

- A **Regular Pension** pays your full retirement benefit if you retire at age 65 (or your 5th anniversary of participation, if later) (See pages 12, 18,19).

- An **Early Retirement Pension** is available if you retire between ages 55 and 65 with 10 years of service (5 years under Program G). The Program in which you participate will determine the extent of any benefit adjustment for early retirement (See pages 13, 20-26).

- A **Deferred Pension** is available if you leave covered employment before retiring with at least 5 years of service. You must have at least 10 years of service (5 years under Program G) to start benefits on or after age 55, but before age 65. If you have at least 5 years of service, you may start your benefit at age 65. The Program in which you participate will determine the extent of any benefit adjustment (See pages 14, 26).

- A **Service Pension** under Programs D, E & F pays your full retirement benefit (not reduced for early retirement) if you retire with 30 years of service regardless of your age, or at age 62 with 20 years of service (See pages 14, 28).

- A **Disability Pension** is available if you become totally and permanently disabled while working in covered employment. The Program in which you participate will determine the eligibility requirements and benefits provided (See pages 14 - 16, 27,28).

- A **Pre-Retirement Surviving Spouse's Benefit** is payable to your spouse upon your death before retirement, if you have 5 years of pension credit or vesting service (See pages 35, 36).

- A **Pre-Retirement Death Benefit** may be paid to your beneficiary if you are single and you die in covered employment before commencing a benefit. The Program in which you participate will determine the eligibility requirements and benefits provided (See page 37).

- **Standard Form of Payment –** If you are married, you will receive your benefit in the form of a Husband and Wife Pension, which is a reduced benefit payable in the form of a monthly annuity for your life, with 50% of your monthly benefit payable to your surviving spouse for life (See pages 30, 31). If you are not married, your benefit will be paid in the form of a monthly annuity for your life with 60 months of guaranteed payments. If you reject the standard form of payment, you may elect an optional form of benefit, such as a 75% or 100% Husband and Wife Pension, joint and survivor beneficiary options, and other options determined by the Program in which you participate (See pages 32-34).

SECTION I. HOW DO I BECOME A PARTICIPANT IN THIS PLAN?

Benefits in this Plan are only paid to Plan participants. You are eligible to become a participant in this Plan if you are an employee covered by a collective bargaining agreement between your employer and the USW International Union, AFL-CIO or a local Union affiliate ("Union"), or another labor union that is accepted for participation in the Plan, and if the agreement requires your employer to contribute to the Plan for the hours you work. You are also eligible to participate if your employer is the PACE International Union, a local Union affiliate, or a benefit plan that has entered into an agreement with the Fund to make contributions on your behalf. In order to become a Plan participant, you must further satisfy the participation requirements described below.

Hours of service for which your employer is obligated to contribute to the Fund is called covered employment. Your employer's obligation to make contributions on your behalf is reflected in a Standard Form of Participation Agreement that has been accepted by the Fund.

WHEN DO I BECOME A PLAN PARTICIPANT?

For Programs A, B, C, D, E & F – You become a Plan participant if you work at least 1,000 hours in covered employment during your first year on the job, or in any calendar year that starts after you are hired, and you are at least 21 years old.

For Program G – You become a Plan participant if you work 150 hours in covered employment during your first year on the job, or in any calendar year that starts after you are hired.

Hours – Hours generally mean each hour for which you are paid, or are entitled to be paid by your employer. It does not include hours in excess of 40 hours per week for Program G. Hours may also include some unpaid periods such as military service while you have re-employment rights under law, or continuous work with the same employer even if part of that work is not in a job covered by the collective bargaining agreement that requires contributions to be made to the Fund.

Entry Date – You will be formally enrolled as a participant on the earliest January 1 or July 1 occurring after you meet the applicable Program requirements described above. Once you become a Participant, you will receive pension credit for any hours of service for which contributions were required to be made on your behalf. You may also receive pension credit, under the special rules described in this booklet, for some or all of your service with the employer before the employer started contributing to the Plan (See pages 4 - 7).

> **Example:**
> Your employer begins making contributions to the Fund on your behalf on your hire date, September 1, 2003. Your employer participates in Program A. You work 1,500 hours in covered employment between September 1, 2003 and August 31, 2004. Because you completed 1,000 hours during your first year of employment, and you are at least 21 years old, you will become a participant in the Plan on January 1, 2005.

SECTION II. HOW DO I EARN PENSION CREDIT?

The amount of time you work for an employer in the Plan counts in several important ways. First of all, it determines when you become a participant in the Plan, as explained in Section I. It also determines whether you are eligible for a pension and the amount of your pension, as explained in Sections II and III.

WHAT IS PENSION CREDIT?

Your years of pension credit determine the amount of your pension benefit, and also count in determining your eligibility for certain pensions. Work for which your employer is required to contribute to the Fund on your behalf is called covered employment. Pension credit for covered employment is called future service credit. You can also receive pension credit for work you performed before your employer started contributing to the Fund for you; this is called past service credit. When you retire, your total years of pension credit are calculated by adding together your past service credit and future service credit.

HOW IS FUTURE SERVICE CALCULATED?

Future service credit is based on hours of service in covered employment and generally includes all hours in covered employment for which you are paid by your employer. Program G credits a maximum of 40 hours of work per week. Hours may also be credited for certain non-working periods, as described at the end of this Section II.

For Programs A, B, C, D, E & F

You will receive one full year of future service credit for each calendar year in which you have at least 1,760 hours for which contributions are due on your behalf. The following table shows how much credit you will receive in a calendar year if you work 1,760 hours or less for which contributions are due:

Hours for which Contributions are Due in a Calendar Year	Years of Pension Credit
1,760 or more	1
1,320 – 1,759	¾
880 – 1,1319	½
440 – 879	¼
Less than 440	0

For Program G

You will receive one full year of future service credit for each calendar year in which you have at least 1,800 hours for which contributions are due on your behalf. The following table shows how much credit you will receive in a calendar year if you work 1,800 hours or less for which contributions are due:

Hours for which Contributions are Due in a Calendar Year	Tenths of Pension Credit for Calendar Year
0 – 99	0
100 – 199	1
200 – 399	2
400 – 599	3
600 – 799	4
800 – 999	5
1000 – 1199	6
1200 – 1399	7
1400 – 1599	8
1600 – 1799	9
1800 – more	10

HOW DO I QUALIFY FOR PAST SERVICE CREDIT?

The Program you participate in will determine your eligibility for past service credit.

For Programs A, B, C, D, E & F

In order to qualify for past service credit:

(i) if you began working in "creditable employment" on or before August 17, 1982, you must have 5 or more years of future service credit (unless you qualify for the "1,200-Hour Exception" described below). Creditable employment is work in job classifications at plant locations that is covered for pension purposes by a collective bargaining agreement as of the first day your employer starts contributing to the Fund or that is covered by a collective bargaining agreement with the Union before the date your employer starts contributing to the Fund; or

(ii) if you began working in covered employment after August 17, 1982, you must be an employee for whom contributions were required to be made to the Fund on the first day your employer started contributing to the Fund, and you must have 5 or more years of future service credit (unless you qualify for the "1,200-Hour Exception" described below).

How Do I Satisfy the "1,200-Hour Exception" from the 5-Year Future Service Requirement for Past Service Credit?

You may qualify for past service credit without meeting the 5-year future service requirement described above if you meet all of the following requirements: (i) you are in covered employment in Programs A, B or C on or after February 28, 1980, (ii) you are an employee for whom contributions were required to be made to the Fund on the first day your employer starts contributing to the Fund, and (iii) you work at least 1,200 hours in the 12-month period ending on the first day your employer starts contributing to the Fund on your behalf. The same exception applies if you are in covered employment in Programs D, E or F on or after January 1, 1999, for vesting purposes only, and you satisfy (ii) and (iii) above. The following hours will count towards the 1,200-Hour Test:

- Hours in any job classification that is covered for pension purposes by a collective bargaining agreement as of the first day your employer starts contributing to the Fund; or

- Hours in a job classification and at a plant location that is covered under a collective bargaining agreement between your employer and the Union before your employer starts contributing to the Fund; or

- Hours for layoff or disability as described above must be proven to the satisfaction of the Trustees based on the following forms of proof: (1) records of governmental, unemployment or disability plans; (2) employer's certified records; or (3) medical documentation.

If you cannot satisfy the requirements of the 1,200-Hour Exception described above, you may still qualify for past service credit if you were working in covered employment on February 27, 1980, and you met the requirements for past service credit under the Plan rules then in effect, or if you were working in non-covered employment with the same employer on February 27, 1980 and complete two quarters of future service credit thereafter.

For Program G

In order to receive past service credit, you must meet one of the following requirements:

- Have at least 5 years future service credit, or

- Satisfy the Three-Year Test.

How Do I Satisfy the Three-Year Test?

The Three-Year Test requires you to have worked at least 150 days during each of the three calendar years immediately before the year in which your employer was first required to make contributions to this Fund or to the OCAW/PACE Industry-Union Pension Fund (or for as many years as you were employed, if fewer). These days of work must have been in a job classification and at a job location that was, either for part or all of the three-year period, covered by a collective bargaining agreement with the Union or the OCAW Union (including a Local).
If you worked 150 days in two of the three years but were unable to do so in the third year because of a disability, you will be deemed to meet the Three-Year Test. The same is true if you were engaged in military service during all or any part of the three years. These exceptions are granted, at the discretion of the Trustees, based on proof that you provide.

The Three-Year Test does not apply if you have at least 15 years of past service credit and 4 years of future service credit and become unable to earn more future service credit due to a total and permanent disability.

HOW MUCH PAST SERVICE CREDIT WILL I GET?

For Program A, B, C, D, E & F

You will receive one year of past service credit for each calendar year in which you worked at least 1,200 hours in creditable employment. Creditable employment is work in job classifications and at plant locations that is:

- covered for pension purposes by a collective bargaining agreement as of the first day your employer starts contributing to the Fund; or

- covered by a collective bargaining agreement with the Union before the date your employer starts contributing to the Fund; or

- determined by the Trustees to be similar to work in those job classifications and plant locations within the industry represented by the Union, if the participant applies for such past service credit.

Also, you may receive a partial year of past service credit for the calendar year in which your covered employment or creditable employment starts, at a rate of one-quarter year of credit for each 300 hours of creditable employment.

You will not receive past service credit for any period before a period of three consecutive calendar years in which you had fewer than 1,200 hours of creditable employment in at least one of the three years.

Although your past service credit will be determined on the date you start covered employment, it will not be credited until you have met the eligibility requirements for past service credit described above and you have at least 2 quarters of future service credit. (If you retire within 2 years of the employer’s first contribution date, you must have at least 880 hours for which contributions were made to the Fund on your behalf over two consecutive calendar years.)

For employees of employers that begin participating in the Fund on or after January 1, 2006, past service credit is limited to time worked at the facility for which the employer makes contributions to the Fund. Furthermore, past service credit will only be considered if it was specifically reported to the Fund by your employer at the time the employer first started making contributions to the Fund.

For Program G

One year of past service credit will be granted for each calendar year before your employer started contributing to the Fund in which you worked at least 150 days, if your employment was in a job classification and place of business covered by a collective bargaining agreement between the Union or the OCAW Union (including a Local) and an employer, and that employer later became a contributing employer to the Fund. However, if at the time your employer enters the Plan, the actuary determines that past service credit must be limited, your past service credit may be limited. If your employment was before the first collective bargaining agreement between your employer and the Union, your job classification must be included in the covered units in the first such collective bargaining agreement. Certain military service during periods of war or national emergency also may be granted past service credit, provided you return to covered employment within 90 days of discharge. However, past service credit will not be granted for periods of work before a break in service (See pages 11, 12).

You will not receive past service credit for any period before a period of 5 consecutive calendar years in which you work fewer than a total of 150 days. A period of employment for the Union or the OCAW Union will not be counted for purposes of determining an absence for a 5 consecutive-year period.

For employees of employers that begin participating in the Fund on or after January 1, 2006, past service credit is limited to time worked at the facility for which the employer makes contributions to the Fund, subject to limitations as determined by the actuary as described above. Furthermore, past service credit will only be considered if it was specifically reported to the Fund by your employer at the time the employer first started making contributions to the Fund.

WHAT IS PAST SERVICE CREDIT USED FOR?

For Programs A, B & C – Past service credit is available for purposes of calculating vesting, pension credit and pension eligibility.

For Programs D, E & F – Past service credit is available for purposes of calculating vesting and pension eligibility (but not pension credit).

For Program G – Past service credit is available for purposes of calculating pension credit and pension eligibility (but not vesting).

DO I RECEIVE FUTURE SERVICE CREDIT FOR ANY NON-WORKING PERIODS?

Military Service – All Programs

You will receive future service credit for periods of military service in the U.S. Armed Forces to the extent required by federal law. To qualify for such credit, you must leave covered employment in order to enter the Armed Forces and you must promptly return to covered employment upon terminating service with the Armed Forces, within the time limits prescribed by law. You should contact the Fund Office immediately before and after serving in the Armed Forces to find out about your rights under the Plan and your obligations in order to qualify for such credit.

Disability Credit – Programs A, B, C, D, E & F

You may receive future service credit of up to one year for each period of disability that immediately follows covered employment. Such service counts for purposes of pension eligibility and pension credit in determining your benefit amount, but is not considered in determining the benefit level that applies in calculating your benefit amount.

In order to qualify for such credit, you must file a claim in writing to the Trustees not later than 12 months after the period of disability. The Trustees may approve your claim, at their discretion, based on the following proof: (i) a doctor's statement verifying your disability and containing the diagnosis, treatment and dates of disability, (ii) evidence that you are receiving state disability benefits, (iii) evidence that you are receiving weekly accident and sickness benefits provided by an employer-sponsored disability plan, or (iv) for periods of disability before January 1, 2003, if the proof described above is unavailable, written verification by your contributing employer that you were unable to work because of an accident or sickness and that you were under the regular care of a doctor.

SECTION III. HOW DO I EARN VESTING SERVICE?

WHAT IS VESTING SERVICE?

Your years of vesting service will determine your eligibility for the types of pensions available under the Plan. Generally, you must have 5 years of vesting service to be eligible for any benefit under the Plan. You are then considered to be "vested" in your benefit. This means you will not lose your pension benefit even if you no longer work in covered employment.

For Programs A, B, C, D, E & F

You will receive one year of vesting service for each calendar year in which you work at least 1,000 hours in covered employment. This includes the period you worked in covered employment before you met the eligibility requirements for participation in the Plan.

You will receive one year of vesting service for each year of past service pension credit earned in calendar years before the year your covered employment started. Also, hours of non-covered work before your employer joined the Plan will count if such work is continuous with covered employment with the same employer at the same place of business as your covered employment.

For Program G

You will receive one year of vesting service for each calendar year in which you worked at least 750 hours in covered employment. In addition, if you work one hour in covered employment on or after January 1, 1994, and complete less than 750 hours of work in a calendar year, you will receive vesting service based on the following schedule:

Hours of Work for which Contributions are Due in a Calendar Year	Tenths of Vesting Service for Calendar Year
0 – 149	0
150 – 224	2
225 – 299	3
300 – 374	4
375 – 449	5
450 – 524	6
525 – 599	7
600 – 674	8
675 – 749	9
860 or more	10

For All Programs

In determining your vesting service, the Plan will count hours you work for a contributing employer in a job not covered by this Plan if the work immediately precedes or follows your covered employment with that contributing employer. However, you will not receive vesting credit for service before a permanent break in service (See page 12), or for certain service before 1976 (contact the Fund Office for more information).

IS IT POSSIBLE TO LOSE MY PENSION CREDIT AND VESTING SERVICE?

For All Programs

If you have a permanent "break in service" before you have enough years of pension credit or vesting service to be vested in a benefit, you will lose all the pension credit and years of vesting service you earned before the break. In addition, your participation in the Plan will end.

A permanent break in service occurs after a specified number of "one-year breaks in service," as described below.

<u>You cannot lose your right to a pension once you become vested.</u>

WHAT IS A ONE-YEAR BREAK IN SERVICE?

For Programs A, B, C, D, E & F

In any calendar year after 1975, you will have a one-year break in future service if you are credited with fewer than 440 hours of service in a calendar year. Hours of service include work in non-covered employment that immediately precedes or follows work in covered employment with the same contributing employer.

For Program G

Before January 1, 1994, you will have a one-year break in service if you fail to work 375 hours in covered employment in any calendar year. After January 1, 1994, you will have a one-year break in any calendar year in which you fail to work 150 hours in covered employment. For this purpose, after 1975, service includes non-covered employment that precedes or follows covered employment with the same employer.

Parental Leave, Family and Medical Leave – For All Programs

If you are absent from covered employment after 1984 because of your pregnancy, the birth of your child, the adoption of your child, or the care of your child immediately after your child's birth or adoption, you will be credited with hours of service for the purpose of avoiding a one-year break in service. You will also be credited with hours of service for this purpose for any period of family or medical leave, as provided under the Family and Medical Leave Act. You must provide the Fund with proof of the reasons for your absence and the time periods involved.

WHAT IS A PERMANENT BREAK IN SERVICE?

For Programs A, B, C, D, E & F

From 1989 forward - If you work an hour of service in covered employment on or after January 1, 1989, you will incur a permanent break in service only if you leave covered employment with less than 5 years of vesting service or pension credit, and you subsequently incur 5 consecutive one-year breaks in service. Once you become vested in your pension, a break in service will not cancel previously earned pension credit or vesting service.

From 1976 - 1988 – If you left covered employment between January 1, 1976 and December 31, 1986, and before you had 10 years of pension credit or vesting service, you will have a permanent break in service when your consecutive one-year breaks in service, including at least one year after 1975, equal or exceed your years of vesting service or pension credit before the first one-year break. If you left covered employment in or after 1987, this rule is modified so that you will not incur a permanent break in service until you have incurred at least 5 consecutive one year breaks in service.

Before 1976 – If you left covered employment before January 1, 1976, and before you had 10 years of pension credit or vesting service, you will have a permanent break in service if you did not earn four quarters of future service credit within any period of 4 consecutive calendar years.

Exception – The following exception applies to the break in service rules:

- If you were unable to work because of a total disability, as determined by the Trustees, you are allowed a grace period of up to one full calendar year in determining whether or not you had a permanent break. However, you must give written notice to the Trustees of your request for this grace period within 12 months after the period for which the grace period is requested.

For Program G

From 1990 forward – If you have an hour of service in covered employment on or after January 1, 1990 (January 1, 1989 for non-bargaining unit employees), you will incur a permanent break in service only if you leave covered employment with less than 5 years of vesting service or pension credit, and you subsequently incur 5 consecutive one-year breaks in service. Once you become vested in your pension, a break in service will not cancel previously earned years of pension credit or vesting service.

From 1976 - 1989 – If you began covered employment on or after May 1, 1976 (or you had 7 or more years of vesting service as of May 1, 1976), and you left covered employment before January 1, 1990 (January 1, 1989 for non-bargaining unit employees) with fewer than 10 years of vesting service, you have a permanent break in service when your consecutive one-year breaks in service (including at least one year after 1975) equal or exceed your years of vesting service before the first one-year break. If you left covered employment after August 22, 1984, this rule is modified so that you will not incur a permanent break in service until you have at least 5 consecutive one-year breaks in service. If you began covered employment before May 1, 1976 (or had fewer than 7 years of vesting service on such date), the Fund Office will provide you with information about the applicable break in service provisions.

DO I RECEIVE VESTING SERVICE FOR ANY NON-WORKING PERIODS?

Military Service – For All Programs

You will receive vesting service for periods of military service in the U.S. Armed Forces to the extent required by federal law (See page 8).

SECTION IV. WHEN AM I ELIGIBLE FOR A PENSION?

DO I NEED TO "RETIRE" TO RECEIVE BENEFITS?

Under all Programs, to receive a pension you must retire prior to the date your pension benefits commence. For purposes of this Plan, "retire" means that you have ceased being employed for at least 30 consecutive days by any contributing employer or an employer in the same business, trade or craft in which you were employed at any time under the Plan.

IS THERE A REQUIREMENT THAT I HAVE FUTURE SERVICE CREDIT IN ORDER TO BE ELIGIBLE FOR BENEFITS?

For Programs A, B, C, D, E & F

In order to qualify for a pension, you must earn at least two quarters of future service pension credit. If the effective date of your retirement is within two years of the first day your employer starts contributing to the Fund, you must complete at least 880 hours for which contributions are made during two consecutive calendar years.

For Program G

In order to qualify for a pension, you must have one year of future service credit.

HOW DO I BECOME ELIGIBLE FOR A REGULAR PENSION?

For Programs A, B, C, D, E & F

You are eligible to retire on a Regular Pension (a full retirement benefit) if you are at least age 65 or, if you have not participated in the Plan for at least 5 years at age 65, your fifth anniversary of Plan participation. This eligibility date is referred to as your "normal retirement age."

For Program G

You are eligible to retire on a Regular Pension (a full retirement benefit) if you are at least age 65 or, if you have not participated in the Plan for at least 5 years at age 65, your fifth anniversary of Plan participation. However, if you are a participant in "Plan 62," you may retire on a Regular Pension at age 62 with 5 years of pension credit.

Age 70 ½ – For All Programs – Even if you continue working, the Fund will begin paying you your monthly benefit as of April 1 of the calendar year following the calendar year in which you reach age 70 ½.

HOW DO I BECOME ELIGIBLE FOR AN EARLY RETIREMENT PENSION?

For Programs A, B, C, D, E & F – You are eligible to retire on an Early Retirement Pension if you are at least age 55, but under age 65, and you have at least 10 years of pension or vesting credit. There is generally a reduction in your benefit determined as a Regular Pension for an early commencement date (See pages 22, 23).

For Program G – You are eligible to retire on an Early Retirement Pension if you are at least age 55, but under age 65, and you have at least 5 years of pension or vesting credit. There is generally a reduction in your benefit determined as a Regular Pension for an early commencement date (See page 24).

WHAT IF I STOP WORKING BEFORE AGE 55?

For Programs A, B, C, D, E & F

You are entitled to a Deferred Pension if you have 5 years of vesting service or pension credit and you stop working in covered employment before you retire.

If you have at least 10 years of pension credit or vesting service, you can start receiving a Deferred Pension if you retire at any time after age 55. Your pension will be calculated in the same manner as an Early Retirement Pension (See page 22). If you have fewer than 10 years of pension credit or vesting service when you stop working in covered employment, you must wait to start your Deferred Pension until age 65. At that time, you will receive your full retirement benefit, in the same amount as a Regular Pension.

> **Example:**
> Bob is age 46 and has 7 years of vesting service when he terminates covered employment. Because he has at least 5 years of vesting service, but fewer than 10 years of pension credit or vesting service, he is entitled to retire on a Deferred Pension at age 65. At age 65, his benefit will be unreduced for early retirement.

> **Example:**
> Don stops working in covered employment at age 48 with 10 years of pension credit. Because Don has at least 10 years of pension credit, he may retire on a Deferred Pension at any time after reaching age 55; if he retires before age 65, his pension will be reduced in the same manner as an Early Retirement Pension.

For Program G

You are eligible for a Deferred Pension, payable at age 55 or later, if you have 5 years of vesting service and you stop working in covered employment prior to your retirement.

The amount of the Deferred Pension benefit depends on when you begin to receive it. If you wait until age 65 to begin receiving your benefit, the monthly amount of the Deferred Pension is calculated in the same manner as a Regular Pension. If the Deferred Pension begins at age 55 or later, but before age 65, the monthly amount is the same as the Early Retirement Pension. A "Plan 62" participant who receives a Deferred Pension is subject to the same reductions that would apply to an Early Retirement Pension for "Plan 62" participants, unless he or she terminates employment before age 55, in which case the .50% per month reduction applicable to all other Program G participants applies.

HOW DO I BECOME ELIGIBLE FOR A SERVICE PENSION?

For Programs D, E & F

A Service Pension provides your full retirement benefit, without reduction for early commencement. You are eligible to retire on a Service Pension if you attain age 62 while working in Covered Employment and have 20 years of pension or vesting credit, or at any age with 30 years of vesting or pension credit.

HOW DO I BECOME ELIGIBLE FOR A DISABILITY PENSION?

For Programs A, B & C – You can receive a Disability Pension if you become totally and permanently disabled while working in covered employment and you have at least 10 years of pension credit – including at least two quarters of future service credit – at the time your disability starts.

For Programs D, E & F – You can receive a Disability Pension if you become totally and permanently disabled while working in covered employment and you have at least 5 years of vesting credit – including at least two quarters of future service credit – at the time your disability starts.

For Programs A - F – To receive a Disability Pension payable in an unreduced amount, you must submit to the Trustees a disability award issued by the Social Security Administration. You may be eligible to receive a Disability Pension in a reduced amount if you submit medical evidence, satisfactory to the Trustees, that you are totally and permanently unable as a result of bodily injury or disease to perform work within the collective bargaining unit of the employer with which you were last employed. Your Disability Pension will ordinarily start on the first day of the month after 5 months of disability, if you file your benefit application during that period. If you file later, your Disability Pension will ordinarily start on the first day of the month after you file your application. In all cases, however, benefits will not start until your application has been approved. If, due to the processing of your application, there is a lapse of time between your application date and your benefits start date, in no event will retroactive payments exceed one year's total payments.

Both before and after you retire on a Disability Pension, the Trustees may require that you submit to a medical examination as often as may be reasonably required. If you recover from total and permanent disability before normal retirement age, your Disability Pension will be discontinued, effective as of the date of recovery. If your Disability Pension is discontinued, you may apply for a Deferred, Early Retirement or Regular Pension once you are eligible.

For Program G

You are eligible for a Disability Pension with a starting date after October 1, 2001, if you meet these four requirements:

- you become totally and permanently disabled before age 65,
- you have at least 10 years of pension credit,
- you have at least one year of future service credit, and
- you worked in covered employment for at least 375 hours within 24 months of the time you became totally and permanently disabled.

To receive a Disability Pension you must submit proof of your disability to the Trustees. Proof consists of medical evidence satisfactory to the Trustees that (1) you are totally and permanently unable as a result of bodily injury or disease to engage in or perform the duties of any occupation for remuneration or profit, and (2) such disability will be permanent and continuous for the rest of your life. This may include proof that you are eligible to receive Social Security disability benefits.

Your Disability Pension will generally start on the first day of the month after 6 full months of disability, if you apply for a Disability Pension during that period. If you file later, your Disability Pension will ordinarily start on the first day of the month after you file your benefit application. In all cases, however, benefits will not start until your application has been approved.

Both before and after you retire on a Disability Pension, the Trustees may require that you submit to a medical examination as often as may be reasonably required. If you have earnings from any employment, you must report them to the Trustees within 15 days after the end of the month for such earnings; if you do not report earnings as required, you will be disqualified from benefits for 6 months for each violation. If you recover from total and permanent disability before normal retirement age, your Disability Pension will be discontinued, effective as of the date of recovery. If your Disability Pension is discontinued, you may apply for a Deferred, Early Retirement or Regular Pension once you are eligible.

CAN I RECEIVE AN UNREDUCED DISABILITY PENSION WHILE MY APPLICATION FOR A SOCIAL SECURITY DISABILITY AWARD IS STILL PENDING?

For Programs A, B, C, D, E, and F – If you are awarded a disability pension payable in a reduced amount because you have not submitted a Social Security Disability Award, you may be entitled to receive a Disability Pension payable in the unreduced amount if you submit a Social Security Disability Award to the Trustees and the Trustees approve an award of the unreduced amount. Once the Trustees approve the award of the unreduced amount, you will start receiving the unreduced amount in lieu of the reduced amount retroactive to the date you were eligible to begin your Disability Pension.

For All Programs – If you have applied for a Disability Pension and you are also eligible for an Early Retirement Pension, you may apply to receive your benefits as an Early Retirement Pension while a determination is being made on your application for a Disability Pension. If you are then granted a Disability Pension, you will start receiving the Disability Pension amount in lieu of the Early Retirement Pension amount retroactive to the date you were eligible to begin your Disability Pension.

SECTION V. HOW MUCH WILL MY PENSION BE?

HOW WILL MY BENEFIT BE CALCULATED?

Below is a general description of how benefits are calculated. This is followed by specific examples of how to calculate benefits under each type of Pension available under the Plan.

For Programs A, B & C – Benefit Level x Years of Pension Credit

Your monthly pension benefit is equal to your years of pension credit multiplied by the monthly benefit level applicable to you on the last day for which your employer is obligated to make contributions on your behalf. Your applicable monthly benefit level is based on the contribution rate of your employer. Your benefit level, effective on January 1, 2002 (assuming you satisfy the conditions described below), appears in the front of this booklet. Updates can be obtained from the Fund Office.

You will be eligible for an increase in your benefit level that took effect before or after you terminate covered employment if you have been credited with: (i) at least one hour of service during the 90-day period immediately preceding the change in benefit level, and (ii) at least 440 hours of service during the 90-day period immediately preceding the 90-day period described in (i). If you do not satisfy (i) and (ii), you will be eligible for a change in benefit level if you are credited with at least 2 quarters of future service credit under the new benefit level or at least 880 hours for which contributions are required to be made to the Fund at that benefit level over two consecutive calendar years. If you satisfy (i) but do not satisfy (ii), you will be deemed to satisfy (ii) if (a) the 90-day period described in (ii) includes any month in the calendar year immediately preceding the calendar year in which the benefit level change is effective, and (b) you receive a full year of future service credit in the calendar year immediately preceding the calendar year in which the benefit level change is effective. This rule applies to all Pensions under the Plan.

If you have been covered under more than one benefit level and do not meet the requirements described above, your pension will be based on the benefit level under which you satisfied the requirements described above.

> **Example:**
> Jason terminated covered employment on March 31, 2003. His employer's benefit level increased from $16.00 to $18.32 on May 1, 2003. Jason completed 200 hours of service in the months of February and March 2003. Jason completed

480 hours of service in the months November and December 2002 and January 2003. Because Jason had at least one hour of service within 90 days of the benefit level increase on May 1, 2003 (generally the period between February and April 2003), and had completed at least 440 hours of service in the preceding 90-day period (generally the period between November 2002 and January 2003), he was entitled to the benefit level increase.

Example:
Mark worked in covered employment. His employer's benefit level increased from $40 to $44 on September 1, 2004. Mark was credited with 80 hours of service from June through August 31, 2004, and with 350 hours of service from March through May 2004. Mark had no hours of service after September 1, 2004. Although Mark had at least one hour of service in the 90-day period (generally June through August 31, 2004) immediately preceding the benefit level increase on September 1, 2004, Mark was not entitled to the $44 benefit level increase because he did not complete 440 hours of service during the previous 90-day period (generally March through May 2004) before the 90-day period immediately preceding September 1, 2004. He also did not earn at least two quarters of future service credit under the new benefit level (on and after September 1, 2004). Mark's benefit will be determined based on the $40 benefit level.

For Programs D, E & F – Sum of Annual Pension Accruals for Calendar Years Worked

Your monthly pension benefit is equal to the sum of your annual pension accruals for each calendar year of participation. For any given calendar year, your annual pension accrual is determined by multiplying your applicable monthly accrual rate by your pension credit for the year. Your applicable monthly accrual rate for January 1, 2002 (if you have 12 months of pension credit in 2002 under that accrual rate) appears in the front of this booklet. Updates can be obtained from the Fund Office.

Your monthly accrual rate is based on your average contribution rate, which is determined by dividing total required contributions on your behalf during a calendar year by your total credited hours of service for which contributions were due for the year.

For Program G – Accrual Rate x Years of Pension Credit

Your monthly pension benefit is equal to your applicable accrual rate multiplied by the amount of your total pension credit under the Plan. Your applicable monthly accrual rate as of January 1, 2002 (assuming you have 50 tenths of pension credit under that rate) appears in the front of this booklet. Updates can be obtained from the Fund Office.

Your applicable accrual rate is determined based on your average contribution rate, which is the average rate at which contributions were required to be made to the Fund on your behalf during your last 50 tenths of pension credit (*i.e.*, if you worked continuously, your last 5 years of pension credit).

Each $.01 per hour of average contribution rate is equivalent to an accrual rate of $.56. Thus, an average contribution rate of $.10 provides you with an accrual rate of $5.60; an average contribution rate of $1.00 provides you with an accrual rate of $56.00; and an average contribution rate of $1.50 provides an accrual rate of $84.00. Simply multiply your average contribution rate by $.56 to determine your accrual rate, then multiply by your years of pension credit to determine your monthly benefit.

The $.56 accrual rate for each $.01 average hourly contribution rate described above applies if your pension is effective on or after January 1, 2002, provided that you earned at least 1/10 of a pension credit in 2001 (or became disabled in 2001). This accrual rate does not, however, apply to participants in certain employer groups. You may inquire with the Fund Office to determine whether you are included in one of these groups and the accrual rate that applies in your case.

If you are a participant in "Plan 62," each $.01 per hour of average contribution rate provides an accrual rate of $.467. Thus, an average contribution rate of $.10 provides you with an accrual rate of $4.67; and an average contribution rate of $1.00 provides an accrual rate of $46.70. Simply multiply your average contribution rate by $.467 to determine your accrual rate, then multiply by your years of pension credit to determine your monthly benefit. This accrual rate applies for pensions effective on or after January 1, 2002, provided that you earned at least 1/10 of a pension credit in 2001 (or became disabled in 2001).

HOW MUCH WILL MY REGULAR PENSION BE?

For Programs A, B & C – Benefit Level x Years of Pension Credit

Your Regular Pension will be equal to the monthly benefit level applicable to you on the last day for which your employer was required to make contributions on your behalf, and for which you are otherwise eligible, multiplied by your years and quarter years of pension credit.

> **Example:**
> Larry is retiring at age 65 with 20.25 years of pension credit. The benefit level for which he is eligible when he retires is $26.00 per month. His monthly pension is shown below.
>
> 20.25 years of pension credit x $26.00 per month = $526.50
>
> Larry will receive a monthly Regular Pension of $527. (All pensions are rounded up to the next highest whole dollar amount.)
>
> **Example:**
> Michelle is retiring at age 65 with 28 years of pension credit. The benefit level for which she is eligible when she retires is $18.00 per month. Her monthly pension is shown below.
>
> 28 x $18.00 = $504 (pension credit x benefit level)
>
> Michelle will receive a monthly Regular Pension of $504.

For Programs D, E & F – Sum of Accruals For Each Calendar Year Worked

The amount of your Regular Pension will be equal to the sum of your annual pension accruals for each calendar year for which you performed work in covered employment. This benefit formula applies for both a Regular Pension and a Service Pension under Programs D, E & F.

Example:

Patty will retire at age 65, in the year 2015, after earning 15 years of pension credit in Program D. Patty's accrual rate in each of her first 6 calendar years provided a $60 monthly accrual per year; in the next 3 calendar years, her average hourly contribution rate provided a $65 monthly accrual; she worked for 6 more years under an average contribution rate that provided a $68 monthly accrual. Her Regular Pension is determined as follows:

Year of Work	Annual Accrual	Accrued Benefit
2001-2006	$60(6 yrs. x $60)	$360
2007-2009	$65(3 yrs. x $65)	$195
2010-2015	$68(6 yrs. x $68)	$408
		$963

Patty's monthly Regular Pension at retirement is $963.

For Program G – Applicable Accrual Rate x Pension Credit

The monthly amount of your Regular Pension will be your applicable accrual rate multiplied by your total pension credit. Your applicable monthly accrual rate is based on your average contribution rate multiplied by a factor of $.56 (as of January 1, 2002).

Example:

Tom is retiring from Program G, in June 2004, at age 65 with 35 years of pension credit. His average hourly contribution rate (over his last 50 tenths of pension credit) is $.50.

$.50 x $.56 = $28.00 (Tom's average contribution rate x accrual rate for each $.01 of average hourly contribution rate = applicable accrual rate)

$28 x 35 = $980 (applicable accrual rate x years of pension credit = monthly benefit)

Tom will receive a monthly Regular Pension of $980.

Example:

Harry is retiring in March 2003 at age 65 with 15 4/10 years of pension credit. His average contribution rate is determined by multiplying his last 30 tenths of pension credit by a contribution rate of $.90 and his preceding 20 tenths of pension credit by a contribution rate of $.80. His average hourly contribution rate is $.86. To determine his applicable accrual rate, Harry multiplies $.86 by $.56.

$.86 x $.56 = $48.16 (Harry's average hourly contribution rate x accrual rate for each $.01 of average hourly contribution rate = applicable accrual rate)

$48.16 x 15.4 = $741.66 (applicable accrual rate x years of pension credit = monthly benefit)

Harry will receive a monthly Regular Pension of $742.

For All Programs – If you earn pension credit under more than one Program, the separate amounts payable under Programs A, B or C and Program D, E, F or G will be added together to determine your monthly pension benefit.

HOW MUCH WILL MY EARLY RETIREMENT PENSION BE?

An Early Retirement Pension is calculated in the same way as if you were retiring on a Regular Pension, except that the amount you receive will be generally reduced for early commencement. The Early Retirement Pension is reduced because you will receive it for a longer period of time. Over the course of an average lifetime, a $700 per month pension payable at age 60 is equal to a $1,000 per month pension payable at age 65. Two factors will determine the amount of the reduction: (1) The Program in which you participate, and (2) when the benefit accruals were earned.

For Programs A and D

BENEFIT ACCRUALS EARNED ON OR BEFORE DECEMBER 31, 2005 – Your Early Retirement Pension is first calculated in the same way as if you were retiring on a Regular Pension. This amount is then reduced by 1/4 of 1% for each month that you are younger than age 65 to age 60, and by 1/2 of 1% for each month that you are younger than age 60 to age 55, on the day your pension starts. This results in a reduction of 3% for each year that you are younger than age 65 to age 60, and a reduction of 6% for each year that you are younger than age 60.

BENEFIT ACCRUALS EARNED ON OR AFTER JANUARY 1, 2006 – Your Early Retirement Pension is first calculated in the same way as if you were retiring on a Regular Pension. This amount is then reduced by 1/2 of 1% for each month that you are younger than age 65 on the day your pension starts. This results in a 6% reduction for each year that you are younger than age 65 to age 55.

Example:

Paul is retiring at age 57 with 20 years of pension credit. Paul participates in Program A and the highest benefit level for which he qualifies is $50.00. Paul's monthly Regular Pension if payments started at 65 is calculated as follows:

20 years x $50 = $1,000

Paul's monthly pension after the early retirement reduction will depend on when the benefit accruals were earned. If the 20 years of pension credit was earned on or before December 31, 2005, his monthly pension is calculated as follows:

1/4 of 1% x 60 (number of months between ages 65 and 60) = 15%
1/2 of 1% 36 (number of months between ages 57 and 60) = 18%
$1,000 x 15% = $150
$1,000 x 18% = $180
$150 + $180 = $330 (this is Early Retirement reduction)
$1,000 - $330 = $670 (monthly pension if payments start at age 57)

Paul will receive an Early Retirement Pension of $670 per month if his pension starts immediately at age 57. If he decides to delay payments until age 65, he will receive the full benefit of $1,000 per month.

If the 20 years of pension credit was earned on or after January 1, 2006, his monthly pension is calculated as follows:

1/2 of 1% x 96 (number of months between ages 65 and 57) = 48%
$1,000 x 48% = $480 (this is the Early Retirement reduction)

$1,000 - $480 = $520 (monthly pension if payments start at age 57)

Paul will receive an Early Retirement Pension of $520 per month if he retires and starts his pension immediately at age 57. If he decides to delay payments until age 65, he will receive the full benefit of $1,000 per month.

If Paul earned 10 years of pension credit on or before December 31, 2005, and he earned 10 years of pension credit on or after January 1, 2006, his monthly pension is calculated as follows:

10 years x $50 = $500 (amount of monthly Regular Pension if payments start at age 65 attributable to 10 years of pension credit earned on or before December 31, 2005)
1/4 of 1% x 60 (number of months between ages 65 and 60) = 15%
1/2 of 1% x 36 (number of months between ages 57 and 60) = 18%
$500 x 15% = $75
$500 x 18% = $90

$75 + $90 = $165 (this is Early Retirement reduction for this 10 years of pension credit)

10 years x $50 = $500 (amount of monthly Regular Pension if payments start at age 65 attributable to 10 years of pension credit earned on or after January 1, 2006)
1/2 of 1% x 96 (number of months between ages 65 and 57) = 48%
$500 x 48% = $240 (this is Early Retirement reduction for this 10 years of pension credit)

$165 + $240 = $405 (this is total Early Retirement reduction)
$1,000 - $405 = $595 (monthly pension if payments start at age 57)

Paul will receive an Early Retirement Pension of $595 per month if he retires and starts his pension immediately at age 57. If he decides to delay payments until age 65, he will receive the full benefit of $1,000 per month.

For Programs B and E

BENEFIT ACCRUALS EARNED ON OR BEFORE DECEMBER 31, 2005 – Your Early Retirement Pension is first calculated in the same way as if you were retiring on a Regular Pension. This amount is then reduced by 1/3 of 1% for each month that you are younger than age 62 on the day your pension starts. This results in a 4% reduction for each year. If your Early Retirement Pension starts at age 62 or later, it will not be reduced at all.

BENEFIT ACCRUALS EARNED ON OR AFTER JANUARY 1, 2006 – Your Early Retirement Pension is first calculated in the same way as if you were retiring on a Regular Pension. This amount is then reduced by 1/2 of 1% for each month that you are younger than age 62 on the day your pension starts. This results in a 6% reduction for each year that you are younger than age 62 to age 55. If your Early Retirement Pension starts at age 62 or later, it will not be reduced at all.

Example:
Joe is retiring at age 60 with 20 years of pension credit. Joe participates in Program B and the highest benefit level for which he qualifies is $50.00. Because Joe participates in Program B, his benefit level is reduced for each month that his benefit begins before age 62. Joe's monthly Regular Pension if payments started at age 62 is calculated as follows:

20 years x $50 = $1,000

Joe's monthly pension after the early retirement reduction will depend on when the benefit accruals were earned. If the 20 years of pension credit was earned on or before December 31, 2005, his monthly pension is calculated as follows:

1/3 of 1% x 24 (number of months between ages 62 and 60) = 8%
$1,000 x 8% = $80 (this is Early Retirement reduction)
$1,000 - $80 = $920 (monthly pension if payments start at age 60)
$1,000 = monthly pension if payments start at age 62

Joe will receive an Early Retirement Pension of $921 per month if he retires and starts his pension immediately at age 60. If he decides to delay benefits until age 62, his Early Retirement Pension will be $1,000 per month because there is no reduction for an Early Retirement Pension after age 62 under Programs B and E.

If the 20 years of pension credit was earned on or after January 1, 2006, his monthly pension is calculated as follows:

1/2 of 1% x 24 (number of months between ages 62 and 60) = 12%
$1,000 x 12% = $120 (this is the Early Retirement reduction)

$1,000 - $120 = $880 (monthly pension if payments start at age 60)
$1,000 = monthly pension if payments start at age 62

Joe will receive an Early Retirement Pension of $880 per month if he retires and starts his pension immediately at age 60. If he decides to delay payments until age 62, his Early Retirement Pension will be $1,000 per month because there is no reduction for an Early Retirement Pension after age 62 under Programs B and E.

If Joe earned 10 years of pension credit on or before December 31, 2005, and he earned 10 years of pension credit on or after January 1, 2006, his monthly pension is calculated as follows:

10 years x $50 = $500 (amount of monthly Regular Pension if payments start at age 62 attributable to 10 years of pension credit earned on or before December 31, 2005)
1/3 of 1% x 24 (number of months between ages 62 and 60) = 8%
$500 x 8% = $40 (this is Early Retirement reduction for this 10 years of pension credit)

10 years x $50 = $500 (amount of monthly Regular Pension if payments start at age 62 attributable to 10 years of pension credit earned on or after January 1, 2006)
1/2 of 1% x 24 (number of months between ages 62 and 60) = 12%
$500 x 12% = $60 (this is Early Retirement reduction for this 10 years of pension credit)

$40 + $60 = $100 (this is total Early Retirement reduction)
$1,000 - $100 = $900 (monthly pension if payments start at age 60)
$1,000 = monthly pension if payments start at age 62

Joe will receive an Early Retirement Pension of $900 per month if he retires and starts his pension immediately at age 60. If he decides to delay payments until age 62, his Early Retirement Pension will be $1,000 per month because there is no reduction for an Early Retirement Pension after age 62 under Programs B and E.

For Programs C and F

BENEFIT ACCRUALS EARNED ON OR BEFORE DECEMBER 31, 2005 – Your Early Retirement Pension is first calculated in the same way as if you were retiring on a Regular Pension. This amount is then reduced by 1/4 of 1% for each month that you are younger than age 65 on the day your pension starts. This results is a 3% reduction for each year that you are younger than age 65 to age 55.

BENEFIT ACCRUALS EARNED ON OR AFTER JANUARY 1, 2006 – Your Early Retirement Pension is first calculated in the same way as if you were retiring on a Regular Pension. This amount is then reduced by 1/3 of 1% for each month that you are younger than age 65 on the day your pension starts. This results in a 4% reduction for each year that you are younger than age 65 to age 55.

Example:
Mary is retiring at age 60 with 20 years of pension credit. Mary participates in Program C and the highest benefit level for which she qualifies is $50.00. Mary's monthly Regular Pension if payments started at age 65 is calculated as follows:

20 years x $50 = $1,000

Mary's monthly pension after the early retirement reduction will depend on when the benefit accruals were earned. If the 20 years of pension credit was earned on or before December 31, 2005, her monthly pension is calculated as follows:

1/4 of 1% x 60 (number of months between age 65 and pension starting date) = 15%
$1,000 x 15% = $150 (this is Early Retirement reduction)
$1,000 - $150 = $850 (monthly pension if payments start at age 60)

Mary will receive an Early Retirement Pension of $850 per month if her pension starts immediately at age 60. If she decides to delay payments until age 65, she will receive the full benefit of $1,000 per month.

If the 20 years of pension credit was earned on or after January 1, 2006, her monthly pension is calculated as follows:

1/3 of 1% x 60 (number of months between age 65 and 60) = 20%
$1,000 x 20% = $200 (this is the Early Retirement reduction)

$1,000 - $200 = $800 (monthly pension if payments start at age 60)

Mary will receive an Early Retirement Pension of $800 per month if she retires and starts her pension immediately at age 60. If she decides to delay payments until age 65, she will receive the full benefit of $1,000 per month.

If Mary earned 10 years of pension credit on or before December 31, 2005, and she earned 10 years of pension credit on or after January 1, 2006, her monthly pension is calculated as follows:

10 years x $50 = $500 (amount of monthly Regular Pension if payments start at age 65 attributable to 10 years of pension credit earned on or before December 31, 2005)
1/4 of 1% x 60 (number of months between ages 65 and 60) = 15%
$500 x 15% = $75 (this is Early Retirement reduction for this 10 years of pension credit)

10 years x $50 = $500 (amount of monthly Regular Pension if payments start at age 65 attributable to 10 years of pension credit earned on or after January 1, 2006)
1/3 of 1% x 60 (number of months between ages 65 and 60) = 20%
$500 x 20% = $100 (this is Early Retirement reduction for this 10 years of pension credit)

$75 + $100 = $175 (this is total Early Retirement reduction)
$1,000 - $175 = $825 (monthly pension if payments start at age 60)
Mary will receive an Early Retirement Pension of $825 per month if she retires and starts her pension immediately at age 60. If she decides to delay payments until age 65, she will receive the full benefit of $1,000 per month.

For Program G

Your Regular Pension is reduced by .50% for each month that you are younger than age 65 on the day your pension starts. This results in a reduction of 6% per year. However, if you participate in "Plan 62," your benefit is reduced by .25% for each month that you are younger than age 62 at the time your Early Retirement Pension begins, which results in a reduction of 3% per year.

> **<u>Example:</u>**
> David is retiring from Program G at age 63 with 23 years of pension credit and his applicable accrual rate is $25.00. David is not covered by "Plan 62."
>
> $25 x 23 = $575 (benefit level x pension credit) = monthly Regular Pension if payments start at age 65
>
> .50% x 24 (number of months between ages 65 and 63 when pension starts) = 12% reduction
>
> $575 x 12% = $69.00 (this is Early Retirement reduction)
> $575 - $69 = $506
>
> David will receive an Early Retirement Pension of $506 per month.

HOW MUCH WILL MY DEFERRED PENSION BE?

For All Programs

A Deferred Pension that commences at age 65 is calculated in the same way as a Regular Pension. If you elect this benefit before age 65, the Deferred Pension will be calculated in the same way as an Early Retirement Pension, depending on the Program in which you participate.

> **<u>Example:</u>**
> Sam terminates covered employment in August 2003 in Program A at age 48 with 10 years of pension credit. The benefit level applicable to him on the last day for which contributions are due on his behalf, and for which he qualifies, is $50.00 per month. Because he has at least 10 years of pension or vesting credit, he may apply for benefits at any time after he reaches age 55.
>
> If he waits until 2020 to apply for benefits (at age 65), he is entitled to a benefit determined as Regular Pension. $50 x 10 = $500. At age 65, Sam will receive a Deferred Pension of $500 per month.
>
> If he applies for benefits in 2010 (at age 55), his benefit determined as a Regular Pension is reduced by .25% for each month by which he is younger than age 65 to age 60, and by .50% for each month by which he is younger than age 60, or 45%.
>
> $500 x 45% = $225. $500 - $225 = $275. At age 55, Sam will receive a benefit of $275 per month.

If Sam had only 9 years of pension or vesting credit when he left covered employment, he would have to wait to receive benefits until age 65 (except in Program G, which provides a Deferred Pension at age 55 with 5 years of service). At that time, he would receive a benefit determined as a Regular Pension. $50.00 x 9 = $450. Sam would receive a benefit of $450 per month.

HOW MUCH WILL MY DISABILITY PENSION BE?

For Programs A, B, C, D, E & F

If you meet the other requirements set out in the plan *and* you have a Social Security Disability Award, the amount of your Disability Pension will be the same amount that is payable as a Regular Pension, paid as if you reached age 65 and retired on the date of your disability. In this case, there is no reduction for age in your benefit amount to adjust for receiving benefits at an earlier age. If you do not have a Social Security Disability Award, but you are totally and permanently disabled as determined by the Trustees based on other evidence, the amount of your disability pension will be reduced by ½ of 1% for each month you are younger than age 65 to age 55, then increased by 10% of that reduced amount. If you are younger than age 55 when your Disability Pension begins, it will be calculated as if you were age 55.

Example:
Mary participates in Program A and is 48 years old with 20 years of pension credit when she becomes totally and permanently disabled. Based on her years of work and her employer's contribution rate, she would be entitled to a $1,000 per month pension at age 65. If she does not have a Social Security Disability Award, her pension will be reduced as if she were age 55. That is 120 months younger than 65, times ½ of 1%, for a 60% reduction; the benefit amount after this reduction will then be increased by 10% of that amount, to arrive at the reduced amount of her disability pension. Mary's Disability Pension is calculated as follows:

$1,000 x 40% = $400 + 10% of $400 (which is $40) = $440.

Mary will receive a Disability Pension of $440 per month. If she has a Social Security Disability Award, her Disability Pension will be $1,000 per month.

For Program G

The amount of your Disability Pension is the same as the Early Retirement Pension based on pension credit earned up to the time of disability, plus 10%.

If you are younger than age 55, the Early Retirement Pension is computed as though you had attained age 55 on your disability starting date.

In no event will your Disability Pension exceed the Regular Pension you would have received had you attained age 65 at the time of disability.

Example:
Tom is age 53 and is totally and permanently disabled. His Regular Pension would be $600 per month. To determine his Disability Pension, his Regular Pension is reduced for early retirement to age 55. $600 - 60% (6% reduction per year from ages 55 to 65) = $240. Tom's Disability Pension is calculated as follows:

$240 x 10% = $24.
$240 + $24 = $264.

Tom will receive a Disability Benefit of $264.

HOW MUCH WILL MY SERVICE PENSION BE?

If you participate in Programs D, E & F and you either have 30 years of service or are age 62 and have 20 years of service, you are eligible to receive your full retirement benefit.

Example:
Patty will retire at age 65, in the year 2020, after earning 20 years of pension credit in Program D. Patty's average contribution rate in each of 6 calendar years provided a $60 monthly accrual per year; during the next 3 calendar years, her employer's average contribution rate provided a $65 monthly accrual rate; she worked for 6 more years under an average contribution rate that provided a $68 monthly accrual, and for 5 more years under an average contribution rate that provided a $70 monthly accrual. Her Service Pension is determined as follows:

Year of Work	Accrual Rate	Accrued Benefit
2001-2006	$60 (6 yrs. x $60)	$360
2007-2009	$65 (3 yrs. x $65)	$195
2010-2015	$68 (6 yrs. x $68)	$408
2015-2020	$70 (5 yrs x $70)	$350
		$1,313

Patty's Service Pension at Retirement is $1,313.

ARE THERE SPECIAL BENEFITS FOR FORMER PARTICIPANTS OF MERGED PLANS?

Huhtamaki – Following a December 31, 2002 merger of the Pension Plan for Hourly-Paid Employees of Huhtamaki Company Manufacturing into this Plan, a former participant of the Huhtamaki Plan is entitled to:

(a) the sum of his accrued benefit determined under the Huhtamaki Plan and his accrued benefit based on the benefit level applicable under the Plan for service after December 31, 2002, or

(b)(i) if he retires in 2003, the greater of (a) or a benefit based on $27.00 x all years of service under both plans;
(ii) if he retires in 2004, the greater of (a) or a benefit based on $28.00 x all years of service under both plans;
(iii) if he retires on or after January 1, 2005, the greater of (a) or a benefit based on $29.00 x all years of service under both plans.

The standard form of payment for a former unmarried participant (optional form for a former married participant) is a ten-year certain and life annuity.

Roaring Spring Blank Book – In addition to all accrued benefits as of the date of the merger and future benefits based on contributions under this Plan, a former participant of the Pension Plan for Bargaining Unit Hourly Employees of Roaring Spring Blank Book Company who is employed on the November 1, 2000 merger date is entitled to (i) past service credit equal to years of benefit service accrued under the Roaring Spring Plan, plus an additional one-quarter year of past service credit, and (ii) years of vesting service equal to years of service under the Roaring Spring Plan, plus one additional year of vesting service.

Banner Fibreboard – In addition to all accrued benefits as of the date of the merger and future benefits based on contributions under this Plan, a former participant of the Banner Fibreboard Company Retirement Plan for Employees Covered by a Collective Bargaining Agreement, who is employed on the August 1, 2002 merger date, is entitled to a year of vesting service if he has 1,000 or more hours of service between the merger date and December 31, 2002. The standard form of payment for a former unmarried participant (optional form for a former married participant) is a ten-year certain and life annuity.

Information about any special provisions for plan mergers that occurred in prior years may be obtained from the Fund Office.

SECTION VI. HOW IS MY PENSION PAID?

WHAT ARE THE STANDARD FORMS OF PAYMENT?

Since the Plan is a defined benefit pension plan, at retirement you will receive a monthly benefit for the rest of your life (a life annuity). You will receive your pension in the form of equal monthly payments for life with a 60-month guarantee, if you are single at the time your pension begins. You will receive your pension in the form of equal monthly payments for your life with an annuity payable to your spouse after your death, if you are married at the time your pension begins. However, if the present value of your benefit does not exceed $5,000, the benefit will be distributed to you in a lump sum.

IF YOU ARE SINGLE – LIFE ANNUITY AND SIXTY GUARANTEED MONTHLY PAYMENTS

For All Programs – If you are single when your pension starts, you will receive equal monthly payments for life, with a minimum of 60 monthly payments. If you die before receiving 60 monthly payments, your beneficiary will receive the balance of the 60 payments.

IF YOU ARE MARRIED – HUSBAND AND WIFE PENSION

For All Programs – 50% Husband and Wife Pension – If you are married when your pension starts, the standard form of payment is the 50% Husband and Wife Pension. Under this form of benefit, you will receive a reduced monthly pension payable during your lifetime. If your spouse is still living when you die, he or she will receive 50% of the pension you were receiving for his or her life.

The amount of the reduction in your monthly benefit depends on your age and the age of your spouse when benefits to you begin. For all Pensions (other than a Disability Pension under Programs A-F), you will receive 90% of the amount you would have received as a single life annuity, plus or minus .4% for each year that your spouse's age is greater than or less than your age. For a Disability Pension under Programs A through F, you will receive 77.5% of the amount you would have received as a single life annuity, plus or minus .4% for each year that your spouse's age is greater than or less than your age (a Disability Pension under Program G is covered under the adjustment factors for all Pensions generally). Exact benefit values will be provided to you by the Fund when you apply for retirement.

You will receive this form of payment unless you waive the right to receive it in writing and your spouse consents to your waiver in writing. Your spouse's consent to a waiver of the Husband and Wife Pension must be made on an authorized form provided to you by the Fund, which must be notarized by a Notary Public, not more than 90 days before the effective date of your benefit.

Your spouse's consent to a waiver of the Husband and Wife Pension will not be required if you can establish to the satisfaction of the Trustees that your spouse cannot be located, that you have been legally separated, or that you have been abandoned and have a court order to such effect.

If you are a Disability Pensioner receiving a benefit in a form other than a Husband and Wife Pension, and you die before the one-year anniversary of your pension starting date, your spouse will receive a survivor benefit as if you had elected a Husband and Wife Pension.

> **<u>Example</u>:**
> Al is retiring at age 65. His wife is also 65. Al's Regular Pension amount is $1,000 per month. Since Al and his wife are the same age, the Husband and Wife Pension is adjusted to 90% of the Regular Pension. With the reduction made to provide for a Husband and Wife Pension, Al receives $900 per month for his lifetime. When he dies, his wife will continue to collect 50% of his pension, or $450, for as long as she lives.

> **<u>Example</u>:**
> Gary is retiring at age 65. His wife is 55. Gary's Regular Pension amount is $1,000 per month. Since Gary is 10 years older than his wife, the Husband and Wife Pension is adjusted to 86% of the Regular Pension (90% minus .4% for each year spouse is younger than participant). With the reduction made to provide for a Husband and Wife Pension, Gary receives $860 per month for his lifetime. When he dies, his wife will continue to collect 50% of his pension, or $430, for as long as she lives.

For All Programs – 75% and 100% Husband and Wife Pensions

Instead of a 50% Husband and Wife Pension, you may elect a 75% or 100% Husband and Wife Pension. These options require a greater adjustment in your benefit, but will provide your spouse, after your death, with a higher lifetime annuity equal to 75% or 100% of your reduced monthly benefit.

For All Programs – Divorce and Domestic Relations Orders

If you divorce before commencing your benefit, the Husband and Wife Pension does not apply unless your former spouse is required to be treated as a surviving spouse under a qualified domestic relations order. Fund guidelines for the review of domestic relations orders may be obtained from the Administrator. (See page 43)

WILL MY BENEFIT INCREASE IF MY SPOUSE DIES?

Pop-Up Benefit – For Programs A, B, C, D, E & F – For pensions effective on or after May 1, 2001, if you elect the Husband & Wife Pension and your spouse passes away, your benefit will "pop-up" to the unreduced amount, payable in the form of a single-life annuity without any 60-month guarantee, beginning as of the first of the month following the death of your spouse. The pop-up does not apply in the event of a divorce after the pension is effective (unless the spouse dies after the divorce). Also, the pop-up does not apply to participants in Program G or to participants in Programs A through F whose pensions were effective before May 1, 2001. In cases where the pop-up is not effective, if the spouse predeceases the participant, the participant's benefit continues in the reduced amount payable under the Husband and Wife Pension.

Example:
Al retires in September 2003. He and his wife are age 65. Al's Regular Pension is $1,000 per month. Al and his wife do not waive the Husband and Wife Pension. Al's Husband and Wife benefit is 90% of his Regular Pension amount, or $900. His wife would receive $450 for her life if Al predeceases her. Instead, Al's wife predeceases him. In the month after her death, Al's monthly benefit increases (or pops-up) to $1,000 for life.

OPTIONAL FORMS OF PAYMENT

You can elect one of the following optional forms of payment instead of the standard form of payment that applies to you, as described above. Once an optional form is selected or a pension begins in any form of payment, that form of payment cannot be changed or revoked.

WHAT IS A JOINT AND SURVIVOR OPTION?

For Programs A, B, C, D, E & F

The Joint and Survivor Option is similar to a Husband and Wife Pension, except that your beneficiary is someone other than a spouse. A Joint and Survivor Option provides benefits over your lifetime and, after your death, over the lifetime of your designated beneficiary.

You can select a Joint and Survivor Option if you are a single or married participant. You receive a reduced monthly benefit during your lifetime, and your beneficiary receives 50%, 75%, or 100% of the amount you were receiving for the rest of his or her lifetime, depending on which Option you elect. The greater the percentage to be received by your beneficiary, the smaller your monthly benefit will be during your life. If you die before receiving 12 months of payments, your beneficiary will not receive benefits under this Option. Your beneficiary should contact the Fund Office.

When selecting this Option, you must designate a beneficiary to receive the survivor annuity after your death. Once the Joint and Survivor Option begins, it cannot be changed or revoked. If your beneficiary predeceases you, you will continue to receive the same reduced benefit, and there will be no benefit paid after your death.

If you are married, you may elect to receive a Joint and Survivor Option if your spouse consents to your waiver of the Husband and Wife Pension and to the naming of a beneficiary that is not your spouse. Your spouse must consent by signing an appropriate form provided by the Fund Office, which must be notarized by a Notary Public, not more than 90 days before the effective date of your benefit.

WHAT IS A LIFE ANNUITY WITH SIXTY GUARANTEED MONTHLY PAYMENTS?

For All Programs

The Life Annuity and Sixty Guaranteed Monthly Payments Option is payable for life and guarantees the pensioner a minimum of 60 equal monthly payments. If you die before receiving 60 monthly payments, your beneficiary will receive the balance of the 60 payments. There is no reduction in your benefit for the 60-month guarantee. The 60-month guarantee does not apply to any other optional forms of payment under the Plan.

When selecting this Option, you must designate a beneficiary to receive the remainder of your 60 months of payments after your death. You may change your beneficiary from time to time, but no change will be effective until received by the Fund Office. A court order that contains a clear designation of a beneficiary before payments begin to another beneficiary will be controlling over any beneficiary designation filed with the Fund. If there is no designated beneficiary upon your death, the balance of your 60 payments will be paid to the first survivor in the following classes: your spouse, children, parents, siblings or your estate.

If you are married, you can choose this Option instead of the Husband and Wife Pension only if your spouse consents to a waiver of the Husband and Wife Pension. You and your spouse may consent by signing an authorized form provided by the Fund Office, which must be notarized by a Notary Public, not more than 90 days before the effective date of your benefit.

If you are single, your pension is paid automatically in the form of a single life annuity with 60 months of guaranteed payments, unless you elect an optional form of payment.

WHAT IS A LIFE ANNUITY AND 120 CERTAIN PAYMENTS OPTION?

For Program G

The Life Annuity and 120 Certain Payment Option provides you with a lifetime annuity in equal monthly payments. If you die before receiving 120 monthly payments, your beneficiary will receive the balance of the 120 payments. Under this Option, you will receive a lower monthly benefit amount in return for the guarantee that if you die prior to receiving a total of 120 monthly benefit payments, your monthly benefit will continue to be paid to a designated beneficiary or beneficiaries until monthly payments to both you and your beneficiary total 120.

If you are married, you can choose this Option instead of the Husband and Wife Pension only if your spouse consents to a waiver of the Husband and Wife Pension. The beneficiary designation provisions described in the 60 Guaranteed Monthly Payments Option above also apply to this Option.

REMEMBER: IT IS VERY IMPORTANT TO KEEP YOUR BENEFICIARY DESIGNATION UP TO DATE.

WHAT IS A SOCIAL SECURITY LEVEL INCOME OPTION?

For Programs A, B, C, D, E & F

If you are single or married and retiring from on a Regular or Early Retirement Pension, you can elect to receive the Social Security Level Income Option. This Option provides you with higher pension payments from the Fund before your anticipated Social Security payments start and lower pension payments from the Fund thereafter. As a result, your retirement income will be approximately level during your retirement, taking into account both pension payments made from the Plan and Social Security.

Married participants and their spouses who wish to elect the Social Security Level Income Option must waive their rights to the automatic Husband and Wife Pension. You and your spouse may consent on an authorized form provided by the Fund Office, which must be signed by a Notary Public, not more than 90 days before the benefit effective date.

There are no survivor benefits available under the Social Security Level Income Option. If you die while receiving a Social Security Level Income Option, benefits will not be paid to your spouse or any other beneficiary after your death.

To determine a level monthly benefit (including Social Security) before and after your Social Security benefits begin, your estimated Social Security benefit is multiplied by an actuarial factor. Contact the Fund Office to obtain the actuarial factor in effect for any calendar year. The Social Security Level Income Option will not be paid if it results in a monthly benefit of $20 or less, and you will be required to elect another form of payment.

> **Example:**
> Dan is retiring in 2003 at age 58. He is entitled to an Early Retirement Pension of $261 per month. He wants to have a somewhat level income during his retirement, so he chooses the Social Security Level Income Option. It is estimated that Dan will receive a monthly Social Security benefit of $480 at age 65.
>
> Under this Option, based on factors in effect in 2003, Dan will receive $539 a month from the Plan from age 58 to 65. At age 65, when his Social Security benefits begin, Dan's monthly benefit from the Plan will be reduced to $59. With his $480 Social Security benefit, Dan will receive the same total monthly benefit after age 65 that he was receiving before age 65.

For Program G

If you retire on an Early Retirement Pension before age 62, you may choose the Social Security Level Income Option and receive a level income for your life after you retire. This Option estimates the amount you will receive from Social Security at age 62. Upon retirement, you will receive a higher monthly payment from the Fund until age 62. Then your payments from the Fund will be reduced at age 62. The amount you receive from Social Security after age 62 plus the reduced payment from the Fund will be approximately equal to the pension benefit you were receiving from the Fund before Social Security payments started. If you are married, your

Husband and Wife Pension will be adjusted in accordance with the Social Security Level Income Option, unless you and your spouse waive the Husband and Wife Pension.

For All Programs – The adjustment made to your Early Retirement benefit from this Plan will depend on your age and on the estimated primary amount of your retirement benefits from Social Security. Further details and an estimate of your benefits can be obtained from the Fund Office.

ARE MY SURVIVORS ENTITLED TO A BENEFIT IF I DIE BEFORE RETIREMENT?

DEATH BENEFIT FOR MARRIED PARTICIPANTS – FOR PROGRAMS A-F

Your spouse will receive benefits if you die before retirement and you have at least five years of pension or vesting credit.

Your spouse's death benefit is paid in the form of a 50% Husband and Wife Pension that can begin as early as the first day of the month following your death, or on any later date that your spouse elects through the date you would have reached age 65. This benefit is payable for the lifetime of your spouse. However, if your spouse dies before commencing benefits, there will be no benefits paid by the Fund.

The calculation of the spouse's benefit will depend on whether or not you were employed by a contributing employer at the time of your death and the date on which your surviving spouse commences benefits. This calculation is described below.

Death Benefit If You Are Employed on Date of Death

If you die while employed by a contributing employer, your surviving spouse will receive 50% of the benefit you would have received had you terminated employment on the date before your death and commenced a Husband and Wife Pension on the date your spouse elects to commence benefits. The Husband and Wife Pension will be reduced in accordance with the Early Retirement Pension rules that would have applied to your benefit on the spouse's commencement date. However, if you die before you reach age 55, your spouse's benefit will be adjusted to reflect no actuarial reduction for the period between your date of death and the date you would have attained age 55.

> **Example:**
> Tom dies at age 52 while working in covered employment. He has 10 years of vesting service. His spouse's benefit is determined as a Husband and Wife Pension based on Tom's pension credit and applicable benefit level as of the date of his death. The spouse's benefit is actuarially adjusted to reflect the age Tom would have attained on his spouse's benefit commencement date. However, because Tom is employed on his date of death, the adjustment made in the spouse's benefit does not take into account any reduction for Tom's age below age 55 at the time of death.

Death Benefit If You Die After Leaving Covered Employment But Before Starting Benefits

Your surviving spouse will receive 50% of the benefit you would have received had you terminated employment on the day before your death and commenced a Husband and Wife Pension on the date your spouse elects to commence benefits. Your spouse's benefit is based on your pension credit and applicable benefit level through your date of death, and is actuarially reduced in accordance with the rules of the Early Retirement Pension (or other Plan assumptions) that would have applied to you as of the date your spouse commences benefits.

> **Example:**
> Sandy dies at age 52 after leaving covered employment. She has 10 years of vesting service. Her surviving spouse elects to receive death benefits on the first day of the month following Sandy's death. The spouse's benefit is determined as a Husband and Wife Pension based on Sandy's pension credit and applicable benefit level as of the date she terminated employment, and is actuarially reduced to reflect Sandy's age 52 on her spouse's benefit commencement date. Sandy's spouse could delay commencement of his benefit and suffer a lesser reduction in his benefit; if he delays commencement until the date Sandy would have reached age 65, he will receive a benefit without any actuarial reduction for early commencement.

DEATH BENEFITS FOR MARRIED PARTICIPANTS – FOR PROGRAM G

If you die at a time after you are vested, whether or not you are still working in covered employment, and before you begin to receive benefits from the Fund, your spouse will receive a monthly benefit for the remainder of his or her life in the form of a 50% Husband and Wife Pension.

Your surviving spouse will receive 50% of the benefit you would have received had you terminated employment on the date of your death and started a Husband and Wife Pension on the date your spouse elects to start benefits. Your spouse may begin to receive the death benefit on the first day of the month following your death, unless you were younger than age 55. If you were younger than age 55, your spouse will be eligible to begin the death benefit on the date you would have reached age 55.

Your surviving spouse may elect to delay the start of the death benefit until as late as the first of the month on or immediately before the date on which you would have reached age 70 ½. If your spouse does not survive until the date he or she would be eligible to receive death benefits, or the date he or she elects to start benefits, no benefits will be paid by the Fund.

DEATH BENEFITS FOR SINGLE PARTICIPANTS WHO ARE NOT IN COVERED EMPLOYMENT

For Programs A-F

If you are single and die in covered employment and have at least 5 years of pension or vesting credits, your beneficiary will be entitled to a death benefit. This death benefit will equal 1,000 times your applicable contribution rate at the time of your death for each year of earned pension credit. The benefit is payable in one lump sum to the beneficiary.

> **Example:**
> Mary is single and dies while working in covered employment at age 45. She has 15 years of pension credit at the time of her death. Her employer was contributing at the rate of 30.5 cents per hour.
>
> .305 x 1,000 = $305 (death benefit per year of pension credit)
>
> $305 x 15 years = $4,575 (lump sum death benefit, payable to her named beneficiary)

There is no death benefit if you are unmarried and not in covered employment at the time of your death.

For Program G

If you are single and vested in a pension benefit, and you die after reaching age 55 but before starting a benefit, your designated beneficiary may be eligible for a 60-month death benefit. This benefit is payable in the amount of the monthly benefit you would have received as a single life annuity if you had retired on the date of your death. This benefit will be paid to your designated beneficiary in 60 monthly payments or a single lump sum payment, as the beneficiary elects. If you have not designated a beneficiary the benefits will be paid to your children, parents, siblings or to your estate (in this order).

SECTION VII. MISCELLANEOUS

WHAT IF I GET DIVORCED?

A qualified domestic relations order, or QDRO, is a court judgment, decree or order made under state domestic relations law that may assign some or all of your benefit to your spouse, former spouse, child, or dependent, as an alternate payee. The Fund will make payments under a QDRO to an alternate payee in the same manner and at the same time as those payments could be made to the participant. Generally, this means that the alternate payee will not be able to receive payments before the participant reaches age 55, and benefits will be paid only in the form of a monthly annuity over a period of time designated in the QDRO (such as a specific number of months or years, or for the life of the participant or the life of the alternate payee).

If you are going through a divorce, or a QDRO is desired by your former spouse or child, the parties should contact the Fund Office about your pension, preferably before the entry of a court order or property settlement. The Fund will provide the parties with the Fund's QDRO Procedures and Model QDRO. A QDRO must clearly describe the parties involved, the amount of the participant's benefits to be paid by the Fund to the alternate payee, the number of payments or period to which the order applies, and the beginning date for such payments. A domestic relations order assigning benefits to an alternate payee will be deemed to be a QDRO by the Fund only if it conforms to the requirements of the law and the provisions of the Plan. The Fund will assist you in reforming the order so that it may be accepted as a QDRO by the Fund.

CAN I RECEIVE A LUMP SUM PAYMENT?

If at the time you apply for benefits the present value of your benefit is not greater than $5,000, you will automatically receive a lump sum payment of your benefit. Distribution in this amount is not subject to the Husband and Wife Pension waiver and consent rules. If you are a surviving spouse entitled to a pre-retirement death benefit, your benefit will also be paid in a lump sum if its present value is not greater than $5,000.

If you will receive a monthly benefit of $40.00 or less, you may elect to receive the value of your benefit as a single lump sum payment. If you are married, your spouse must consent to a waiver of a Husband and Wife Pension and receipt of your benefit as a lump sum.

HOW LONG CAN I DELAY RECEIPT OF MY BENEFITS?

If you do not want to start receiving your benefit at age 65, you need not apply for benefit commencement at that time. You should apply as soon thereafter as you are ready to receive benefits. In no event will you be able to delay benefit payments later than April 1 of the calendar year following the calendar year in which you reach age 70 ½.

WHAT WILL HAPPEN TO MY BENEFIT IF I RETURN TO WORK AFTER MY BENEFIT PAYMENTS START OR IF I CONTINUE TO WORK AFTER AGE 65?

If you reach age 65 and continue to work 40 or more hours in any month in covered employment, or "Prohibited Employment," or if you return to such employment after your benefit payments start, you will not be entitled to a benefit payment for that month. Once you stop working in Prohibited Employment, your benefit payments can start again and will be paid in the same amount.

Prohibited Employment means employment or self-employment (i) with any employer in the same business as any contributing employer, (ii) in a trade or craft in which you were employed at any time under the Plan, and (iii) in the geographic area covered by the Plan, if such employment is with a contributing employer, in covered employment; or with an employer at a facility for which the employer was, but is not currently, a contributing employer.

You must notify the Fund Office immediately about any work you do after retirement or if you intend to return to work. They will advise you if your benefits will be suspended for this period of work. Upon starting your benefit after a suspension, your benefit will be offset by any amounts you received improperly during a period of covered employment or Prohibited Employment.

Your pension will not be suspended if you are called back to work by an employer in an emergency situation for a period not longer than 60 days in any calendar year.

WILL MY BENEFIT BE RECALCULATED IF I RETURN TO COVERED EMPLOYMENT?

If you retire and are later re-employed and begin earning service credit again under the Plan, your pension will be recalculated as follows:

- If, after retirement, you earn at least two years of future service pension credit, your pension will be recalculated based on your total years of pension credit and the benefit level applicable to you when you finally retire.

- If you retire on a Disability Pension, return to work, and earn at least one year of future service pension credit, your pension will be recalculated based on your total years of pension credit and the benefit level applicable to you when you finally retire.

- If neither of the above applies, then your pension will be recalculated based on your total years of pension credit and at the benefit level that applied to you before your re-employment.

In all cases, you will be eligible for an increase in your benefit level only if you have been credited (i) with at least one hour of service during the 90 day period immediately preceding the change in benefit level, and (ii) with at least 440 hours of service during the 90-day period immediately preceding the 90-day period described in (i), as further described in Section V (See page 25).

In all cases, your final pension will be adjusted by actuarial principles to take into account the pension payments you received before re-hire and any payments suspended in months when you had less than 40 hours of service.

WHAT HAPPENS IF MY EMPLOYER WITHDRAWS FROM THE FUND?

If your employer withdraws from the Fund, your benefits for past service pension credit may be limited. You should contact the Fund Office for special rules that may apply.

WHAT IF THE FUND TERMINATES?

While the Union and employers expect the Plan to continue, the Trustees have the authority to terminate the Plan. If the Plan does terminate, benefits will be provided only to the extent that the Fund holds sufficient assets (including future payments of employer withdrawal liability, if any) to pay benefits.

SECTION VIII. PENSION APPLICATION, DETERMINATIONS AND APPEALS

CAN I GET ESTIMATES OF MY PENSION BENEFITS?

You can call the Fund Office and request a benefit estimate. You will be asked to provide the following information:

- Your name
- Current Address
- Social Security number
- Date of birth
- Spouse date of birth
- Last day worked if you have already terminated employment, or last day you plan to work.

These estimates are prepared based on time actually worked and not projected service time. The estimates are based on the information available to the Fund at the time you make your request.

HOW DO I APPLY FOR BENEFITS?

In order to expedite your claim please submit your completed application 90 days prior to the date you want to start receiving your benefit. Along with the completed application your should submit:

- Proof of age for you, your spouse or your beneficiary
- Marriage Certificate
- Military induction papers

Pension application forms are available through your local Union Office, or the Fund Office. You may ask the Fund Office to mail the form to your home. The application contains instructions on how to elect the form of payment you want.

The Fund will acknowledge receipt of your application and will notify you if the Fund needs additional information.

HOW CAN MY BENEFICIARY FILE FOR A DEATH BENEFIT?

As soon as possible after your death, your beneficiary should contact the Fund Office in writing and submit a certified death certificate. Your beneficiary will be asked to submit proof of age and will be advised if additional information or proof is required to process the claim. Your beneficiary should write to the Fund Office with any questions concerning eligibility for survivor benefits. The Fund Office will help with the application in every way possible.

HOW WILL I KNOW IF MY CLAIM FOR BENEFITS IS DENIED?

If your claim for benefits (other than disability benefits) is denied, in whole or in part, a notice will be sent to you in writing within 90 days of the date the Fund receives your claim, unless special circumstances require an extension, in which case the Fund may take another 90 days to review your claim. If your claim for disability benefits is denied, a notice will be sent to you in writing within 45 days after the Fund receives the claim, unless special circumstances require an extension, which may extend the time for a decision for an additional 45 days. In any case in which there is a delay, you will receive a notice explaining the reason for the delay and giving you the approximate date by which you can expect a decision.

If your claim is denied, the denial notice will contain the following information:

- the specific reason or reasons for the denial
- reference to the provision of the plan document or rule on which your denial is based
- a description of additional materials you would need to perfect your claim and an explanation of why this material is needed
- the steps you must take if you want to appeal the denial of your claim, including the amount of time you have to do this
- a statement of the claimant's right to bring a lawsuit under ERISA after an adverse determination on appeal

WHAT ARE MY APPEAL RIGHTS IF MY CLAIM IS DENIED?

If your application for pension is denied, in whole or in part, you may file a written request with the Trustees within 60 days after notice of the denial asking that they review the denial. A denial of a claim for disability benefits may be filed within 180 days after your receipt of the notice of denial. You may also submit a written explanation of the issues, examine any pertinent Fund documents, and have anyone else you wish help you. If more time is needed, the Trustees may allow you 60 more days to file your request for review. Send your request for review to the Board of Trustees, PACE Industry Union-Management Pension Fund, 3320 Perimeter Hill Drive, Nashville, TN 37211-4123.

The Trustees will conduct their review of your appeal at the next regularly scheduled quarterly meeting following the receipt of your request for review. If the request is received within 30 days before a regularly scheduled meeting, the Trustees may delay consideration until their next regularly scheduled quarterly meeting. Thereafter, if the Trustees need any further delay to consider your appeal until the next regularly scheduled meeting, they will notify you.

A written decision will be forwarded to you within 5 days of the Trustees' decision on your appeal. The written notice will give specific reasons for the decision and reference the relevant provisions of the Plan document or rule on which the decision is based.

The Trustees' decision is final and binding. You have a right to bring a lawsuit under ERISA after you receive an adverse determination on appeal.

SECTION IX. <u>STATEMENT OF RIGHTS UNDER ERISA</u>

As a participant in the PACE Industry Union-Management Pension Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as work sites and Union halls, all Plan documents, including insurance contracts, collective bargaining agreements, documents relating to mergers, 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 copies of all Plan documents, and copies of the latest annual report (Form 5500 Series) and updated summary plan description, upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.
- Receive a summary of Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65 or, if later, your age on the fifth anniversary of your participation) and, if so, what your benefits would be at normal retirement age based on current accumulated pension credits. If you do not have a right to a pension, the statement will tell you how many more years you have to work to earn the right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide this information free of charge and to the extent it is based on available records.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who have the responsibility 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.

If your claim for a pension benefit is denied or ignored in whole or in part, you must receive a written explanation of the reason for the denial, you have a right to obtain copies of documents relating to the decision without charge, and you have a right to appeal any denial, all with 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 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 frivolous.

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 area office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits 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.

BENEFIT GUARANTY

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 level) 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) non-pension benefits such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

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

If the Plan terminates, all benefits not previously vested become vested to the extent funded.

RIGHTS AND RESPONSIBILITIES

Benefits are paid according to Plan provisions out of a trust fund, which is used solely for that purpose. If you have any questions or problems about benefit payments, you have the right to request answers from the Trustees who administer the Plan.

SECTION X. <u>OTHER IMPORTANT INFORMATION ABOUT YOUR PLAN</u>

PLAN SPONSOR AND ADMINISTRATOR

The name and address of the Plan Sponsor and Plan Administrator is:

Board of Trustees

PACE Industry Union-Management Pension Fund

3320 Perimeter Hill Drive
Nashville, TN 37211-4123
(800) 474-8673
(615) 333-6343

BOARD OF TRUSTEES AS AGENT FOR SERVICE OF PROCESS

The Board of Trustees is designated as the agent for the service of legal process. Process may be served at the address for the Board of Trustees stated above. In addition, service of legal process may be made upon a Plan Trustee. The names, titles and business addresses of the Trustees are:

Labor Trustees:

Boyd Young, Chairman
USW President Emeritus
1610 Covington Court
Beaumont, TX 77706-2111

Donald L. Langham
USW District 9 Co-Director
3737 Government Boulevard-Suite 206
Mobile, AL 36693

Roger Heiser
USW District 12 Co - Director
7728 NE Hazel Dell Avenue
Vancouver, WA 98665

Gary Cook
USW District 4 Co-Director
124 State Street
P.O. Box 378
Augusta, ME 04330-0378

EMPLOYERS AND EMPLOYEE ORGANIZATIONS

Participants and beneficiaries may, upon written request, receive from the Plan Administrator information as to whether a particular employer or employee organization is a sponsor of the Plan, and if so, the sponsor's address.

PLAN YEAR

The Plan operates on a calendar year basis. The Plan's fiscal year is the 12-month period beginning January 1 and ending December 31.

EMPLOYER IDENTIFICATION NUMBER AND PLAN NUMBER

The Employer Identification Number assigned by the Internal Revenue Service to the Board of Trustees is 11-6166763. The Plan number is 001.

FINANCIAL INFORMATIONN

The contributions to the Plan are made by the employers in accordance with their collective bargaining agreements with the USW International Union, AFL-CIO, and other unions, and are reflected in the Fund's Standard Form of Participation Agreements.

FUNDING MEDIUM

The Fund Office will provide you, upon written request, information as to whether a particular employer is contributing to this Plan on behalf of employees working under the collective bargaining agreement, and if the particular employer is a contributing employer, its address. The collective bargaining agreements require contributions to the Plan at fixed rates per hour.

Benefits are provided from the Fund's assets, which are accumulated under the provisions of the Trust Agreement and held in the 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 and invested by various investment managers.

A current Summary Annual Report gives details of the Plan funding of benefits and is available from the Plan Administrator.

TYPE OF ADMINISTRATION

The Fund employs an in-house administrative staff.

MERGED PLANS

The PACE Industry Union-Management Pension Fund was formerly known as the Paper Industry Union Management Pension Fund, Pulp Sulfite and Paper Mill Workers Union and Industry National Pension Fund and is the successor to the following pension plans of:

Acco International, Inc. Ogdensburg Union Pension Plan and Trust
Ogdensburg, NY

A. Klein & Company, Inc. - Local 296 United Paperworkers International Pension and Severance Pay Plan
Long Island City, NY

Banner Fibreboard Company Retirement Plan for Employees Covered by a Collective Bargaining Agreement
Wellsburg, WV

Retirement Plan for Hourly Employees of Bergstrom Paper Company
W. Carrollton, OH

Clinton Paper Company, Inc. Employees' Pension Plan
Lock Haven, PA

Retirement Plan and Trust of Dancyger Division, Denney-Reyburn Company
Cleveland, OH

Retirement Plan for Hourly Employees of Deerfield Specialty Papers, Inc.
Augusta, GA

Retirement Plan of Doughboy Recreational, Inc.
West Helena, AR

Fonda Group, Inc. Retirement Plan for Hourly Continuing Employees
Oshkosh, WI

Gilman Employees' Pension Plan and Trust
Gilman, VT

Pension Plan of Hourly Paid Employees of Great Southern Paper Company
Woodlands Division
Cedar Springs, GA

Retirement Plan of Herbert Malarkey Roofing Company
Portland, OR

Pension Plan for Hourly-Paid Employees of Huhtamaki Company Manufacturing
Waterville, ME

Independent Paper Stock Company Retirement Plans for Employees of the Los Angeles, Long Beach, Tacoma and Portland Plants

Pension Plan for Active Fort Smith Hourly Employees
Fort Smith, AR

Pension Plan for Employees of Lincoln Pulp and Paper Co., Inc.
Lincoln, ME

Local 107 Labor-Management Retirement Fund
Brooklyn, NY

OCAW/PACE Union-Industry Pension Fund
Nashville, TN

Retirement Fund for Local 299
New York, NY

Retirement Plan and Trust of Georgia-Pacific Eastern Joint Pension Trust for:
Kalamazoo, Michigan Employees
Lyons Falls, New York Employees
Plattsburgh, New York Employees
Reading, Pennsylvania Employees
Port Hudson, Louisiana Employees
Taylorville, Illinois Employees
Tomahawk, Wisconsin Employees
Gary, Indiana Employees

Pension Plan for Bargaining Unit Hourly Employees of Roaring Spring Blank Book Company
Roaring Spring, PA

Stone Container Corporation Detroit Division Pension Plan for Local 842
Detroit, MI

United Paperworkers International Union Local No. 35 Pension Plan
Jenkintown, PA

Western Kraft Retirement Plan for Hourly Employees
Port Hueneme, CA

RFS Ecusta, Inc. Hourly Employees' Retirement Plan
RFS Ecusta, Inc. Salaried Employees' Retirement Plan
Pisgah Forest, NC

30,000 – 9/03

Dear Participant:

The Board of Trustees of the PACE Industry Union-Management Pension Fund ("Fund") has adopted the following changes to the PACE Industry Union-Management Pension Plan ("Plan"). This letter summarizes the changes. All page numbers refer to the Summary Plan Description ("SPD"). Please keep this document with your SPD, so that you always know the benefits that you are eligible for and the rules that apply.

SUMMARY OF MATERIAL MODIFICATIONS

The subsection entitled **"For Program G – Accrual Rate x Years of Pension Credit"** on pages 17-18 is deleted and replaced with the following:

> **For Program G – Accrual Rate x Years of Pension Credit**
>
> Your monthly pension benefit is equal to your applicable accrual rate multiplied by the amount of your total pension credit under the Plan. Your applicable monthly accrual rate as of January 1, 2002 (assuming you have 50 tenths of pension credit under that rate) appears in the front of this booklet. Updates can be obtained from the Fund Office.
>
> Your applicable accrual rate is determined based on the average monthly accrual rate that applied to you during your last 50 tenths of pension credit (*i.e.*, if you worked continuously, your last 5 years of pension credit). This accrual rate applies for pensions effective on or after January 1, 2002, provided that you earned at least 1/10 of a pension credit in 2001 (or became disabled in 2001).

The subsection entitled **"For Program G – Applicable Accrual Rate x Pension Credit"** on pages 19-20 is deleted and replaced with the following:

> **For Program G – Applicable Accrual Rate x Pension Credit**
>
> The monthly amount of your Regular Pension will be your applicable accrual rate multiplied by your total pension credit. Your applicable monthly accrual rate is determined based on the average monthly accrual rate that applied to you during your last 50 tenths of pension credit (*i.e.*, if you worked continuously, your last 5 years of pension credit).
>
> **Example:**
> Tom is retiring from Program G in June 2009, at age 65 with 35 years of pension credit. An accrual rate of $28.00 applied to Tom for each of his last 50 tenths of pension credit. Therefore, his

average monthly accrual rate (over his last 50 tenths of pension credit) is $28.00.

$28 x 35 = $980 (applicable accrual rate x years of pension credit = monthly benefit)

Tom will receive a monthly Regular Pension of $980.

Example:
Harry is retiring from Program G, in June 2009, at age 65 with 15 4/10 years of pension credit. For his last 30 tenths of pension credit, an accrual rate of $30 applied to Harry. For the prior 20 tenths of pension credit, an accrual rate of $20 applied to Harry. Harry's average monthly accrual rate is determined by multiplying his last 30 tenths of pension credit by an accrual rate of $30 and his preceding 20 tenths of pension credit by an accrual rate of $20. Harry's applicable accrual rate is $26.

$26 x 15.4 = $400.40 (applicable accrual rate x years of pension credit = monthly benefit)

Harry will receive a monthly Regular Pension of $401.

UNITED STEELWORKERS
UNITY AND STRENGTH FOR WORKERS
PIUMPF

PIUMPF

Maria F. Wieck, CPA, CEBS
Administrative Officer
Trevor K. England, JD, CPA
Financial Officer

<u>Notice of Reduction in Adjustable Benefits under Section 432(e) of the Internal Revenue Code and Notice of Reduction in Future Benefit Accruals under Section 204(h) of ERISA</u>

A. Introduction

On April 30, 2010, you were notified that the PACE Industry Union-Management Pension Fund ("Fund") was certified to be in "critical status" for its 2010 Plan Year. As required by federal law, the Board of Trustees of the Fund adopted a Rehabilitation Plan ("RP"), which had a schedule of contribution increases and benefit reductions designed to improve the Fund's funded status ("Schedule"). The Schedule includes contribution rate increases, reductions in future benefit accruals and the reduction or elimination of specified benefits, referred to as adjustable benefits, under the PACE Industry Union-Management Pension Plan ("Plan").

The purpose of this Notice is to explain the effect of the Schedule. Part B of this Notice is to advise you of the upcoming reduction and elimination of adjustable benefits. The Fund is required by law to provide Part B of the Notice to affected participants, beneficiaries, contributing employers and the union at least 30 days prior to the effective date of this change.

Part C of this Notice is being provided to you consistent with the requirements of Section 204(h) of the Employee Retirement Income Security Act ("ERISA") to advise you of the reduction in future benefit accruals that is effective for work in covered employment on and after January 1, 2011. The Fund is required by law to provide Part C of the Notice to affected participants, beneficiaries, contributing employers and the union at least 15 days prior to the effective date of this change.

Please be assured that the changes described in this Notice were adopted only after careful analysis and deliberation to allow the Fund to improve its funded status while it continues to provide significant benefits to participants and beneficiaries. If you have any questions, please contact the Fund Office.

<u>If you are currently receiving a pension, or if your pension starting date is before September 1, 2010, and you do not return to work in covered employment, your benefits will not be affected by the changes described in this Notice.</u>

<u>These changes modify your Summary Plan Description ("SPD"), which is the booklet that describes the rules of the Plan in detail. Please keep this notice with your SPD</u>.

B. Reductions in Adjustable Benefits

The explanations below indicate how each of the changes will affect the benefits provided under each of the Plan's benefit Programs. The Plan provides benefits through Programs A – H. The details of each Program are described in the SPD. If you do not know your benefit Program, you should refer to the sticker placed at the front of your SPD, or contact the Fund Office. If you are eligible for benefits under the terms of a plan that previously merged into the Plan, you will be provided with a separate notice explaining any reductions that will be made to adjustable benefits offered under that plan. Certain changes relating to the Huhtamaki Consumer Packaging Plan for Fulton Union Employees ("Fulton Plan"), the Pension Plan for Hourly-Paid Employees of Huhtamaki Company Manufacturing ("Huhtamaki Plan"), and the Banner Fibreboard Company Retirement Plan for Employees Covered by a Collective Bargaining Agreement ("Banner Plan") are included in this Notice, since these benefits are referred to in the current Plan. In addition, participants in Program H will receive another notice explaining additional changes to their benefits.

The following changes are made to benefits, regardless of when you terminated covered employment or otherwise ceased to be an active participant, as of the effective dates indicated below.

The following change is effective for pension starting dates on or after September 1, 2010:

1. Elimination of Disability Pension for Participants Who Have Not Received a Social Security Disability Award.

The Disability Pension, which is described on pages 14 and 15 of your SPD, is eliminated for participants who do not receive a disability award issued by the Social Security Administration.

Under the current Plan, a participant in Programs A-H who does not have a disability award issued by the Social Security Administration may be eligible to receive a Disability Pension in a reduced amount if he submits medical evidence, satisfactory to the Trustees, that he is totally and permanently disabled.

Under the Schedule, for participants in Programs A-H, effective for pension starting dates on or after September 1, 2010, the Fund will no longer pay a Disability Pension (including any disability pension offered under the terms of a prior version of the Plan or a plan that previously merged with the Fund) to a participant who has not received a disability award issued by the Social Security Administration.

The following changes are effective for pension starting dates on or after January 1, 2011:

1. Reduction of Early Retirement Pension.

The Plan offers an "Early Retirement Pension," described on pages 20-26 of the SPD, and a "Deferred Pension," described on page 26 of the SPD, that allow eligible participants to retire as early as age 55. Once benefits under the Plan commence, they are generally paid over the remainder of a participant's life (and may continue beyond that for a period of time depending on the payment form you elect). Therefore, to provide benefit payments equal in value to the Regular Pension commencing at age 65, the amount of the Early Retirement Pension, and the Deferred Pension with a pension starting date before age 65, is reduced to account for the additional years over which benefits will be paid. Previously, the Fund had not fully reduced the benefit payments to reflect the early receipt of benefit payments, in effect, "subsidizing" the amount of this reduction for retirements commencing before age 65. Now, for pension starting dates on and after January 1, 2011, the early retirement reduction will be increased to more truly reflect the actuarial cost of the earlier monthly benefits to be paid. The following explains and provides examples of how the Early Retirement Pension is currently calculated for participants in Programs A through G and how it will be calculated, as changed, for participants in Programs A through G with pension starting dates on or after January 1, 2011. The explanations and examples below also apply to a Deferred Pension with a pension starting date before age 65.

Application of Early Retirement Reductions to Participants in Programs A and D

Under the current Plan, for participants in Programs A and D, as described on pages 20-22 and 26 of the SPD, an Early Retirement Pension and a Deferred Pension are first calculated in the same way as if the participant were retiring on a Regular Pension. For benefit accruals earned on or before December 31, 2005, this amount is then reduced by ¼ of 1% for each month that the participant is younger than age 65 to age 60, and by ½ of 1% for each month that the participant is younger than age 60 to age 55. For benefit accruals earned on or after January 1, 2006, the amount the participant would receive if he were retiring under a Regular Pension is reduced by ½ of 1% for each month that he is younger than age 65 on the day his pension starts.

Under the Schedule, for participants in Programs A and D with pension starting dates on and after January 1, 2011, an Early Retirement Pension and a Deferred Pension will be calculated by reducing a participant's Regular Pension at age 65 by ½ of 1% for each month the participant is younger than age 65 on the day his pension starts.

Example 1: Paul is a participant in Program A and is retiring at age 57 with 20 years of pension credit. Paul earned 10 years of pension credit on or before December 31, 2005, and he earned 10 years of pension credit on or after January 1, 2006. The amount of his monthly Regular Pension if payments start at age 65 is $1,000, with $500 attributable to the 10 years of pension credit he earned on or before December 31, 2005 and $500 attributable to the 10 years of pension credit he earned on or after January 1, 2006.

Under the current Plan, Paul's Early Retirement Pension is calculated as follows:

$500 (amount of Paul's monthly Regular Pension if payments start at age 65 attributable to 10 years of pension credit earned on or before December 31, 2005)
¼ of 1% x 60 (number of months between ages 65 and 60) = 15%
½ of 1% x 36 (number of months between ages 60 and 57) = 18%
$500 x 15% = $75
$500 x 18% = $90
$75 + $90 = $165 (this is the Early Retirement reduction for this 10 years of pension credit)

$500 (amount of monthly Regular Pension if payments start at age 65 attributable to 10 years of pension credit earned on and after January 1, 2006)

½ of 1% x 96 (number of months between ages 65 and 57) = 48%
$500 x 48% = $240 (this is the Early Retirement reduction for this 10 years of pension credit)

$165 + $240 = $405 (this is the total Early Retirement reduction)
$1,000 - $405 = $595 (monthly pension if payments start at age 57)

Paul would receive an Early Retirement Pension of $595 per month if he retires and starts his pension immediately at age 57, under the current Plan.

Under the Schedule, with a pension starting date on or after January 1, 2011, Paul's Early Retirement Pension will be calculated as follows:

$1000 (amount of Paul's monthly Regular Pension if payments start at age 65)
1/2 of 1% x 96 (number of months between ages 65 and 57) = 48%
$1000 x 48% = $480 (this is the Early Retirement reduction)

$1,000 - $480 = $520 (monthly pension if payments start at age 57)

Paul will receive an Early Retirement Pension of $520 per month if he retires and starts his pension immediately at age 57, with a pension starting date on or after January 1, 2011.

Application of Early Retirement Reductions to Participants Who Formerly Participated in the Fulton Plan

The Fulton Plan merged into the Plan on May 6, 2004.

Under the current Plan, for benefit accruals of former Fulton Plan participants earned on or after May 6, 2004, the Early Retirement Pension and the Deferred Pension are determined under the terms of the Plan. However, for benefit accruals of former Fulton Plan participants earned before May 6, 2004, the Early Retirement Pension and the Deferred Pension are currently determined by reducing the participant's normal retirement benefit under the Fulton Plan by 0.4% for each month that the participant is younger than age 65 on the day his pension starts.

Under the Schedule, for participants in the Plan who are former participants in the Fulton Plan with pension starting dates on and after January 1, 2011, an Early Retirement Pension and a Deferred Pension will be calculated by reducing a participant's Regular Pension at age 65 by ½ of 1% for each month the participant is younger than age 65 on the day his pension starts.

Example 2: The same facts set forth in Example 1 above apply, except that Paul is a participant in Program A, who was formerly a participant in the Fulton Plan. The amount of his monthly Regular Pension if payments start at age 65 is $1,000, with $425 attributable to his accrued benefit under the Fulton Plan, $75 attributable to 1.5 years of pension credit he earned from May 6, 2004 to December 31, 2005, and $500 attributable to the 10 years of pension credit he earned on or after January 1, 2006.

Under the current Plan, Paul's Early Retirement Pension is calculated as follows:

$425 (amount of Paul's accrued benefit under the Fulton Plan, earned prior to May 6, 2004)
0.4% x 96 (number of months between ages 65 and 57) = 38.4%
$425 x 38.4% = $163.20 (this is the Early Retirement reduction for the benefit Paul earned under the Fulton Plan)

$75 (amount of Paul's monthly Regular Pension if payments start at age 65 attributable to 1.5 years of pension credit earned on or before December 31, 2005)
¼ of 1% x 60 (number of months between ages 65 and 60) = 15%
½ of 1% x 36 (number of months between ages 60 and 57) = 18%
$75 x 15% = $11.25
$75 x 18% = $13.50
$11.25 + $13.50 = $24.75 (this is the Early Retirement reduction for this 1.5 years of pension credit)

$500 (amount of monthly Regular Pension if payments start at age 65 attributable to 10 years of pension credit earned on and after January 1, 2006)
½ of 1% x 96 (number of months between ages 65 and 57) = 48%
$500 x 48% = $240 (this is the Early Retirement reduction for this 10 years of pension credit)

$163.20 + $24.75 + $240 = $427.95 (this is the total Early Retirement reduction)
$1,000 - $427.95 = $572.05, rounded to $573 (monthly pension if payments start at age 57)

Paul would receive an Early Retirement Pension of $573 per month if he retires and starts his pension immediately at age 57, under the current Plan.

Under the Schedule, with a pension starting date on or after January 1, 2011, Paul's Early Retirement Pension will be calculated as follows:

$1000 (amount of Paul's monthly Regular Pension if payments start at age 65)
1/2 of 1% x 96 (number of months between ages 65 and 57) = 48%
$1000 x 48% = $480 (this is the Early Retirement reduction)

$1,000 - $480 = $520 (monthly pension if payments start at age 57)

Paul will receive an Early Retirement Pension of $520 per month if he retires and starts his pension immediately at age 57, with a pension starting date on or after January 1, 2011.

Application of Early Retirement Reductions to Participants in Programs B and E

Under the current Plan, for participants in Programs B and E, as described on pages 22-24 and 26 of the SPD, an Early Retirement Pension and a Deferred Pension are first calculated in the same way as if the participant were retiring on a Regular Pension. For benefit accruals earned on or before December 31, 2005, this amount is then reduced by 1/3 of 1% for each month that the participant is younger than age 62 on the day his pension starts, with no reduction at all if his benefit starts at age 62 or later. For benefit accruals earned on or after January 1, 2006, the amount the participant would receive if he were retiring under a Regular Pension is reduced by ½ of 1% for each month that he is younger than age 62 on the day his pension starts, with no reduction at all if his benefit starts at age 62 or later.

Under the Schedule, for participants in Programs B and E with pension starting dates on and after January 1, 2011, an Early Retirement Pension and a Deferred Pension will be calculated by reducing a participant's Regular Pension at age 65 by ½ of 1% for each month the participant is younger than age 65 on the day his pension starts.

Example 3: The same facts set forth in Example 1 above apply, except that Paul is a participant in Program B.

Under the current Plan, Paul's Early Retirement Pension is calculated as follows:

$500 (amount of monthly Regular Pension if payments start at age 65 attributable to 10 years of pension credit earned on or before December 31, 2005)
1/3 of 1% x 60 (number of months between ages 62 and 57) = 20%
$500 x 20% = $100 (this is the Early Retirement reduction for this 10 years of pension credit)

$500 (amount of Paul's monthly Regular Pension if payments start at age 65 attributable to 10 years of pension credit earned on and after January 1, 2006)
½ of 1% x 60 (number of months between ages 62 and 57) = 30%
$500 x 30% = $150 (this is the Early Retirement reduction for this 10 years of pension credit)

$100 + $150 = $250 (this is the total Early Retirement reduction)
$1,000 - $250 = $750 (monthly pension if payments start at age 57)

Paul would receive an Early Retirement Pension of $750 per month if he retires and starts his pension immediately at age 57, under the current Plan.

Under the Schedule, with a pension starting date on or after January 1, 2011, Paul's Early Retirement Pension will be calculated as follows:

$1000 (amount of Paul's monthly Regular Pension if payments start at age 65)
1/2 of 1% x 96 (number of months between ages 65 and 57) = 48%
$1000 x 48% = $480 (this is the Early Retirement reduction)

$1,000 - $480 = $520 (monthly pension if payments start at age 57)

Paul will receive an Early Retirement Pension of $520 per month if he retires and starts his pension immediately at age 57, with a pension starting date on or after January 1, 2011.

Application of Early Retirement Reductions to Participants in Programs C and F

Under the current Plan, for participants in Programs C and F, as described on pages 24-26 of the SPD, an Early Retirement Pension and a Deferred Pension are first calculated in the same way as if the participant were retiring on a Regular Pension. For benefit accruals earned on or before December 31, 2005, this amount is then reduced by 1/4 of 1% for each month that the participant is younger than age 65 on the day his pension starts. For benefit accruals earned on or after January 1, 2006, the amount the participant would receive if he were retiring under a Regular Pension is reduced by 1/3 of 1% for each month that he is younger than age 65 on the day his pension starts.

Under the Schedule, for participants in Programs C and F with pension starting dates on and after January 1, 2011, an Early Retirement Pension and a Deferred Pension will be calculated by reducing a participant's Regular Pension at age 65 by ½ of 1% for each month the participant is younger than age 65 on the day his pension starts.

Example 4: The same facts set forth in Example 1 above apply, except that Paul is a participant in Program C.

Under the current Plan, Paul's Early Retirement Pension is calculated as follows:

$500 (amount of Paul's monthly Regular Pension if payments start at age 65 attributable to 10 years of pension credit earned on or before December 31, 2005)
¼ of 1% x 96 (number of months between ages 65 and 57) = 24%
$500 x 24% = $120 (this is the Early Retirement reduction for this 10 years of pension credit)

$500 (amount of monthly Regular Pension if payments start at age 65 attributable to 10 years of pension credit earned on and after January 1, 2006)
1/3 of 1% x 96 (number of months between ages 65 and 57) = 32%
$500 x 32% = $160 (this is the Early Retirement reduction for this 10 years of pension credit)

$120 + $160 = $280 (this is the total Early Retirement reduction)
$1,000 - $280 = $720 (monthly pension if payments start at age 57)

Paul would receive an Early Retirement Pension of $720 per month if he retires and starts his pension immediately at age 57, under the current Plan.

Under the Schedule, with a pension starting date on or after January 1, 2011, Paul's Early Retirement Pension will be calculated as follows:

$1000 (amount of Paul's monthly Regular Pension if payments start at age 65)
1/2 of 1% x 96 (number of months between ages 65 and 57) = 48%
$1000 x 48% = $480 (this is the Early Retirement reduction)

$1,000 - $480 = $520 (monthly pension if payments start at age 57)

Paul will receive an Early Retirement Pension of $520 per month if he retires and starts his pension immediately at age 57, with a pension starting date on or after January 1, 2011.

Application of Early Retirement Reductions to Participants in Program G

Under the current Plan, for participants in Program G who do not participate in "Plan 62," as described on page 26 of the SPD, an Early Retirement Pension and Deferred Pension are first calculated in the same way as if the participant were retiring on a Regular Pension. This amount is then reduced by ½ of 1% for each month that the participant is younger than age 65 on the day his pension starts.

Under the current Plan, for participants in Program G who participate in "Plan 62," as described on page 26 of the SPD, the amount the participant would receive if he were retiring under a Regular Pension is reduced by ¼ of 1% for each month he is younger than age 62 on the day his pension starts, with no reduction if the participant is age 62 or older.

Under the Schedule, for participants in Program G, regardless of whether or not they participate in "Plan 62," with pension starting dates on and after January 1, 2011, an Early Retirement Pension and a Deferred Pension will be calculated by reducing a participant's Regular Pension at age 65 by ½ of 1% for each month the participant is younger than age 65 on the day his pension starts.

<u>Example 5</u>: The same facts set forth in Example 1 above apply, except that Paul is a participant in Program G who does not participate in "Plan 62."

Under the current Plan, Paul's Early Retirement Pension is calculated as follows:

$1000 (amount of Paul's monthly Regular Pension if payments start at age 65)
1/2 of 1% x 96 (number of months between ages 65 and 57) = 48%
$1000 x 48% = $480 (this is the Early Retirement reduction)

$1,000 - $480 = $520 (monthly pension if payments start at age 57)

Paul would receive an Early Retirement Pension of $520 per month if he retires and starts his pension immediately at age 57, under the current Plan.

Under the Schedule, with a pension starting date on or after January 1, 2011, Paul's Early Retirement Pension will be calculated as follows:

$1000 (amount of Paul's monthly Regular Pension if payments start at age 65)
1/2 of 1% x 96 (number of months between ages 65 and 57) = 48%
$1000 x 48% = $480 (this is the Early Retirement reduction)

$1,000 - $480 = $520 (monthly pension if payments start at age 57)

Paul will receive an Early Retirement Pension of $520 per month if he retires and starts his pension immediately at age 57, with a pension starting date on or after January 1, 2011.

<u>Example 6</u>: The same facts set forth in Example 1 above apply, except that Paul is a participant in Program G who participates in "Plan 62."

Under the current Plan, Paul's Early Retirement Pension is calculated as follows:

$1000 (amount of Paul's monthly Regular Pension if payments start at age 65, or age 62 with 5 years of pension credit)
1/4 of 1% x 60 (number of months between ages 62 and 57) = 15%
$1000 x 15% = $150 (this is the Early Retirement reduction)

$1,000 - $150 = $850 (monthly pension if payments start at age 57)

Paul would receive an Early Retirement Pension of $850 per month if he retires and starts his pension immediately at age 57, under the current Plan.

Under the Schedule, with a pension starting date on or after January 1, 2011, Paul's Early Retirement Pension will be calculated as follows:

$1000 (amount of Paul's monthly Regular Pension if payments start at age 65)
1/2 of 1% x 96 (number of months between ages 65 and 57) = 48%
$1000 x 48% = $480 (this is the Early Retirement reduction)

$1,000 - $480 = $520 (monthly pension if payments start at age 57)

Paul will receive an Early Retirement Pension of $520 per month if he retires and starts his pension immediately at age 57, with a pension starting date on or after January 1, 2011.

2. Elimination of Service Pension for Programs D, E, and F.

Under the current Plan, as described on pages 14 and 28 of the SPD, a participant in Program D, E, or F is eligible to receive a Service Pension that pays him his full retirement benefit (not reduced for early retirement) if he retires with 30 years of pension or vesting credit regardless of his age, or at age 62 with 20 years of pension or vesting credit.

Under the Schedule, beginning with pension starting dates on and after January 1, 2011, the Service Pension, is eliminated. This means that on and after January 1, 2011, a participant in Program D, E, or F who is not eligible for a Disability Pension will not be eligible to receive his full retirement benefit until age 65, when he is eligible to receive a Regular Pension. The only benefit (other than a Disability Pension) that can be received before a Regular Pension is the Early Retirement Pension or a Deferred Pension calculated in the same manner as the Early Retirement Pension.

Example 1: Tim participates in Program F and is retiring at age 52 with 30 years of pension credit. If he were to retire at age 65, he would receive a Regular Pension benefit of $1,000 per month.

Under the current Plan, he meets the requirements for a Service Pension because he has 30 years of pension credit and therefore he will receive a benefit of $1,000 per month, beginning at age 52.

Under the Schedule, if Tim retires at age 52 with an intended pension starting date on or after January 1, 2011, he will not be eligible for the eliminated Service Pension, or any other retirement benefit (other than the Disability Pension). Tim would not be eligible to receive a retirement benefit until he reaches age 55, when he would be eligible to receive an Early Retirement Pension or Deferred Pension, calculated by reducing his Regular Pension at age 65 by ½ of 1% for each month he is younger than age 65. Tim would not be eligible to receive his full retirement benefit of $1,000 per month unless he commences his benefit at age 65.

<u>Example 2</u>: Danielle participates in Program D and is retiring at age 57 with 30 years of pension credit. If she were to retire at age 65, she would receive a Regular Pension benefit of $1,000 per month.

Under the current Plan, she meets the requirements for a Service Pension because she has 30 years of pension credit and therefore she will receive a benefit of $1,000 per month, beginning at age 57.

Under the Schedule, if Danielle retires at age 57 with a pension starting date on or after January 1, 2011, she will not be eligible for the eliminated Service Pension. She is eligible to retire under an Early Retirement Pension, calculated by reducing her Regular Pension at age 65 by ½ of 1% for each month she is younger than age 65. With a pension starting date at age 57, Danielle will receive an Early Retirement Pension benefit of $520 per month. Danielle would not be eligible to receive her full retirement benefit of $1,000 per month unless she commences her benefit at age 65.

<u>Example 3</u>: Andrew participates in Program E and is retiring at age 62 with 25 years of pension credit. If he were to retire at age 65, he would receive a Regular Pension benefit of $1,000 per month.

Under the current Plan, he meets the requirements for a Service Pension because he has at least 20 years of pension credit and therefore he will receive a benefit of $1,000 per month, beginning at age 62.

Under the Schedule, if Andrew retires at age 62 with a pension starting date on or after January 1, 2011, he will not be eligible for the eliminated Service Pension. He will be eligible to retire under an Early Retirement Pension, calculated by reducing his Regular Pension at age 65 by ½ of 1% for each month he is younger than age 65. With a pension starting date at age 62, Andrew will receive an Early Retirement Pension benefit of $820 per month. Andrew would not be eligible to receive his full retirement benefit of $1,000 per month unless he commences his benefit at age 65.

3. Elimination of Eligibility for Normal Pension Prior to Age 65 for Program G, Plan 62.

Under the current Plan, as described on page 12 of the SPD, a participant participating in "Plan 62" under Program G is eligible to receive a Regular Pension prior to reaching age 65 if he has at least 5 years of pension credit and is age 62 or older.

Under the Schedule, beginning with pension starting dates on and after January 1, 2011, participants in "Plan 62" under Program G will no longer be eligible to retire on a Regular Pension prior to age 65.

Example: Meredith participates in "Plan 62" under Program G and is retiring at age 62 with 20 years of pension credit. If she were to retire at age 65, she would receive a Regular Pension benefit of $1,000 per month.

Under the current Plan, she meets the requirements for a Regular Pension at age 62 because she has at least 5 years of pension credit and therefore she will receive her full retirement benefit of $1,000 per month at age 62.

Under the Schedule, if Meredith retires at age 62 with a pension starting date on or after January 1, 2011, she will not be eligible to retire with a Regular Pension. She will be eligible to retire under an Early Retirement Pension, calculated by reducing her Regular Pension at age 65 by ½ of 1% for each month she is younger than age 65. With a pension starting date at age 62, Meredith will receive an Early Retirement Pension benefit of $820 per month. Meredith would not be eligible to receive a Regular Pension consisting of her full retirement benefit unless she retires at age 65.

4. Elimination of 60-Month and 120-Month Payment Guarantees

Under the current Plan, as described on pages 30 and 33 of the SPD, the Plan provides for an optional form of benefit payment in the form of a Life Annuity and Sixty Guaranteed Monthly Payments Option for participants in Programs A-G and a Life Annuity and 120 Certain Payments Option for participants in Program G. The Life Annuity and Sixty Guaranteed Monthly Payments Option is the standard form of payment for a single participant in Programs A-G. Plan participants who formerly participated in the Huhtamaki Plan, which merged into the Plan on December 31, 2002, or the Banner Plan, which merged into the Plan on August 1, 2002, are currently entitled to a ten-year certain and life annuity as the standard form of payment for former unmarried participants and as an optional form of payment for former married participants. The Life Annuity and Sixty Guaranteed Monthly Payments Option provides equal monthly payments for life and guarantees the participant a minimum of 60 equal monthly payments. The Life Annuity and 120 Certain Payments Option and the ten-year certain and life annuity provide equal monthly payments for life and guarantee the participant a minimum of 120 equal monthly payments. If the participant dies before receiving 60 or 120 monthly payments, his beneficiary receives the balance of the 60 or 120 payments.

Under the Schedule, beginning with pension starting dates on and after January 1, 2011, the 60-month and 120-month guarantees are eliminated from the Life Annuity form of benefit payment. The standard form of payment for an unmarried participant in Programs A-G, and participants in the Plan who formerly participated in the Huhtamaki Plan or the Banner Plan, will be a Life Annuity providing equal monthly payments for life, with no benefit payable after the participant's death.

Example: Brian is an unmarried participant in Program B who is eligible to retire under a Regular Pension with a benefit of $1,000 per month.

Under the current Plan, if Brian selects the standard form of payment he will receive equal monthly payments of $1,000 for life and, if he dies before receiving 60 monthly payments, his beneficiary will receive the balance of the 60 payments of $1,000 per month.

Under the Schedule, if Brian retires with a pension starting date on or after January 1, 2011 and selects the standard form of payment, he will receive equal monthly payments of $1,000 for life, with no benefit payable to his beneficiary after his death. If Brian dies before receiving 60 monthly payments, no benefit will be payable to his beneficiary.

5. Reduction of Forms of Benefit Payments Other Than Life Annuities for Participants in Programs A-G

Under the current Plan, for participants in Programs A-G, forms of benefit payment other than a Life Annuity are determined based on the actuarial value of the Life Annuity and Sixty Guaranteed Monthly Payments Option. For example, as explained on page 30 of the SPD, the monthly benefit paid under the 50% Husband and Wife Pension form of benefit payment is determined by reducing the monthly benefit paid under the Life Annuity and Sixty Guaranteed Monthly Payments Option to account for the actuarial value of the monthly survivor benefit that is paid to your spouse if you die. Different actuarial factors apply to different benefits. For example, if a participant is eligible for a Regular Pension and is going to receive a 50% Husband and Wife Pension benefit, the participant will receive 90% of the amount he would have received as a single life annuity for his life, plus or minus .4% for each year his spouse's age is greater than or less than his age; and his spouse will receive 50% of the amount of his benefit upon his death for her life, if she is still alive.

Under the Schedule, for participants in Programs A-G, beginning with pension starting dates on and after January 1, 2011, forms of benefit payment other than a Life Annuity will be determined based on the actuarial value of the Life Annuity without a payment guarantee. Because the 60-month payment guarantee is eliminated from the Life Annuity form of benefit payment, the actuarial value of the Life Annuity is reduced. This means that all forms of benefit payment other than a Life Annuity will be similarly reduced. Different actuarial factors apply to different benefits. For example, if a participant is eligible for a Regular Pension and is going to receive a 50% Husband and Wife Pension benefit, the participant will receive 88% of the amount he would have received as a single life annuity for his life, plus or minus .4% for each year his spouse's age is greater than or less than his age; and his spouse will receive 50% of the amount of his benefit upon his death for her life, if she is still alive.

6. Elimination of Subsidized Pop-Up Benefit for Programs A-F.

Under the current Plan, as described on page 31 of the SPD, Programs A-F provide a "pop-up" benefit for pensions effective on or after May 1, 2001. This means that if a participant elects a Husband & Wife Pension and his spouse passes away, the participant's benefit will "pop-up" to the unreduced benefit amount, payable in the form of a single life annuity without any 60-month guarantee, beginning as of the first of the month following the death of the spouse. The amount of the benefit payment is not reduced to take into account this pop-up feature; hence it is a subsidized pop-up.

Under the Schedule, married participants in Programs A-F, who retire with a pension starting date on or after January 1, 2011, may select a Husband and Wife Pension with, or without, the pop-up feature. However, the pop-up feature will not be subsidized. This means that, if a participant selects the pop-up feature, the amount of the participant's monthly Husband and Wife Pension benefit will be reduced to account for the pop-up. The amount of the reduction will depend on the participant's age and the age of the participant's spouse so that the benefit has the same actuarial value as the benefit without the pop-up feature.

<u>Example</u>: Debbie is a married participant in Program C who is eligible to retire under a Regular Pension with an unreduced full retirement benefit of $1,000 per month. Debbie is age 65 and her spouse is the same age.

Under the current Plan, if Debbie elects a 50% Husband and Wife Pension, she will receive a monthly pension of $900 per month and her spouse would be eligible for $450 per month upon her death. If Debbie's spouse passes away before she dies, her monthly benefit will "pop-up" to the unreduced amount of $1,000 per month beginning as of the first of the month following the death of her spouse.

Under the Schedule, if Debbie retires with a pension starting date on or after January 1, 2011, she will have the option of electing her 50% Husband and Wife Pension with or without the pop-up feature. If she does not elect the pop-up feature, she will receive the reduced 50% Husband and Wife Pension of $880 per month to her and $440 to her spouse upon her death and this amount will not increase if her spouse passes away first.

Under the Schedule, if Debbie elects the pop-up feature, her 50% Husband and Wife Pension will be reduced to account for the pop-up, and she will receive a monthly benefit of $870 per month and her spouse would be eligible for $435 per month upon her death. If her spouse passes away first, her monthly benefit will "pop-up" to the unreduced amount of $1,000 per month beginning as of the first of the month following the death of her spouse.

The following changes are effective on and after January 1, 2011:

1. Elimination of Pre-Retirement Death Benefit for Single Participants for Programs A-F.

Under the current Plan, as described on page 37 of the SPD, if a participant in any of Programs A-F is unmarried and dies in covered employment with at least 5 years of pension or vesting credits, his beneficiary will be entitled to a lump sum death benefit. This death benefit is equal to 1,000 times the applicable contribution rate at the time of the participant's death, multiplied by the number of years of pension credit earned by the participant.

Under the Schedule, effective on and after January 1, 2011, this death benefit is eliminated. In addition, as explained in the Notice of Critical Status Certification sent on April 30, 2010, under federal law, the Fund was prohibited from paying this lump sum death benefit to beneficiaries of participants who die after the date the Notice was provided. This means that this death benefit will not be paid to beneficiaries of participants who die after April 30, 2010.

2. Elimination of 60 Month Pre-Retirement Death Benefit for Unmarried Participants for Program G.

Under the current Plan, as described on page 37 of the SPD, if a participant in Program G is unmarried and vested in a pension benefit and dies after reaching age 55, but before starting a benefit, his beneficiary may be eligible for a 60-month death benefit. This death benefit is payable in the amount of the monthly benefit the participant would have received as a single life annuity if the participant had retired on the date of his death. The beneficiary may elect to receive the death benefit either in 60 monthly payments or as a single lump sum. However, as explained in the Notice of Critical Status Certification sent on April 30, 2010, under federal law, the Fund is prohibited from paying this death benefit as a lump sum to beneficiaries of participants who die after the date the Notice was provided. This means that, for participants who die after April 30, 2010, their beneficiaries may only receive this death benefit in the form of 60 monthly payments.

Under the Schedule, effective on and after January 1, 2011, this death benefit is eliminated. This means that this death benefit will not be paid, either as a lump sum or 60 monthly payments, to beneficiaries of participants who die on or after January 1, 2011.

C. Reductions in Future Benefit Accruals

The Schedule will result in the following changes that will decrease the rate of future benefit accruals for certain participants in Programs A-G who work an hour for which contributions are due on their behalf on and after January 1, 2011. Your accrued monthly benefit calculated as of December 31, 2010 is not changing. These changes affect only your benefit for hours worked on and after January 1, 2011. Participants in Program H will receive another notice explaining any changes that will decrease their rate of future benefit accruals.

1. Benefit Accruals Determined Based On Sum of Accruals for Each Calendar Year Worked.

For pension credit earned on and after January 1, 2011, benefit accruals earned for each calendar year will be determined based on the benefit level(s) in effect for that calendar year. This is the same way that benefits accruals are calculated for most participants in Programs D, E, and F. Your accrued monthly benefit calculated as of December 31, 2010 is not changing. This change affects only your benefits that are attributable to hours worked on and after January 1, 2011.

Application of Elimination of Use of Final Benefit Level to Participants in Programs A, B, and C (and Participants in Programs D, E, or F Who Were Employed By a Blue Ridge Company or Any Successor Company That Was Participating in Program D, E, or F Prior to October 1, 2000, or Who Were Employed By National Performance Packaging)

Under the current Plan, your monthly pension benefit is equal to your years of pension credit multiplied by the monthly benefit level applicable to you on the last day for which your employer is obligated to make contributions on your behalf. Additional information regarding your applicable monthly benefit level may be found on page 16 of the SPD. As discussed below, for pension credit earned prior to January 1, 2011, this monthly benefit will not change.

Under the Schedule, the portion of your monthly pension benefit for pension credits earned prior to January 1, 2011 is equal to your years of pension credit earned prior to January 1, 2011, multiplied by the monthly benefit level applicable to you on the last day prior to January 1, 2011, for which your employer was obligated to make contributions on your behalf, determined as of December 31, 2010. The portion of your monthly pension benefit attributable to pension credits earned on and after January 1, 2011, is equal to the sum of your annual pension accruals for each calendar year of participation on and after January 1, 2011. An annual pension accrual is determined by multiplying your average benefit level for a calendar year by your pension credit for that calendar year. Your average benefit level for a calendar year is determined based on the benefit level(s) applicable to you during that calendar year.

Example. Mark, a participant in Program A, is retiring at age 65 with 20 years of pension credit for work performed from January 1, 2001 to December 31, 2020. He earned 10 years of pension credit prior to January 1, 2011 and earned 10 years of pension credit on and after January 1, 2011. On January 1, 2001, his benefit level was $20. His benefit level increased to $25 on January 1, 2008 and further increased to $30 on January 1, 2014.

Under the current Plan, Mark's benefit would be calculated as follows:

Applicable benefit level = $30
20 years of pension credit x $30 per month = $600
Mark would receive a monthly benefit of $600

Under the Schedule, Mark's benefit will be calculated as follows:

<u>Portion of monthly benefit for pension credit earned prior to January 1, 2011:</u>

Applicable benefit level = $25
10 years of pension credit x $25 per month = $250

<u>Portion of monthly benefit for pension credit earned on and after January 1, 2011:</u>

Year of Work	*Annual Accrual*	*Accrued Benefit*
2011-2013	$25 (3 yrs. x $25)	$ 75
2014-2020	$30 (7 yrs. x $30)	<u>$210</u>
		$285

$250 + $285 = $535
Mark would receive a monthly benefit of $535

Application of Elimination of Final Accrual Rate to Participants in Program G

Under the current Plan, your monthly pension benefit is equal to your applicable accrual rate multiplied by your total pension credit. Your applicable monthly accrual rate is determined based on the average monthly accrual rate that applied to you during your last 50 tenths of pension credit (*i.e.*, if you worked continuously, your last 5 years of pension credit). As discussed below, for pension credit earned prior to January 1, 2011, this monthly benefit will not change.

Under the Schedule, the portion of your monthly pension benefit for pension credits earned prior to January 1, 2011 is equal to your applicable accrual rate multiplied by your pension credits earned prior to January 1, 2011. Your applicable monthly accrual rate is determined based on the average monthly accrual rate that applied to you during your last 50 tenths of pension credit earned prior to January 1, 2011 (or all pension credit earned prior to January 1, 2011 if you earned less than 50 tenths of pension credit prior to January 1, 2011), determined as of December 31, 2010. The portion of your monthly pension benefit for pension credits earned on and after January 1, 2011 is equal to the sum of your annual pension accruals for each calendar year on and after January 1, 2011. An annual pension accrual is determined by multiplying your average accrual rate for a calendar year by your pension credit for that calendar year. Your average accrual rate for a calendar year is determined based on the accrual rate(s) applicable to you during a calendar year.

<u>Example</u>. Tom, a participant in Program G, is retiring at age 65 with 20 years of pension credit for work performed continuously from January 1, 2001 to December 31, 2020. On January 1, 2006, the accrual rate applicable to Tom was $28. The accrual rate applicable to Tom increased to $30 on January 1, 2011 and further increased to $34 on January 1, 2016.

Under the current Plan, Tom's benefit would be calculated as follows:

An accrual rate of $34.00 applied to Tom for each of his last 50 tenths of pension credit. Therefore, his average monthly accrual rate (over his last 50 tenths of pension credit) is $34.00.

$34 x 20 = $680 (applicable accrual rate x years of pension credit = monthly benefit)

Tom would receive a monthly benefit of $680.

Under the Schedule, Tom's benefit will be calculated as follows:

<u>Portion of monthly benefit for pension credit earned prior to January 1, 2011:</u>

An accrual rate of $28.00 applied to Tom for each of his last 50 tenths of pension credit earned prior to January 1, 2011. Therefore, his average monthly accrual rate (over his last 50 tenths of pension credit) is $28.00.

$28 x 10 = $280 (applicable accrual rate x years of pension credit = monthly benefit for pension credit earned prior to January 1, 2011)

<u>Portion of monthly benefit for pension credit earned on and after January 1, 2011:</u>

Year of Work	*Annual Accrual*	*Accrued Benefit*
2011-2015	$30 (5 yrs. x $30)	$150
2016-2020	$34 (5 yrs. x $34)	<u>$170</u>
		$320

$280 + $320 = $600
Tom would receive a monthly benefit of $600

2. Increase in Hours of Service Required for Pension Credit for Participants in Programs A-G.

For calendar years on and after January 1, 2011, participants in Programs A-G must have at least 2,040 hours for which contributions are due on their behalf in a calendar year to receive one full pension credit for that calendar year.

Under the current Plan, as explained on pages 3 and 4 of the SPD, a participant in Programs A-F receives one full year of future service credit for each calendar year in which the participant has at least 1,760 hours for which contributions are due on his behalf. If a participant in Programs A-F works less than 1,760 hours in a calendar year for which contributions are due on his behalf, he will receive either ¾, ½, ¼, or 0 years of future service credit, depending on the number of hours in that calendar year for which contributions are due on his behalf. A participant in Program G receives one full year of future service credit for each calendar year in which the participant has at least 1,800 hours for which contributions are due on his behalf. If a participant in Program G works less than 1,800 hours in a calendar year for which contributions are due on his behalf, he will receive from 0-9 tenths of future service credit, depending on the number of hours in that calendar year for which contributions are due on the participant's behalf. Under the new Schedule, these rules will not change for future service credit earned before January 1, 2011.

For calendar years before January 1, 2011, the following tables show how much future service credit a participant will receive in a calendar year, based on the number of hours the participant works for which contributions are due:

Programs A-F

Hours for which Contributions are Due in a Calendar Year	Years of Pension Credit
1,760 or more	1
1,320-1,759	¾
880-1,319	½
440-879	¼
Less than 440	0

Program G

Hours for which Contributions are Due in a Calendar Year	Years of Pension Credit
0-99	0
100-199	1/10
200-399	2/10
400-599	3/10
600-799	4/10
800-999	5/10
1,000-1,199	6/10
1,200-1,399	7/10
1,400-1,599	8/10
1,600-1,799	9/10
1,800 or more	1

Under the Schedule, for calendar years after December 31, 2010, the following table shows how much future service credit a participant in Programs A-G will receive in a calendar year, based on the number of hours the participant works for which contributions are due on his behalf:

Programs A-G

Hours for which Contributions are Due in a Calendar Year	Years of Pension Credit
2,040 or more	1
1,530-2,039	¾
1,020-1,529	½
510-1,019	¼
Less than 510	0

3. Increase In Hours of Service Required to Treat Highest Contribution Rate as Average Hourly Contribution Rate for Programs D-F.

Under the current Plan, as described on page 17 of the SPD, a participant in Programs D-F's annual pension accrual for a calendar year is based on his average contribution rate for that calendar year.

The average contribution rate for a calendar year is determined based on the contribution rate(s) applicable to a participant during a calendar year. However, under the current Plan, if a participant is credited with 1,760 hours of service at the highest contribution rate in a calendar year, his average contribution rate for that calendar year will automatically be that highest contribution rate.

Under the Schedule, after December 31, 2010, a participant in Programs D-F must be credited with 2,040 hours of service at the highest contribution rate in a calendar year for that highest contribution rate to automatically be his average contribution rate for that calendar year.

4. Elimination of Credit for Periods of Absence from Covered Employment Due to Disability for Programs A-F.

Under the current Plan, as described on page 8 of the SPD, participants in Programs A-F may receive future service credit of up to one year for each period of disability that immediately follows a period of work in covered employment. Under the Plan, "covered employment" is work for which contributions are due on a participant's behalf. To qualify for this future service credit, the participant must file a claim in writing to the Trustees not later than 12 months after the period of disability.

Under the Schedule, participants in Programs A-F will remain eligible for up to one year of future service credit for each period of disability that immediately follows covered employment until December 31, 2010. After December 31, 2010, participants in Programs A-F will not receive future service credit for any periods of disability for which no contributions are due on their behalf.

5. Increase in Hours Required for Vesting Service and Elimination of Partial Years for Program G.

For calendar years on and after January 1, 2011, participants in Program G will no longer receive partial years of vesting service and must have at least 1,000 hours for which contributions are due on their behalf for a calendar year to receive a year of vesting service for that calendar year.

A participant's years of vesting service determine his eligibility for the types of pensions available under the Plan. Generally, a participant must have 5 years of vesting service to be eligible for any benefit under the Plan. Under the new Schedule, the Program G rules for vesting service will not change for vesting service earned prior to January 1, 2011.

Under the current Plan, as described on page 9 of the SPD, participants in Program G receive one year of vesting service for each calendar year in which they worked at least 750 hours for which contributions are due on their behalf. In addition, if a participant in Program G works one hour in covered employment on or after January 1, 1994, and completes less than 750 hours of work in a calendar year for which contributions are due on his behalf, the participant will receive from 0-9 tenths of a year of vesting service, depending on the number of hours in that calendar year for which contributions are due on the participant's behalf. For calendar years before January 1, 2011, the following table shows how much vesting service a participant in Program G who works one hour in covered employment on or after

January 1, 1994 will receive in a calendar year, based on the number of hours the participant works for which contributions are due:

Hours of Work for which Contributions are Due in a Calendar Year	Tenths of Vesting Service for Calendar Year
0-149	0
150-224	2
225-299	3
300-374	4
375-449	5
450-524	6
525-599	7
600-674	8
675-749	9
750 or more	10

Under the Schedule, for calendar years after December 31, 2010, participants in Program G will receive one year of vesting service for each calendar year in which they worked at least 1,000 hours for which contributions are due on their behalf.

D. Rights and Remedies for Participants and Beneficiaries

Federal law requires that this Notice contain information as to the rights and remedies of Participants and Beneficiaries. For a complete statement of the rights of Participants and Beneficiaries under ERISA, including the right to examine or receive certain Plan documents or to file suit under ERISA, consult Section IX of your SPD. In addition, Section VII of the SPD describes your right to file an appeal should you experience a denial of benefits under the Plan, the Plan's procedures governing such appeals, and your right to file suit in a federal court. A copy of the SPD is available on the Fund's website at www.uswbenefitfunds.com.

To contact the Board of Trustees, write to:

Board of Trustees
PACE Industry Union-Management Pension Fund
3320 Perimeter Hill Drive
Nashville, TN 37211-4123

If you need further assistance understanding your rights under ERISA, you can contact the nearest office of the Employee Benefits Security Administration ("EBSA"), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, EBSA, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also contact EBSA by calling 1-866-444-EBSA [3272] or visiting the EBSA's website at: www.askebsa.dol.gov.