THE PAPER INDUSTRY UNION

MANAGEMENT PENSION FUND

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To All Participants and Beneficiaries:

The Board of Trustees of the Paper Industry Union-Management Pension Fund is pleased to present you with this updated booklet which summarizes the rules and regulations of your Pension Plan. Pension Plan benefits are financed by employer contributions (and earnings on those contributions) according to the collective bargaining agreements with the United Paperworkers 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 Pension Plan, please call or write to the Fund Office.

Sincerely,

THE BOARD OF TRUSTEES

Paper Industry Union-Management Pension Fund
3340 Perimeter Hill Drive
Nashville, Tennessee 37211
(615) 333-6343

HIGHLIGHTS OF THE PENSION PLAN

The Pension Plan provides several different types of pensions and other forms of benefits if you leave covered employment in the Paper Industry.

- *A Regular Pension* is paid if you retire at age 65. (See page 8)
- *An Early Retirement Pension* is available if you decide to retire between the ages of 55 and 65 and have at least 10 years of pension credit or vesting service. The Early Retirement Pension benefits are reduced to take into account your earlier retirement age. The amount of reduction depends on whether you are a covered employee of Program A, B, C, D, E or F. (See page 8)
- *A Deferred Pension* is available if you leave covered employment before age 55 and have at least 10 years of pension credit or vesting service. *If you earn an Hour of Service on or after January 1, 1989, a Deferred Pension benefit may be paid to you at your normal retirement age if you have five years of pension credit or vesting service.* The Deferred Pension benefit becomes payable at age 65, or between age 55 and 65, (if you have 10 years of vesting credit or pension credit) in a reduced amount. (See page 8)
- *A Disability Pension* is paid if you become permanently and totally disabled at any age while working in covered employment and have at least 10 years of pension credit. (See page 8)
- *A Pre-Retirement Surviving Spouse's Benefit* provides a benefit to your spouse if you have earned five years of pension credit or vesting service and die before retirement. If you are an *active* employee and die before you retire, your spouse will receive a pension equal to 50% of the amount he or she would have received if you had retired the day before your death with a Husband and Wife Pension. (See page 15) If you are less than age 55 at your death, it will be assumed you reached age 55. If you are an *inactive* participant, your spouse will receive 50% of the amount you would have received if you retired on a Husband and Wife Pension, but the benefit will be reduced to reflect your age at death. (See page 15)
- *A Pre-Retirement Death Benefit* will be paid if you are *single* and die during covered employment with at least 10 years of pension credit or vesting service. (See page 16)

- All pensions are paid to married participants in the form of a Husband and Wife Pension unless this type of payment is rejected with your spouse's consent before payments start. The Husband and Wife Pension provides a reduced pension during your lifetime. After your death, 50% of your monthly benefit will continue to be paid to your surviving spouse. (See page 12) For unmarried participants, the normal form of benefit is a single life annuity. In addition, the following benefit options are available:
  - Sixty Guaranteed Monthly Payments may be elected if you retire under the Regular, Early Retirement, or Deferred Pensions. This form guarantees that you will receive 60 monthly pension payments. If you die before 60 payments are made, payment in the same amount will continue to your beneficiary until a total of 60 monthly payments are made. This provision may not be elected in conjunction with the Husband and Wife Pension, the Joint and Survivor Option, the Social Security Level Income Option, or to the Disability Pension. (See page 13)
  - The Joint And Survivor Option may be elected before you retire on a Regular Pension. Upon your death, 50%, 75% or 100% of your actuarially reduced benefit will be paid to your surviving beneficiary. (See page 13)
  - The Social Security Level Income Option is available only if you retire under the Early Retirement Pension. It levels your retirement income both before and after Social Security benefits begin. (See page 14)

The Trustees hope that these highlights and the following summary plan description will help you get to know your Plan better. However, the highlights and summary are not meant to be a substitute for the provisions of the Plan document itself, which can be obtained by contacting the Fund Office. If there is any difference between the provisions of the Plan document and the highlights or summary, your rights will always be determined by the Plan document.

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.

HOW DO I BECOME A PARTICIPANT IN THIS PLAN?

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 United Paperworkers International Union, AFL-CIO and if the agreement requires your employer to contribute to the Plan for the hours you work. Service for which your employer is obligated to contribute is called covered employment.

WHEN DO I BECOME A PLAN PARTICIPANT?

You become a Plan participant if you work 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.

"Hours" normally means each hour for which you are paid, or are entitled to be paid by your employer. It 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.

You will be formally enrolled as a participant on the earliest January 1 or July 1 occurring after you meet the 1,000-hour requirement. However, you may receive credit, under the rules described below, for some or all of your service with the employer before the time your participation starts. In addition, your employer is obligated to make contributions for you for all hours subject to the Standard Form of Agreement for Participation, including hours before you are formally enrolled as a participant.

HOW DOES MY WORKING TIME COUNT?

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 above. It also determines whether you are eligible for a pension and how much your pension will be.

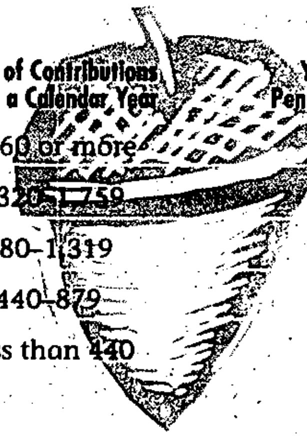
YEARS OF PENSION CREDIT

Pension credit for work before your employer starts contributing to the Fund for you is called past service credit. Pension credit for work for which your employer is required to contribute is called future service credit. When you retire, your total years of pension credit are calculated by adding your past service credit and future service credit.

FUTURE SERVICE CREDIT

Future service credit is based on your covered employment; in other words, service for which your employer is required to contribute to the Fund for you. You will receive one full year of future service credit for each year that you have at least 1,760 hours for which contributions are due on your behalf.

The following table shows how much credit you receive:



Hours of Contributions Due in a Calendar Year	Years of Pension Credit
1,760 or more	1
1,320–1,759	3/4
880–1,319	1/2
440–879	1/4
Less than 440	0

Effective January 1, 1989, if you are a Program D, E or F covered employee with pension credit under Program A, B or C, your future service will be credited under Program D, E or F.

PAST SERVICE CREDIT

Past service credit is your years of eligible employment in the Industry before your employer starts contributing to the Fund for you. If you are a Program D, E or F covered employee, you are not eligible for past service credit.

HOW DO I QUALIFY FOR PAST SERVICE CREDIT?

You may be eligible for past service credit if you are a Program A, B or C covered employee. Ordinarily, to receive past service credit, you must also have at least five years of future service credit and, after August 17, 1982, be in covered employment on the first day your employer starts contributing to the Fund.

However, you may be eligible to receive past service credit even if you have less than five years of future service credit if:

- you are in covered employment on the first day your employer starts contributing to the Fund; and
- you have completed at least 1,200 hours in the 12-month period ending on that date.

If your employer signed a collective bargaining agreement with a local union for the first time at the same time it joined the Fund, then all your employment with that employer during the preceding 12-month period may be used to meet the 1,200 hour test, regardless of what job classification you were in when you earned those 1,200 hours.

In all other cases, these 1,200 hours must have been with your employer under a collective bargaining agreement with the Union and must have been worked in a job classification covered for pension purposes by the collective bargaining agreement on the day your employer starts contributing to the Fund.

In both cases, in meeting the 1,200 hour test, you can count hours you would have worked for the employer in the 12-month period but were unable to do so because of layoff or disability. You must submit proof, such as records of governmental, unemployment or disability plans, employer's certified records or medical proof.

HOW MUCH PAST SERVICE CREDIT DO I GET?

You will receive one year of past service credit for each calendar year that you worked at least 1,200 hours in the Pulp and Paper Industry in job classifications and at plant locations which are:

- covered for pension purposes as of the first date contributions are obligated to be made to the Fund on your behalf, or
- covered by a collective bargaining agreement with the Union, or
- defined by the Trustees as having been within the Pulp and Paper Industry.

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

If you worked fewer than 1,200 hours in three or more consecutive calendar years in employment described above, you will not receive past service credit for the period before these years.

YEARS OF VESTING SERVICE

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 became a member of the Plan.

You will also 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.

In determining your vesting service, the Plan may also count hours you work for a contributing employer in a job not covered by this Plan — but only if that work immediately precedes or follows your covered employment with that employer. Also, hours of non-covered work before your employer joined the Plan will count toward vesting service only if it was at the same place of business as your covered employment.

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

If you have a permanent break in service before you have enough years of pension credit or vesting service to be eligible for a Deferred Pension, 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.

The permanent break in service rules vary by calendar year. Refer to the chart below for a description of a one-year break and a permanent break in service.

ONE-YEAR BREAK IN SERVICE

After December 31, 1975 you will have a one-year break in service if you earn less than 440 of vesting service hours in a calendar year. If you earn a year of vesting service before the break becomes permanent, your previously earned pension credit and vesting service will be restored.

You cannot lose your right to a pension — or have a permanent break in service — once you qualify for a Deferred Pension.

If you would otherwise incur a one year break in service as a result of your own pregnancy, the birth of your own child, the placement of a child with you for adoption, or for the caring for a child after birth or adoption — you will receive up to 441 hours of vesting service if necessary to prevent you from having a one-year break in service for the year in which your absence begins or the following year. The Plan Administrator may ask you to provide information or proof that your absence was for the above reasons.

PERMANENT BREAK IN SERVICE

If you have an Hour of Service on or after January 1, 1989 but before you have five years of vesting service, you will have a permanent break in service when you have five consecutive one-year breaks in service.

If you have covered employment between January 1, 1987 and December 31, 1988 but before you have 10 years of pension credit or vesting service, you will have a permanent break in service when your number of consecutive one-year breaks equals five or your total number of years of vesting service, whichever is greater.

For example, if you have two years of pension credit or vesting service, you would not lose those credits until you have five consecutive one year breaks in service. If you have seven years of pension credit or vesting service, you must incur seven consecutive one year breaks in service before you suffer a permanent break in service and lose all of your pension and vesting credits.

If you leave covered employment between January 1, 1976 and December 31, 1986, and before you have 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 after 1975, equals or exceeds your years of vesting service or pension credit before the first one-year break.

If you leave covered employment before January 1, 1976, and before you have 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 four consecutive calendar years. If you were unable to work because of total disability, up to one full calendar year will not count when determining whether or not you had a permanent break.

If you leave a collective bargaining unit represented by the Union and continue working for the same employer, you will not have a permanent break provided you return to the collective bargaining unit and earn at least eight quarters of future service credit. Your pension benefit level may be determined under a special rule described in the Plan document.

WHEN AM I ELIGIBLE FOR A PENSION?

ALL PENSIONS

In order to qualify for the benefits under the Plan, you must earn at least two quarters of future service pension credit — that is, credit for employment for which contributions are obligated to be made to the Fund. 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.

Also, to receive a pension, you must not be employed by an employer in a capacity requiring contributions to the Fund. Refer to page 19 for more information.

REGULAR PENSION

You are eligible for a Regular Pension when you are 65 years old.

If you keep working for a contributing employer after age 65, your participation in the Plan will continue until you actually retire. However, your Regular Pension payments must begin no later than April 1 of the calendar year following the calendar year in which you reach age 70½.

EARLY RETIREMENT PENSION

You are eligible for an Early Retirement Pension if you are at least age 55 and you have at least 10 years of pension credit or vesting service.

DEFERRED PENSION

You can receive a Deferred Pension if you leave covered employment with an Hour of Service on or after January 1, 1989 and at least five years of pension or vesting service and you have not reached age 65. Or you can receive a Deferred Pension if you leave covered employment before January 1, 1989 with 10 years of pension credit or vesting service and you have not reached age 65.

This benefit starts at age 65 if you have less than 10 years of pension or vesting service. However, you can start receiving it any time after age 55 in a reduced amount if you have 10 or more years of pension credit or vesting service.

DISABILITY PENSION

You can receive a Disability Pension if you are 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. There is no minimum age requirement.

HOW MUCH WILL MY PENSION BE?

Your pension is the product of your years of pension credit multiplied by the benefit level in effect when you last worked in covered employment, provided if you are in Programs A, B or C, you have one hour of service during the 90 day period immediately before any change in benefit level or 880 hours of service for which contributions are required to be made to the Fund at that level over two consecutive calendar years.

If you have been covered under more than one benefit level and do not meet these requirements, your pension will be based on the next lower benefit level. Your pension benefit amount will be rounded up to the next whole dollar.

REGULAR PENSION

If you have at least 25 years of pension credit at retirement, the monthly amount of your regular pension will be equal to the benefit level that applies to you.

If you have *less than 25 years* of pension credit at retirement but *at least five years*, the monthly amount of your regular pension is:

your years and partial years of pension credit *divided* by 25 *times* your benefit level

For example:

Larry is retiring at age 65 with 22 years of pension credit. The benefit level in effect when he retires is $529, and he qualifies for that level. His monthly pension is shown below:

22 divided by 25 = .88

.88 times $529 = $465.52

Larry will receive a monthly pension of $466.00

If you are working in covered employment on or after January 1, 1987 under Program A, B or C, and you have 25 years of pension credit at retirement, you are eligible for an additional monthly benefit. This additional monthly benefit will be equal to 4% of the benefit level which applies to you for each year of pension credit you have earned beyond 25.

For example :

John is retiring at age 65 with 35 years of pension credit. He qualifies for a benefit level of $575. His monthly pension is shown below:

35 years of pension credit minus 25 = 10 years

10 years of pension credit times 4% = 40%

40% times $575 = $230.00

$575.00 plus $230.00 = $805.00

John will receive a monthly pension of $805.00

If you retire with pension credit under more than one program, the separate amounts payable under Program A, B or C and Program D, E or F will be calculated together in your monthly pension benefit.

EARLY RETIREMENT PENSION

An Early Retirement Pension is calculated the same way as if you were retiring on a Regular Pension — and that is the amount you will get if you leave covered employment before age 65 but delay the start of benefits until age 65. If you decide to have your Early Retirement Pension start before age 65, the amount you receive will be reduced, the amount of the reduction depending on the benefit Program for which you qualify as described on the following page.

BENEFIT PROGRAMS A AND D

If you qualify for Programs A or D, your Early Retirement Pension is first calculated the same way as if you were retiring with a Regular Pension. This amount is then reduced by 1/2 of 1% (.005) for each month you are younger than age 65 on the day your pension starts. This reduction of 1/2 of 1% for each month is the same as 6% per year.

For example:

Paul is retiring at age 60 with 18 years of pension credit. The highest benefit level for which he qualifies is $460. Paul's monthly pension is calculated as follows:

18 divided by 25 = .72

.72 times $460 = $331.20 (monthly pension if payments start at age 65)

.005 times 60 (number of months between age 65 and pension starting date) **= 30%**

$331.20 times 30% = $99.36

$331.20 minus $99.36 = $231.84 (monthly pension if payments start at age 60)

Paul will receive an Early Retirement Pension of $232.00 per month if his pension starts immediately upon retirement. If he decides to have payments start at age 65, he will receive $332.00 per month.

BENEFIT PROGRAMS B AND E

If you qualify for Programs B or E, your Early Retirement Pension is first calculated the same way as if you were retiring on a Regular Pension. This amount is then reduced by 1/2 of 1% (.005) for each month you are younger than age 62 on the day your pension starts. This reduction of 1/2 of 1% per month is the same as 6% per year. If your Early Retirement Pension starts at age 62 or later, it will not be reduced at all.

For example:

Joe is retiring at age 60 under the same facts that applied to Paul in the Program A and Program D example. But Joe also qualifies for Program B. Joe's monthly pension is calculated as follows:

$331.20 = monthly pension if payments start at age 62

.005 times 24 (number of months between age 62 and pension starting date) **= 12%**

$331.20 times 12% = $39.74

$331.20 minus $39.74 = $291.46 (monthly pension if payments start at age 60)

Joe will receive an Early Retirement Pension of $292.00 per month if his pension starts immediately upon retirement. If he decides to have benefits start at age 62, he will get $332.00 per month because Programs B and E, which start after age 62, are not reduced.

If you qualify for Programs C or F, your Early Retirement Pension is first calculated the same way as if you were retiring on a Regular Pension. This amount is then reduced by 1/3 of 1% (.0033) for each month you are younger than age 65 on the day your pension starts. This reduction of 1/3 of 1% per month is the same as 4% per year.

For example:

Mary is retiring at age 60 under the same facts that applied to Paul in the Program A and Program D example. But Mary also qualifies for Program C. Mary's monthly pension is calculated as follows:

$331.20 = monthly pension if payments start at age 65

.0033 times 60 (number of months between age 65 and pension starting date) = **20%**

$331.20 times 20% = $66.24

$331.20 minus $66.24 = $264.96 (monthly pension if payments start at age 60)

Mary will receive an Early Retirement Pension of $265.00 per month if her pension starts immediately upon retirement. If she decides to have payments start at age 65, she will get the full benefit of $332.00 per month.

DEFERRED PENSION

A Deferred Pension is calculated the same way as an Early Retirement Pension. If you elect this benefit before age 65, your pension will be reduced the same way as an Early Retirement Pension, depending on which benefit Program for which you qualify.

DISABILITY PENSION

The amount of your Disability Pension is the same as the Regular Pension to which you would be entitled if you reached age 65 and retired on the date of your disability, based on the benefit level in effect on the last day you worked and your pension credit up to that day.

For example:

Harry is 55 years old with 20 years of pension credit when he becomes totally and permanently disabled. The last benefit level under which he worked was $460. Harry's Disability Pension is calculated as follows:

20 divided by 25 = .80

.80 times $460 = $368.00

Harry will receive a Disability Pension of $368.00 per month.

To receive a Disability Pension you must submit proof of your disability to the Trustees. You may also be required to submit proof that you are eligible to receive Social Security disability benefits. File your application for a Disability Pension as soon as possible after you become disabled. Your Disability Pension will ordinarily start on the first day of the month after five months of disability, if you file your application during that period. If you file later, your Disability Pension will ordinarily start on the first of the month after you file. *In all cases*, however, benefits will not start until your application has been approved. Retroactive payments, if approved, may not exceed the equivalent of one year's total payments.

STANDARD FORMS OF PAYMENT

You will receive your pension in the form of equal monthly payments. However, if the present value of your benefit is less than or equal to $3,500 the present value will be distributed to you in a lump sum; if the present value is greater than $3,500 but less than or equal to $5,000, you may elect to have your benefit paid in a lump sum.

IF YOU ARE SINGLE

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 do not name a beneficiary before you die, or if your beneficiary dies before you, the balance will be paid to your estate.

The guarantee of 60 payments does *not* apply to Disability Pensions.

IF YOU ARE MARRIED — HUSBAND AND WIFE PENSION

If you are married, the standard form of payment is the Husband and Wife Pension. Under this form of benefit, you will receive a reduced monthly pension during your lifetime. Then, 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 depends on your age and the age of your spouse when payments begin. You will receive this form of payment unless you and your spouse waive, in writing, the right to receive it. This waiver must be notarized by a Notary Public.

For example:

Al is retiring at age 65. His wife is also 65. Al's regular pension amount is $500 per month. With the reduction made to provide for a Husband and Wife Pension, Al receives $450 per month for his lifetime. When he dies, his wife will continue to collect 50% of his pension, or $225, for as long as she lives.

Once your Husband and Wife Pension starts, you may not elect a different form of benefit.

The Paper Industry Union-Management Pension

If you divorce, a qualified domestic relations order may specify that your ex-spouse is entitled to receive part of your retirement benefit. Fund guidelines for the review of domestic relations orders may be obtained from the Administrator.

OPTIONAL FORMS OF PAYMENT

You can elect one of the following optional forms of payment in lieu of the standard form of payment that applies to you.

JOINT AND SURVIVOR OPTION

You can select the Joint and Survivor Option if you are single or married, provided you are retiring on a Regular Pension.

The Joint and Survivor Option provides reduced monthly benefits during your lifetime. When you die, your beneficiary receives 50%, 75%, or 100% of the amount you were receiving for the rest of his or her lifetime. The greater the percentage to be received by your beneficiary, the smaller your monthly benefit will be during your life.

A Joint and Survivor Option will become effective only when the minimum amount payable is at least two-thirds (2/3) of your Regular Pension amount. The Joint and Survivor Option can be revoked if you file a revocation notice in writing with the Fund Office before your pension starts.

If you are married and wish to name someone other than your spouse as your beneficiary, your spouse must consent to the naming of an alternate beneficiary. The Fund Office will provide you with the appropriate form which must be signed by your spouse and notarized by a Notary Public.

SIXTY GUARANTEED MONTHLY PAYMENTS

If you are married and retiring on a Regular, Early Retirement or Deferred Pension, you can choose this option instead of the Husband and Wife Pension only if your spouse signs a waiver form. The Fund Office will provide you with the appropriate form which must be signed by your spouse and notarized by a Notary Public.

The Sixty Guaranteed Monthly Payments Option provides you with equal monthly payments during your lifetime. If you die before receiving all 60 payments, the beneficiary you name on your pension application will receive the balance of the 60 payments.

If you do not name a beneficiary before you die, or if your beneficiary dies before you, the balance will automatically be paid to your surviving spouse. If no spouse survives you, the balance of payments will be made to your estate.

SOCIAL SECURITY LEVEL INCOME OPTION

If you are single or married and retiring from covered employment on an Early Retirement Pension, and if you have at least one year of pension credit after age 54, you can elect to receive the Social Security Level Income Option. This option gives you a higher pension from the Fund before your anticipated Social Security payments start and a lower pension from the Fund after. As a result, your retirement income will be leveled during your retirement, taking into account both pension payments under the Plan and Social Security.

Married participants and their spouses who wish to elect the Social Security Level Income Option must waive, in writing, rights to the automatic Husband and Wife Pension. The Fund Office will provide you with the appropriate forms which must be signed by your spouse and notarized by a Notary Public.

The Social Security Level Income Option will not be paid if it results in a monthly benefit of $20 or less.

For example:

Dan is retiring at age 58 on 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, Dan will receive $504 a month from the Plan from age 58 to 65. At 65, when his Social Security benefits begin, Dan will receive a monthly benefit of $24 from the Plan. With his $480 Social Security benefit, Dan will receive the same total monthly benefit after age 65 that he was receiving before age 65.

If you die while receiving your pension under the Social Security Level Income Option, benefits will not be paid to anyone after your death.

PRE-RETIREMENT SURVIVING SPOUSE BENEFIT

DEATH BENEFITS FOR MARRIED PARTICIPANTS WHO ARE ACTIVELY EMPLOYED

Your spouse will receive benefits if you die and meet the conditions below:

- you die while you are employed by a contributing employer to the Fund,
- you have at least five years of pension credit or vesting service,
- you are married to that spouse for one year before your death, and
- you have an hour of vesting service on or after January 1, 1976 and die on or after August 17, 1982.

Your spouse will receive 50% of the benefit you would have received if you retired the day before your death on a Husband and Wife Pension. This benefit starts on the first of the month following your death and continues for the lifetime of your spouse.

If you die before reaching age 65, this benefit will be calculated according to the rules of the Early Retirement Pension. If you are under age 55 when you die, you are also eligible for a benefit if you meet the conditions outlined above and die on or after August 23, 1984. In such a case, it is assumed for benefit calculation purposes that you are age 55 at your death.

DEATH BENEFITS FOR MARRIED PARTICIPANTS WHO ARE NOT ACTIVELY EMPLOYED

Effective August 23, 1984, a death benefit is also available to married participants who are eligible for a Deferred Pension and not actively employed.

Your spouse will receive benefits if you die before your pension begins and you meet the conditions below:

- you have at least five years of pension credit or vesting service after January 1, 1989 or at least 10 years of pension credit or vesting service before January 1, 1989
- you have at least one hour worked in covered employment after 1975, and
- you have been married to that spouse for one year before your death.

Your surviving spouse will receive 50% of the amount you would have received if you had retired with a Husband and Wife Pension. If you die before age 65, this benefit will be calculated according to the rules of the Early Retirement Pension. Your benefit amount will be reduced further if benefits begin before age 55.

DEATH BENEFITS FOR SINGLE PARTICIPANTS

If you are single and die in covered employment with at least five years of pension credit or vesting service after January 1, 1989 or at least 10 years of pension credit or vesting service before January 1, 1989, your beneficiary will be entitled to a death benefit. This death benefit will be equal to 1,000 times your applicable contribution rate at the time of your death for each year of earned pension credit.

This benefit is payable in one lump sum to the beneficiary you designate on a form available from the Fund Office. If no beneficiary is designated or the designated beneficiary dies before you do, the benefit will be paid to your estate.

For 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 times 1,000 = $305.00 (death benefit per year of pension credit)

$305.00 times 15 years = $4,575.00
(Lump sum death benefit, payable to her named beneficiary)

If you want an estimate of your benefit under the Husband and Wife Pension, the Joint and Survivor Option or the Social Security Level Income Option, it will be sent to you if you make this request on your application. After you are advised by the Fund Office, you have 90 days or up to the pension starting date to elect an option or change your previous selection.

Pension application forms are available at your local Union Office, your Personnel 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 Administrator will acknowledge receipt of your application and will notify you if the Fund needs additional information.

DENIAL OF A CLAIM

Claim denials will be sent to you in writing within 90 days of the date the Fund receives the claim, unless special circumstances require an extension, in which case the Fund may take another 90 days to review your claim. You will receive a notice explaining why there is a delay and giving you the approximate date by which you can expect a decision.

Your claim denial will contain the following information:

a. the specific reason or reasons for the denial

b. reference to the provision of the Plan document or rule on which your denial is based

c. a description of additional materials you would need to perfect your claim and an explanation of why this material is needed, and

d. 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.

APPEALS PROCEDURE

If your application for a pension is denied, in whole or in part within 90 days after you are notified of the denial you may file a written request with the Trustees asking that they review the denial. You may also submit a written explanation of the issues, examine any pertinent documents, and have anyone else you wish help you. If more time is needed, the Trustees may allow you more than 90 days to file your request for review. Send your request for review to the Board of Trustees, Paper Industry Union-Management Pension Fund, P.O. Box 1475, Nashville, TN 37202-1475.

The Trustees will conduct their review and issue a written opinion to you, usually within 60 days after your request for review is received. If more time is needed, the decision of the Trustees may be delayed until 120 days after your request is received.

A written notice, in opinion form, of the decision regarding your appeal will be mailed to you. This notice will restate the facts of the claim and give the reasons for the decision as well as references to the relevant provisions of the Plan document or rule on which the decision is based. If, for any reason, you do not receive a written decision within the time limits above, you may assume your claim has been denied.

HOW CAN MY SURVIVING SPOUSE FILE FOR PRE-RETIREMENT DEATH BENEFITS OR THE HUSBAND AND WIFE PENSION?

As soon as possible after your death, your spouse should contact the Fund Office in writing and submit a copy of the death certificate. Your spouse will be asked to submit proof of age and will be advised if additional information or proof is required to process the claim. Your spouse 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.

WHAT HAPPENS IF I WORK AFTER MY PENSION STARTS?

If you return to covered work after you start receiving your pension, you will not receive benefits for any month in which you complete 40 or more hours of service with a contributing employer. Your pension will not be withheld 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.

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 pension benefits will be withheld.

If you retire and are later re-employed as a covered employee, 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 which applied to you before your re-employment.

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. **However, the monthly amount of your pension will never be reduced because you returned to covered employment.**

Fund contains both a defined benefit and defined contribution program that is administered and sponsored by a joint Board of Trustees consisting of four Union representatives and four employer representatives.

PLAN SPONSOR AND ADMINISTRATOR

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

Board of Trustees

Paper Industry Union-Management Pension Fund
P.O. Box 1475
Nashville, TN 37202-1475
(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:

Union Trustees

Wayne E. Glenn, Chairman and President
United Paperworkers International Union
3340 Perimeter Hill Drive
P.O. Box 1475
Nashville, TN 37202

Joe J. Bradshaw, Vice President and Region 7 Director
United Paperworkers International Union
2874 Price Drive, Suite 1
Bartlett, TN 38184

Mario Scarselletta, Jr., Vice President and Region 2 Director
United Paperworkers International Union
251 Quaker Road, Suite 13
Queensbury, NY 12804

Francis Pothier, Vice President and Region 11 Director
United Paperworkers International Union
710 Rimpau, Suite 201
Corona, CA 91719

Employer Trustees

James T. Wright, Secretary
Vice President Human Resources
Georgia Pacific Corporation
133 Peachtree Street, N.E.
Atlanta, GA 30303

Gayle Sparapani
Vice President Benefits & Human Resources
Stone Container Corporation
150 North Michigan Avenue
Chicago, IL 60601-7568

Daniel J. Girvan
Senior Vice President
Human Resources
James River Corporation
P.O. Box 2218
Richmond, VA 23217

Joseph Russo, Senior Vice President - Finance
Victory Specialty Packaging, Inc.
Gates Avenue & Pine Street
Victory Mills, NY 12884

PLAN TERMINATION

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 13-6144834. The Plan number is 001.

FINANCIAL INFORMATION

All contributions to the Plan are made by the employers in accordance with their collective bargaining agreements with the United Paperworkers International Union, AFL-CIO.

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 these investment managers:

Bank of New York
48 Wall Street
New York, NY 10015

Shields Alliance
709 Westchester Avenue
White Plains, NY 10604

Lazard Freres
One Rockefeller Plaza
New York, NY 10020

Highland Capital Management,Inc
6077 Primacy Parkway
Suite 228
Memphis, TN 38117

Security Asset Management
41 East 57th Street
New York, NY 10022

The Northern Trust Company
50 LaSalle Street
Chicago, IL 60675

Seligman Henderson Co.
100 Park Avenue
New York, NY 10017

Weaver Barksdale & Associates
30 Burton Hills Blvd.
Suite 550
Nashville, TN 38215

Wright Investors' Sevice
1000 Lafayette Boulevard
Bridgeport, CT 06604

Lee, Danner and Bass, Inc.
Third National Financial Center
424 Church St. Suite 2108
Nashville, TN 37219-2319

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 Paper Industry Union-Management Pension Fund is the successor Plan to the following pension plans of:

Acco International
Ogdensberg, NY

Bergstrom Paper
W. Carrollton, OH

Clinton Paper
Lock Haven, PA

Deerfield Specialty Papers
Augusta, GA

Paper Box Makers Union Local 299 Retirement Fund
New York, NY

Denney-Reyburn
Cleveland, OH

Doughboy Recreational
West Helena, AR

Gilman Employees Pension Plan and Trust
Gilman, VT

The "United Papermakers & Paperworkers International Union 35 Pension Fund"
Jenkintown, PA

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

Great Southern Paper Company
Woodlands Division
Cedar Springs, GA

Herbert Malarkey Roofing Co.
Portland, OR

Stone Container Corporation
Detroit, MI

Western Kraft Paper Group
Port Hueneme, CA

Local 107 Labor-Management Retirement Fund
Brooklyn, NY

A. Klein Company
Long Island City, NY

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

James River Pension Plan for Hourly Employees
Fort Smith, AR

Participants and beneficiaries affected by the provisions of a merged plan may inspect or obtain copies of all Plan documents.

EMPLOYER WITHDRAWAL

If your employer withdraws from the Fund your benefits for past service pension credit may be limited. For employee groups participating in the Fund on February 28, 1980, this provision applies only to benefit increases negotiated after that date, unless the employer is withdrawing for some reason other than the closing of its business or before being in the Fund for at least four years.

While the employers and Union expect the Plan to continue, the Employer and Union Trustees have the power to jointly decide to terminate the Plan. If the Plan does terminate, benefits will be provided only to the extent that the monies held in the Trust Fund (including future payments of employer withdrawal liability, if any) can pay benefits. After termination of the Plan, neither the employers nor the Union nor any other person will make contributions to the Trust Fund, except to the extent required by ERISA.

BENEFIT GUARANTY

If the Plan terminates or becomes insolvent or enters reorganization status under ERISA, benefits can be reduced to a level required by the government. However, benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan becomes insolvent (whether after termination or otherwise). The PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations. There is a ceiling on the amount of monthly benefits that PBGC guarantees, which is adjusted periodically. Additionally, pension benefit or benefits increases in effect less than five years may not be eligible for the PBGC guarantee.

For more information on the PBGC insurance protection and its limitations, ask the Fund Office or the PBGC. Inquiries to the PBGC should be addressed to the Office of Communications and Public Affairs, PBGC, 1200 K Street, N.W., Washington, D.C. 20005-4026. The PBGC Office of Communications and Public Affairs may also be reached by calling (202) 326-4040.

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.

STATEMENT OF RIGHTS UNDER ERISA

As a participant in the Paper 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 worksites and Union halls, all Plan documents, including insurance contracts, collective bargaining agreements, documents relating to mergers and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65 or, if later, your age on the tenth 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 a year. The Plan must provide the statement free of charge. The Plan will provide this information 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 in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $100 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. 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 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, you should contact the nearest area office of the U.S. Labor Management Services Administration, Department of Labor.