Paper Industry Union-Management
Pension Fund
3340 Perimeter Hill Drive
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(615) 242-0252
September 1984

To All Participants and Beneficiaries:

The Board of Trustees of the Paper Industry Union-Management Pension Fund is pleased to present you with this booklet which summarizes the Rules and Regulations for your Pension Plan. This booklet also contains the complete text of the full Rules and Regulations. The entire Plan is financed by employer 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.

The Fund is happy to introduce an important new benefit, the Defined Contribution Plan. This new Plan, which is effective June 20, 1984, is intended to provide supplemental benefits for eligible participants. A description of the Defined Contribution Plan follows your Pension Plan description. (See page 8)

The Trustees will continue to advise you of any changes in the Rules and Regulations of the Plan as we try to provide a greater measure of security for you who work in the industry.

If you have any questions about your benefits under either the Pension Plan or the Defined Contribution Plan, please write to the Fund Office.

Sincerely,

THE BOARD OF TRUSTEES

HIGHLIGHTS OF THE PLAN

The Pension Plan provides several different types of pensions and other forms of benefits for employees who retire from covered employment in the paper industry.

- A REGULAR PENSION for employees who reach Normal Retirement Age. (See page 3)
- AN EARLY RETIREMENT PENSION for employees who 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 is reduced to take account of an earlier retirement age. The amount of reduction depends on whether you are a Plan A, Plan B or Plan C covered employee. (See page 3)
- A DEFERRED PENSION for employees who leave covered employment before age 55 and who have at least 10 years of pension credit or vesting service. The Deferred Pension becomes payable at age 65, or between age 55-65, in a reduced amount. (See page 3)
- A DISABILITY PENSION for employees at any age who become permanently and totally disabled while working in covered employment *and* who have at least 10 years of pension credit. (See page 3)
- THE HUSBAND AND WIFE PENSION is payable automatically for all types of pensions, unless this type of payment is rejected before payments start. The Husband and Wife Pension provides a reduced pension during the pensioner's lifetime, and after his death 50% of the pensioner's monthly benefit will continue to his surviving spouse. (See page 5)

In addition, the following benefits are available:

- SIXTY (60) CERTAIN MONTHLY PAYMENTS for pensioners who retire under the Regular, Early, or Deferred Pension. This provision guarantees the payment of 60 monthly pension payments to the pensioner. If he dies before 60 payments are made, payment in the same amount will continue to his beneficiary until a total of 60 monthly payments are made. This provision does not apply to a pensioner who receives the Husband and Wife Pension, the Joint and Survivor Option, the Social Security Level Income Option, or to Disability Pensions. (See page 5)
- THE JOINT AND SURVIVOR OPTION may be elected before retirement by an employee retiring on a Regular Pension. It provides 50%, 75% or 100% of the pensioner's actuarially reduced benefit to his surviving beneficiary. (See page 5)
- THE SOCIAL SECURITY LEVEL INCOME OPTION is available for employees who retire under the Early Retirement provision of the Plan. It provides a more-or-less level income both before and after Social Security benefits begin. (See page 6)
- AN AUTOMATIC PRE-RETIREMENT SURVIVING SPOUSE'S BENEFIT for employees who are eligible for a pension. This benefit provides that if an active employee dies before he retires, his spouse will receive a pension equal to 50% of the amount he would have received if he had retired the day before his death with a Husband and Wife Pension. (See page 6)
- A LUMP SUM DEATH BENEFIT for single employees who die in covered employment with at least 10 years of service. (See page 6)

And, a new benefit:

- THE DEFINED CONTRIBUTION PLAN which is designed to supplement your benefits under the Pension Plan. Note that eligibility for the Defined Contribution Plan is separate from eligibility for Pension Plan benefits. A description of this new Plan begins on page 8.

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 Plan itself, which is reproduced later in this booklet. If there is any difference between the Plan document and the highlights or summary, your rights will always *be determined under the Plan document.*

CONTENTS

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

HOW DO YOU BECOME A MEMBER OF THE PLAN?

You're eligible to become a member of this Plan if you're 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. Your service on which your employer contributes is called your *covered employment.*

WHEN DO YOU BECOME A MEMBER?

If you are already a member of the Plan, you will remain a member. If you are not already a member, you may become a member if you work 1,000 hours in covered employment during your first year on the job (or in any calendar year which starts after you are hired).

"HOURS" When we talk about hours in this Plan, we mean each hour for which you are paid, or are entitled to be paid by your employer. However, no more than 501 consecutive hours of non-working time are counted. You may also include some unpaid periods such as military service (while you have re-employment rights under the law). You may also be able to count your continuous work with the same employer even if part of that work is not in a job covered by the Plan.

You will be formally enrolled as a "participant" for whom contributions are made to the Pension Benefit Guaranty Corporation (See page 11) on the first January 1 or July 1 after you meet the 1,000-hour requirement and are age 25 (assuming you are still employed in covered employment).

The date on which you become a member or a "participant" does not affect the amount of your benefits, because the Plan gives you credit, under the rules described below, for some or all of your service before the time your membership starts. Similarly, it does not affect your employer's obligation to make contributions for you, since contributions are required for all hours subject to the collective bargaining agreement or the employer's participation agreement, including hours before you are formally enrolled as a "participant."

HOW DOES YOUR WORKING TIME COUNT?

The amount of time you work for an employer in the Plan counts in several important ways. First of all, it counts toward becoming a member of the Plan as we've just explained. It also determines whether you're eligible for a pension and how much your pension will be.

YOUR YEARS OF PENSION CREDIT

Pension credit for work *before* your employer starts contributing to the Fund for you is called *past service*. Pension credit for work on which your employer contributes is called *future service*. When you retire, your total pension credit is figured by adding your past service credit and future service credit.

FUTURE SERVICE CREDIT

FUTURE SERVICE is based on your covered employment—in other words, your service on which your employer contributes to the Fund for you. You'll receive one full year of future service credit for each year that you have at least 1,760 hours for which contributions are made on your behalf.

The following table shows how much credit you receive:

HOURS OF CONTRIBUTIONS DUE IN 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

PAST SERVICE CREDIT

PAST SERVICE is your years of eligible employment in the Industry *before* your employer starts contributing to the Fund for you.

HOW TO QUALIFY FOR PAST SERVICE CREDIT

Ordinarily, to receive pension credit for your past service, you must have at least 5 years of future service credit; and, if your covered employment started after August 16, 1982, you must be in covered employment on the first day your employer starts contributing to the Fund. However, you may be eligible to receive pension credit for past service even if you have less than 5 years of future service credit if–but only if:

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

If your employer signed a collective bargaining agreement with a Local Union for the first time at the same time it joins 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, employers' certified records, or medical proof.

HOW MUCH PAST SERVICE CREDIT DO YOU GET?

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

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

Also, you may receive a partial year of past service credit for the calendar year in which your covered employment starts, and the calendar year in which your past service starts, figured by giving one quarter of credit for each 300 hours.

You will *not* receive pension credit for past service which occurred before a period of three or more consecutive calendar years in each of which you worked fewer than 1,200 hours in employment described above.

YOUR YEARS OF VESTING SERVICE

You'll receive one year of vesting service for each calendar year in which you have at least 1,000 hours in covered employment (See page 1). This includes the time you worked in covered employment before you became a member of the Plan.

You'll also receive one year of vesting service for each year of your past service pension credit earned in calendar years before the year your covered employment starts.

In determining your vesting service you may also count hours worked 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 YOUR PENSION CREDIT AND YOUR VESTING SERVICE?

Yes, this can happen if you have a permanent break in service before you have 10 years of vesting service or 10 years of pension credits. A break in service can be either temporary or permanent.

BEFORE JANUARY 1, 1976, you had a permanent break in service if you left covered employment and subsequently did not earn four quarters of future service credit within any period of four consecutive years.

However, 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.

Also, if you left the collective bargaining unit represented by the Union and continued working for the same employer, you will not have a permanent break if you return to the collective bargaining unit and earn at least eight quarters of future service credit. (Under these circumstances, your pension benefit level may be determined under a special rule, described in Section 6 of Article III of the Plan.)

AFTER DECEMBER 31, 1975 you'll have a one-year break in service if you work less than 440 hours in a calendar year in covered employment, or in any other employment with the same employer that is continuous with your covered employment. If you earn a year of vesting service before the break becomes permanent (see below), your previously earned vesting service and pension credit will be restored.

AFTER DECEMBER 31, 1975 you'll have a permanent break in service if you have consecutive one-year breaks in service, including at least one after 1975, that equal or are more than your years of vesting service or pension credit before the first one-year break. However, you will not incur a permanent break in service if you have at least 10 years of pension credit or vesting service before the consecutive one-year breaks started.

If you have a permanent break in service, you'll lose your membership in the Plan. You'll also lose all the vesting service and pension credit you earned before the break.

WHEN ARE YOU ELIGIBLE FOR A PENSION?

FOR ALL PENSIONS

In order to qualify for the benefits under the Plan, an employee must earn at least two quarters of future service pension credit—credit for employment for which contributions are made to the Fund. If an employee's effective date of retirement is within two years of the first day his employer starts contributing to the Fund, he must complete at least 880 hours on which contributions are made over a period of two consecutive calendar years.

Also, to receive a pension you must be *completely* retired from the industries covered by the Plan. (See page 7)

REGULAR PENSION

You are eligible for a regular pension if you are 65 years old, or on your tenth anniversary as a member of the Plan if that is later. However, your normal retirement age will never be later than any mandatory retirement age imposed by your employer.

If you keep working for a contributing employer after your normal retirement age, you may continue in the Plan until you actually retire.

EARLY RETIREMENT PENSION

You can retire anytime between age 55 and 65 if you have at least 10 years of pension credit or vesting service.

DEFERRED PENSION

If you leave employment after you have at least 10 years of pension credit or vesting service, and before you reach age 55, you can receive a deferred pension. Normally, this benefit starts at age 65. However, you can start receiving it anytime after age 55 in a reduced amount.

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 2 quarters of *future service* credit) at the time your disability starts. There is no age requirement.

HOW MUCH WILL YOUR PENSION BE?

The amount of your pension depends on your years of pension credit *and* on the benefit level in effect when you retire, provided you earn at least two quarters of future service credit at this benefit level. You can also meet the two quarters requirement for qualifying for a new benefit level if you have 880 hours for which contributions are made to the Fund at that level over a period of two consecutive calendar years. Your pension amount will be rounded up to the next whole-dollar amount.

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 10, 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 $495, and he had 2 quarters of future service credit at that level. His monthly pension is:

22 divided by 25 = .88
.88 times $495 = $435.60

Larry will receive a monthly pension of $436.00 a month.

If you have more than 25 years of pension credit at retirement you are eligible for an additional monthly benefit based on those pension credits. This additional monthly benefit will be equal to 1% of the benefit level applicable to you for each year of pension credit you have earned beyond 25. This additional benefit generally applies to participants working in covered employment after 1981. For example:

John is retiring at age 65 with 35 years of pension credit. The benefit level in effect when he retires is $495, and he has 2 quarters of future service credit at that level. His monthly pension is:

35 Years Pension Credit minus 25 = 10
10 Years Pension Credit times 1% = 10%
10% times $495 = $49.50
$495.00 plus $49.50 = $544.50

John will receive a monthly pension of $545.00.

EARLY RETIREMENT PENSION

An early retirement pension is first calculated the same way as if you were retiring on a regular pension—and that's the amount you'll get if you retire early but decide to delay the start of benefits until age 65. If you decide to have your early retirement pension start immediately on early retirement—or on some later date up to age 65—how much you get will depend on whether you qualify for *Plan A, Plan B* or *Plan C coverage*, as described below.

PLAN A is the Fund's regular early retirement program and applies to most participants. Plan B and Plan C are special early retirement programs, which were introduced by the Trustees on February 28, 1980.

To be eligible for Plan B or Plan C, your bargaining unit must specifically negotiate for that coverage–at a higher contribution rate than Plan A. If you're working in Plan B or Plan C covered employment, your early retirement pension will be paid under Plan B or Plan C only if:

- Your final quarter of pension credit was earned under Plan B or Plan C; and
- You earned your last 5 years of pension credit with that same bargaining unit, or you earned at least 5 of your last 8 years of Future Service pension credit in Plan B or Plan C covered employment.

If you can't meet these tests, your early retirement pension is figured under Plan A.

PLAN A–PENSIONS STARTING BEFORE AGE 65

Your early retirement pension is first calculated the same way as if you were retiring on a regular pension. This amount is then reduced ½ of 1% (.005) for each month you are younger than age 65 on the day your pension starts. (This reduction of ½ 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 last benefit level at which he had two quarters of Future Service credit is $440. Paul's monthly pension is calculated as follows:

18 divided by 25 = .72
.72 times $440 = $316.80 = monthly pension if payments start at age 65

.005 times 60 months between age 65 and pension starting date = 30%
$316.80 times 30% = $95.04
$316.80 minus $95.04 = $221.76 = monthly pension if payments start at age 60

Paul will receive an early retirement pension of $222.00 a month if his pension starts immediately upon retirement. If he decides to have payments start at age 65, he'll get $317.00 per month.

PLAN B

If you qualify for Plan B, 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 ½ of 1% (.005) for each month you are younger than age 62 on the day your pension starts. (This reduction of ½ 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:
Assume that Joe is retiring at age 60 under the same facts that applied to Paul in the Plan A example. But let's also assume that Joe qualifies for Plan B. Joe's monthly pension is calculated as follows:

$316.80 = monthly pension if payments start at age 65

.005 times 24 months between age 62 and pension starting date = 12%
$316.80 times 12% = $38.02
$316.80 minus $38.02 = $278.78 = monthly pension if payments start at age 60

Joe will receive an early retirement pension of $279.00 if his pension starts immediately upon retirement. If he decides to have benefits start at age 62 he'll get $317.00 per month, because a Plan B early retirement pension which starts after age 62 is not reduced at all.

PLAN C

If you qualify for Plan C, 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 ⅓ of 1% (.003-⅓) for each month you are younger than age 65 on the day your pension starts. (This reduction of ⅓ of 1% per month is the same as 4% per year.)

For example:
Assume that Mary is retiring at age 60 under the same facts that applied to Paul in the Plan A example. But let's also assume that Mary qualifies for Plan C. Mary's monthly pension is calculated as follows:

$316.80 = monthly pension if payments start at age 65

.003-⅓ times 60 months between age 65 and pension starting date = 20%
$316.80 times 20% = $63.36
$316.80 minus $63.36 = $253.44 = monthly pension if payments start at age 60

Mary will receive an early retirement pension of $254 if her pension starts immediately upon retirement. If she decides to have payments start at age 65, she'll get $317.00 per month.

DEFERRED PENSION

A deferred pension is figured the same way as an early retirement pension. If you decide to receive this benefit before age 65, your pension will be reduced the same way as an early retirement pension, depending on whether you are eligible for Plan A, Plan B or Plan C. (See page 3) Your deferred pension *cannot* start before age 55.

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 actually 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 actually worked is $440. Harry's disability pension is calculated as follows:

20 divided by 25 = .80
.80 times $440 = $352.00

Harry will receive a monthly disability benefit of $352.

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. You should file your application for a disability pension as soon as possible after you are disabled. Your disability pension will ordinarily start on the first day of the month after 5 months 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–and while retroactive payments are sometimes made, you can never get more than one year's worth of payments retroactively.

HOW IS YOUR PENSION PAID?

You'll receive your pension in the form of equal monthly payments.

STANDARD FORM IF YOU'RE SINGLE

If you're single when your pension starts, you'll receive equal monthly payments for life, with a minimum of 60 monthly payments. If you die before receiving 60 payments, your beneficiary will receive the balance of 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 surviving spouse, and if no spouse survives you, to your estate.

The guarantee of 60 payments does *not* apply to disability pensions.

STANDARD FORM IF YOU'RE MARRIED

If you're married when your pension starts, the standard form of payment is the Husband and Wife Pension. You'll 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. The amount of the reduction depends on the ages of you and your spouse when payments begin.

For example:
Al is retiring at age 65. His wife is also 65. Al's regular pension amount is $495 a month. With the reduction made to provide for a Husband and Wife Pension, Al receives $446 a month for his lifetime. When he dies, his wife will continue to collect 50% of his pension–$223–for as long as she lives.

For your spouse to receive this benefit, you must be married to the same person on your pension starting date and on the day of your death. Once your Husband and Wife Pension starts, the monthly pension payment to you will not be increased even if your spouse dies before you, or you are divorced.

If your spouse dies before your pension starts, or you are divorced before then, the Husband and Wife Pension will not apply to your benefits.

OPTIONAL FORMS OF PAYMENT

If you don't want the Standard Form of Payment that applies to you, you can choose one of the following optional forms of payment.

(1) JOINT AND SURVIVOR OPTION: FOR REGULAR PENSIONS ONLY
You can select the Joint and Survivor Option if you are single or married, provided you are retiring on a Regular Pension. This 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 that you choose, the smaller your monthly benefit will be. You decide on the percentage when you elect this option (at least 12 months before the effective date of your pension). You can name any individual as your beneficiary.

A Joint and Survivor Option will become effective only when the minimum amount payable is at least two-thirds of your regular pension amount. Once elected, the Joint and Survivor Option can be revoked if you file a revocation notice in writing with the Fund Office before your pension starts.

(2) SIXTY GUARANTEED MONTHLY PAYMENTS
If you are married and retiring on a regular, early or deferred pension, you can choose this option instead of the Husband and Wife Pension. As described, this option provides equal monthly payments during your lifetime. If you die before receiving 60 payments, the beneficiary you name on your pension application will receive the balance of 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 surviving

spouse, and if no spouse survives you, to your estate.

(3) SOCIAL SECURITY LEVEL INCOME OPTION: FOR EARLY RETIREMENT PENSIONS ONLY

If you are married or single 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, with the consent of the Trustees, to receive the Social Security Level Income Option. This option gives you a higher pension before your Social Security starts and a lower pension after your Social Security starts. Therefore, you'll have a somewhat level income during your retirement, taking into account both pension payments under the Plan and Social Security.

For example:
Dan is retiring at age 58 on an early retirement pension of $261 a 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 payments begin, Dan will receive a monthly benefit of $24 from the Plan. With his $480 Social Security benefit, Dan will receive the same monthly benefit after 65 that he was receiving before 65.

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

HOW CAN YOU PROTECT YOUR SPOUSE BEFORE YOU RETIRE?

If you die–

- with at least ten years of pension credit or vesting service
- while employed by an employer contributing to the Fund, and
- after you have met the requirements for a pension from this Plan,

your spouse can receive benefits. 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 are under age 55 when you die, it is assumed for benefit purposes that you are age 55 (but your spouse's true age is used).

The same benefit is payable if you retire from an employer contributing to the Fund after age 55 with rights to a pension and die before your pension starts.

You and your spouse must be married at least one year before your death to be eligible for benefits.

DEATH BENEFITS FOR SINGLE MEMBERS

If you are single and die in covered employment with at least ten years of pension credit or vesting service, 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 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¢ (.305) 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.)

DISABLED MEMBERS

If you are disabled, and the Trustees have approved your application for a disability pension but you die *during the five-month waiting period before your pension starts*, your spouse can still receive a benefit. Your spouse will get the pension he or she would have received if your pension had already started under the Husband and Wife Option.

This benefit starts on the first of the month following your death and continues for the lifetime of your spouse.

HOW DO YOU APPLY FOR BENEFITS?

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.

When you complete the application and have attached the required proof of birth and proof of marriage for both yourself and your spouse (if needed), you should sign the form and return it to the Fund Office at least two months before you want your pension to start. Try to get your application in earlier–at least 6 months before you want your pension to start–if any of your pension credit was with an employer who is no longer in business; this extra time is needed because the Fund will have to verify your work record with the Social Security Administration.

The application contains instructions on how to elect the form of payment you want.

If you want to know the exact amount of payments under the Husband and Wife Pension or the Joint and Survivor Option or the Social Security Level Income Option, it will be sent to you by the Fund Office before you choose an optional benefit if you make this request on your material.

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

CLAIMS PROCEDURE

If your application for a pension is denied, within 90 days after you are notified of the denial you may file a written request with the Trustees that they conduct a full and fair review of your case. You may also submit written comments and examine any pertinent documents, and you may 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. 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.

HOW A SURVIVING SPOUSE FILES FOR PRE-RETIREMENT BENEFITS OR THE HUSBAND AND WIFE PENSION

As soon as possible after the death of an employee or pensioner, the 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. The spouse should write to the Fund Office with any questions concerning eligibility for survivor benefits. The Fund Office will help in every way possible with the application.

CAN BENEFITS BE PAID IF YOU WORK AT ANOTHER JOB?

Under the Plan you can collect a pension only if you are completely retired from the Industry. This means you must have stopped being employed by any company which has a contract with the Union. It also means you must have stopped all employment (or self-employment) in the same business as a contributing employer in any trade or craft in which you previously worked in covered employment, in the same geographic area covered by the Plan. (However, if you are over 67 you can work as a plant guard or watchman without violating the retirement rule, so long as the job isn't under a collective bargaining agreement with the Union. To qualify for this exception, you must request advance approval from the Trustees.)

WHAT HAPPENS IF YOU WORK AFTER YOUR PENSION STARTS?

If you return to 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 or any other employer in the same business as a contributing employer in a craft in which you worked while in the Plan, in any geographic area covered by the Plan. 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.

Tell the Fund Office immediately about any work you do after retirement or if you intend to return to work. They will notify you if your pension benefits will be withheld.

If you retire and later are re-employed as a covered employee, your pension will later be recalculated as follows:

- If after retirement you earn at least 2 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 on 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.

PAPER INDUSTRY UNION-MANAGEMENT DEFINED CONTRIBUTION FUND DEFINED CONTRIBUTION PLAN

WHO IS ELIGIBLE TO BECOME A MEMBER?

You are eligible to become a member of the Plan if you are working for an employer who is required to make contributions to the Paper Industry Union-Management Defined Contribution Fund on your behalf according to a collective bargaining agreement with the Union. You may also become a member if you are an employee of the Union itself, provided the Union contributes to the Plan on your behalf.

If you are eligible for membership in this Plan, an Individual Account will be established for you if contributions have been made by your employer on your behalf for a minimum of 440 hours in a calendar year. After your Individual Account has been established, additions will nonetheless be made to it, even if employer contributions for less than 440 hours are received.

HOW DOES YOUR ACCOUNT GROW?

Contributions made by your employer to the Defined Contribution Plan are credited to Individual Accounts that are established for each member on each Valuation Date. The Valuation Date for the Plan is each December 31st.

At the time you become a member of the Defined Contribution Plan you are 100% vested in your Individual Account. That means that your account cannot be forfeited.

HOW IS THE VALUE OF EACH INDIVIDUAL ACCOUNT DETERMINED?

As soon as practical after each Valuation Date (December 31st), the Trustees determine the amount in each Individual Account by adding together:

- the amount in your Individual Account at the Valuation Date

plus

- the employer contributions made on your behalf and received by the Fund during the year

plus

- a share of the Fund's earnings, less administrative expenses, determined by the Trustees and applied to each account on a uniform basis. The Trustees may invest Defined Contribution Plan accounts separately from the Pension Fund.

WHEN ARE YOU ELIGIBLE FOR BENEFITS?

You are eligible to collect benefits from this Plan if you are a member and:

- you retire at or after age 55
- you leave covered employment for at least one year

Your beneficiary can collect benefits from this Plan when you die (see page 9).

HOW MUCH WILL YOUR BENEFITS BE?

When you become eligible for benefits, the amount you will receive will be equal to:

- the value of your Individual Account as of the last Valuation Date,

adjusted for

- changes in the value of the Fund since the last Valuation Date
- expenses paid by the Fund since the last Valuation Date
- any new contributions made to your Account since the last Valuation Date.

HOW WILL YOU BE PAID?

When you become eligible to receive benefits, you can choose to be paid:

- in a lump sum, or
- in monthly installments until your Individual Account is exhausted (not more than ten years), or
- in any combination of the above, at the option of the Trustees.

HOW DO YOU OBTAIN BENEFITS?

You must file a written application with the Trustees to receive benefits.

HOW DO YOU DESIGNATE A BENEFICIARY?

When you become a member of the Defined Contribution Plan, you can name someone to receive your benefit if you die, on a form available from the Fund Office. You may change your beneficiary designation at any time by filling out a new form and filing it with the Fund Office. If no beneficiary has been named under this Plan or if your beneficiary dies before you do, at your death any benefits remaining in your Individual Account will be paid to your surviving spouse, or if none, your estate.

WHAT WILL YOUR BENEFICIARY RECEIVE?

If you die before you become eligible for benefits, your beneficiary will receive the value of your Individual Account in installments (not more than ten years) or in a lump sum.

If you should die after you have begun receiving benefits under this Plan, your beneficiary will receive any remaining payments from your Individual Account.

PAYMENTS IF YOU BECOME DISABLED

If you become totally and permanently disabled, you will be able to receive benefits from your Individual Account in the form of monthly installments or in one lump sum.

Total and permanent disability means permanent physical inability to work in the Paper Industry. It is determined at the discretion of the Trustees.

YOUR PLAN ACCOUNT

Each year all members will receive a statement reflecting the balance of their Individual Accounts as of the last Valuation Date (December 31st).

OTHER IMPORTANT INFORMATION

The Paper Industry Union-Management Pension Fund is a defined benefit plan and is administered by a joint Board of Trustees consisting of four Union representatives and four Employer representatives.

The Paper Industry Union-Management Defined Contribution Plan is a defined contribution program of individual accounts maintained within the Pension Fund, and is administered by the same joint Board of Trustees.

The name and address of the Plan Administrator is:

Board of Trustees
Paper Industry Union-Management Pension Fund or Defined Contribution Fund
P.O. Box 1475
Nashville, Tennessee 37202-1475
(800) 251-4098
(615) 242-0252 - Tennessee Residents Call

The names, titles, and business addresses of the Trustees are:

The Board of Trustees is designated as the agent for the service of legal process. In addition, service of legal process may be made upon a Plan Trustee.

The Plan keeps its records on a calendar year basis.

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 employers in accordance with their collective bargaining agreements with the United Paperworkers International Union, AFL-CIO.

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. 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:

Chemical Bank (Favia, Hill & Associates)
30 Rockefeller Plaza
New York, New York 10020

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

Commerce Union Bank
One Commerce Place
Nashville, Tennessee 37219

First American Bank (Lee, Robinson & Steine)
First American Center
Nashville, Tennessee 37237

MERGED PLANS

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

Acco International
Ogdensburg, New York

Bergstrom Paper
W. Carrollton, Ohio

Clinton Paper
Lock Haven, Pa.

Deerfield Specialty Papers
Augusta, Georgia

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

Denney-Reyburn
Cleveland, Ohio

Doughboy Recreational
West Helena, Arkansas

Gilman Employees Pension Plan and Trust
Gilman, Vermont

The United Papermakers & Paperworkers International Union 35 Pension Plan
Jenkintown, Pennsylvania

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, Georgia

Herbert Malarkey Roofing Co.
Portland, Oregon

Stone Container Corporation
Detroit, Michigan

Western Kraft Paper Group
Port Hueneme, California

A. Klein Company
Long Island City, N.Y.

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

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

EMPLOYER WITHDRAWAL

If a participating employer withdraws its employees from Fund coverage, the withdrawn group's benefits for past service credit will be cut back, and they will keep only the amount of past service credit which their employer's past contributions will buy, after first using those contributions to buy future service credit. Credit is given not only for the employer's *past* contributions, but also for withdrawal liability payments expected to be paid by the company in the future. (The same rule applies to former employees, including pensioners, who previously retired from the same group.) If a participant in the withdrawn group returns to covered employment, his past service credit may be restored.

This provision will prevent the Fund from becoming financially unbalanced when employee groups are withdrawn. For example, without this provision, a plant shut-down could result in the Fund paying pension liabilities far in excess of the amount the employer actually contributed.

This provision applies on a bargaining unit-by-bargaining unit basis. For example, assume that an employer operates two plants, both of which are in the Fund but under different bargaining agreements. If the employer withdraws one of the plants from Fund coverage (e.g., by closing that plant), the limitation of liability provisions will only restrict the benefits payable to the withdrawn group.

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.

INSURED BENEFITS– PLAN TERMINATION

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.

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 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 benefit that PBGC guarantees, which is adjusted periodically.

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, PBGC, 2020 K Street, N.W., Washington, D.C. 20006. The PBGC Office of Communications may also be reached by calling (202) 254-4817.

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 get answers from the Trustees who administer the Plan.

STATEMENT OF RIGHTS UNDER EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

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 work-sites 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 if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge. The Plan will provide this information to the extent it is able to based on available records.

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 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, you should contact the nearest area office of the U.S. Labor Management Services Administration, Department of Labor.

The Paper Industry Union-Management Pension Fund

JUNE 1986

Since this booklet was printed a number of changes have been adopted by the Board of Trustees. These changes are listed below. The amended language to the Rules and Regulations are also provided.

1985 PENSION IMPROVEMENTS

Effective September 19, 1985, participants who leave covered employment on or after that date with more than 25 years of Pension Credit are entitled to an increase of 2% of the applicable Benefit Level for each year of Pension Credit over 25. Previously the additional yearly credit was only 1%. This increase also applies to participants who left covered employment January 1, 1985 - September 18, 1985 and whose last Contributing Employer was contributing to the Fund on

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September 19, 1985. This increase only applies to payments due after 1985.

SPOUSAL DEATH BENEFITS

For several years, the Plan has provided death benefits, described in the plan booklet, to certain participants who die before their pension starts. These death benefits are still provided, but a new death benefit has been added for certain married participants entitled to a deferred pension benefit under the terms of the Plan. In order to qualify for this new death benefit, you must (a) have at least 10 years of Pension Credit or Vesting Service, (b) die before your pension starts and on or after August 23, 1984, (c) not be employed in Covered Employment at the time of your death, (d) have worked at least one hour in Covered Employment after 1975, and (e) be married for one year prior to your death. The amount of the death benefit payable to your surviving spouse is 50% of the amount which you would have received had you begun to receive your pension in the form of a husband and wife pension at the time your spouse's benefits begin, subject to a further reduction if benefits begin before age 55.

All pre-retirement spousal death benefits now begin when you would have reached age 65, or in a reduced amount at any earlier time your spouse chooses.

HUSBAND AND WIFE PENSION

1. If you are married when your pension begins, you can elect an optional form of payment only with your spouse's consent; otherwise, your pension must be paid in the Husband and Wife form described in this booklet.

2. If benefits are paid as a Husband and Wife Pension, your spouse on the day that benefits start will be treated as your spouse for the purpose of receiving a survivor pension when you die, even if you subsequently divorce (unless a divorce decree provides otherwise).

SPOUSAL CONSENT

All spousal consent and waivers must be witnessed by an authorized Plan representative or notary public, on the forms available from the Fund Office.

BREAKS IN SERVICE

The rules on when you incur a break-in-service have been amended to provide that the number of consecutive one year breaks-in-service must be equal to the greater of five years or the number of years of vesting service or pension credit before your first one-year break. Additionally, you will receive up to one year of credit for purposes of determining whether you have incurred a one-year break for maternity or paternity reasons (i.e. because of your own pregnancy, the birth of your own child, the placement of a child with you for adoption, for the caring for a child after its birth or adoption). This credit shall be given to you only in the year in which the absence begins if needed to prevent the one-year break. If credit is not needed to prevent a break in that year, you will be given credit for the absence in the following year.

DESIGNATION OF BENEFICIARY

If you are married, and have elected not to receive the Husband and Wife Pension, you must obtain the consent of your spouse to the designation of a beneficiary other than your spouse. If you do not obtain your spouse's consent to the designation of an alternative beneficiary, your election will be invalid.

DEFINED CONTRIBUTION FUND

SPOUSE AS BENEFICIARY

Effective August 23, 1984, your spouse (if any) will be treated as the beneficiary of one-half your Individual Account under the Defined Contribution Fund unless he or she wavies the right to receive that portion of your account and he or she consents to your designation of a different beneficiary. Any death benefits paid to your spouse will be in the form of an annuity for his or her life, unless the amount to be distributed in under $3,500.

RETIREMENT BENEFITS

If you're married when distribution of your Individual Account begins your account will be used to purchase an annuity contract providing a Husband and Wife Pension unless you reject this form of benefit with your spouse's consent.

AMENDMENTS TO THE PAPER INDUSTRY UNION-MANAGEMENT PENSION FUND

The Rules and Regulations of the Paper Industry Union-Management Pension Fund are hereby amended as follows:

1. Article 1, Section 20 is amended effective January 1, 1985, by adding the following new paragraph at the end thereof:

> "Solely for purposes of determining whether a Participant has incurred a One-Year Break in Service (as defined in Article III, Section 6 (d)) an individual who is absent from work with an Employer for maternity or paternity reasons shall receive credit for the Hours of

Service which would otherwise have been credited to such individual but for such absence or in any case in which such hours cannot be determined, 8 Hours of Service per day of such absence, but in no event shall more than 501 hours be credited under this paragraph, nor shall such hours duplicate any other Hours of Service otherwise credited to the Participant. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence commencing after 1984 (a) by reason of the pregnancy of the individual, (b) by reason of a birth of a child of the individual, (c) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement. The Hours of Service credited under this paragraph shall be credited only (i) in the computation period in which the absence begins if the crediting is necessary to prevent a One-Year Break in Service in that period or (ii) in all other cases, in the following computation period."

2. Article IV, Section 12 is amended effective August 23, 1984, by adding the following new paragraph at the end thereof:

"If a married Participant dies before age 55 with at least 10 years of Vesting Service or Pension Credit, and if death occurs in employment with a Contributing Employer (but not in Covered Employment), whether or not at a place of business covered by a collective bargaining agreement with the Union, his surviving spouse will be eligible for a Pre-Retirement Surviving Spouse Benefit, which benefit shall be determined with reference to all of the following. It shall be assumed that the Participant:

(a) separated from service on the date of death,

(b) survived to the earliest age at which his Deferred Pension could start,

(c) retired on that date with his pension payable in the Husband and Wife Pension form of payment (after giving effect to the reduction under Article IV, Section 8(b)), and

(d) died on the next day.

The amount so payable to the surviving spouse shall be the survivor benefit otherwise payable under the Husband and Wife Pension determined in accordance with the preceding sentence, but shall be actuarially reduced to reflect commencement of payment before the earliest date on which the Participant's Deferred Pension could have started. The benefit to the surviving spouse will commence on the first of the month following the date of death of the Participant and will continue for the lifetime of the spouse and cannot terminate on remarriage. The death benefit provided for in this paragraph shall be payable only if: (i) the Participant and his spouse were married for one year immediately before the Participant's death, (ii) the Participant dies on or after August 23, 1984, (iii) the Participant dies before his pension starts, and (iv) the Participant had at least one Hour of Service under the Plan on or after January 1, 1976."

3. Effective August 23, 1984, the following new paragraph is added after the first paragraph of Article IV, Section 15:

"A monthly benefit will be payable to the surviving spouse of a Participant who dies before his pension starts if:

(a) the Participant terminated his Covered Employment (and any other employment with a Contributing Employer, whether or not at a place of business covered by a collective bargaining agreement with the Union) before age 55 with rights to a Deferred Pension, and on or after January 1, 1976; and

(b) the Participant is survived by a spouse to whom he was legally married for the one-year period ending on the date of death; and

(c) the Participant's death occurs on or after August 23, 1984."

Effective August 23, 1984, Article IV, Section 15 is amended by adding the following at the end thereof:

"If death shall occur before age 55, the surviving spouse benefit shall be computed in accordance with the last paragraph of Article IV, Section 12 (relating to death in non-Covered Employment before age 55)."

4. Article IV, Section 13(a) is amended effective January 1, 1985 by deleting the first sentence of the second paragraph thereof and substituting the following therefor:

"Effective January 1, 1985, a Participant shall have the right to reject the Husband and Wife Pension at any time up to his pension starting date; provided, that no such rejection shall be effective unless (a) the Participant's spouse consents thereto on a form supplied by the Plan, and unless such consent is witnessed by a notary public or authorized Plan representative, or (b) it is established to the satisfaction of a Plan representative that such consent cannot be obtained because there is no spouse, because the spouse cannot be located, or because of such other circumstances prescribed in applicable regulations. Any such consent (or establishment that consent may not be obtained) shall be effective only with respect to such spouse."

5. Effective January 1, 1985, the following new subparagraph (6) shall be added to the third paragraph of Article IV, Section 13(a):

"(6) For purposes of this Section 13, a Participant's spouse shall mean a spouse to whom he was legally married on his pension starting date. If a Participant and his spouse shall divorce after payment of the Husband and Wife Pension has started, such former spouse, if living at the Participant's death, shall nonetheless be treated as the Participant's surviving spouse."

6. Effective January 1, 1985, the following new Section 17 is added at the end of Article IV:

<u>"Section 17. FORMER SPOUSES, est.</u>

(a) For purposes of Sections 12, 13(a), 15 and 16 of this Article IV, and Sections 9 and 10 of Article X, a former spouse shall be treated as a Participant's spouse to the extent specified in a qualified domestic relations order as defined in Code section 414(p). To the extent provided in any such order, if married for at least one year, the surviving former spouse shall be treated as meeting the 1-year marriage requirement of Section 12 or 15 (as applicable).

(b) For all purposes of this Plan (including Articles VII-X), if distribution in respect of a Participant's benefits is made to a person reasonably believed by the Trustees or their delegate (taking into account any document purporting to be a valid consent of the Participant's spouse, or any representation by the Participant that he is not married) to properly qualify to receive benefits under the Plan payable in respect of the Participant, the Plan shall have no further liability with respect to such benefits."

7. Effective January 1, 1985, the following is added at the end of Article V, Section 1(c):

"If such benefit is a Husband and Wife Pension, spousal consent shall be required in the manner and to the extent such consent would be required to reject such

form of payment, as provided in Article IV, Section 13(a)."

8. Effective July 19, 1985, a new Article IV, Section 17 is added to read as follows:

Notwithstanding anything else in this Plan, benefits payable to the surviving spouse of a Participant who dies before his pension starts shall begin as of the Starting Date. Benefits which begin prior to the date on which the Participant would have attained age 65 shall be subject to the actuarial reduction described in Section 12 or 15 of this Article IV. For purposes of this Section 17, "Starting Date" means the first day of the month following a Participant's 65th birthday (or, in the event of death subsequent to his 65th birthday, the first day of the month following such date of death), or (b) any earlier time that the Participant's surviving spouse shall elect.

9. Effective January 1, 1985, the first sentence of the second paragraph of Article IV, Section 13(a) is amended by substituting "at any

time during the 90 day period immediately preceding his pension starting date" for "at any time up to his pension starting date."

10. A new sentence is added to the end of Article IV, Section 4(c) to read as follows:

> For Participant's who leave Covered Employment on or after September 19, 1985, or who left Covered Employment between January 1, 1985 and September 18, 1985, whose last Contributing Employer was contributing to the Fund on September 19, 1985, 2% is substituted for 1% in this paragraph (c). This additional benefit is provided only for benefits due after 1985.

AMENDMENTS TO

DEFINED CONTRIBUTION FUND

1. Article X is hereby amended effective August 23, 1984, by adding a new Section 9 thereto, reading as follows:

"Section 9. Notwithstanding any other provision of this Plan, unless a Participant's spouse has consented to the Participants designation of beneficiary (which consent must be in writing on a form supplied by the Plan, and witnessed by a notary public or authorized Plan representative): (a) the Participant's surviving spouse shall be the Participant's beneficiary with respect to one-half of the Participant's benefits under the Defined Contribution Fund; and (b) any distribution to be made to a Participant's surviving spouse under the Defined Contribution Fund shall be made by applying the amount otherwise distributable to such surviving spouse to the purchase of an annuity contract which will provide lifetime income to such surviving spouse, unless the surviving spouse consents to another form of distribution or unless the amount to be distributed is $3,500 or less (in either of such events, distribution to the surviving spouse shall be made in accordance with the otherwise applicable provisions of the Plan). The foregoing requirement of spousal consent to a Participant's designation of beneficiary shall be waived if such consent may not be obtained under the circumstances described in Article IV, Section 13(a)."

2. Effective January 1, 1985, the following is added to Article X:

"Section 10. Notwithstanding any other provision of this Plan, distribution to a Participant of his interest in the Defined Contribution Fund shall be made, if the Participant is married as of the date distribution is to commence, by applying the amount otherwise distributable to the Participant to the purchase of an annuity contract to provide a Husband and Wife Pension, which contract will provide benefits in the form and subject to the conditions of Article IV, Section 13(a) hereof (including, without limitation, the requirement that rejection of such form of distribution may only be made with the consent of the Participant's spouse, unless such spousal consent may not be obtained as provided therein)."

The Paper Industry Union-Management Pension Fund

November 1987

Since this booklet was last printed in September 1984, a number of changes have been adopted by the Board of Trustees. The changes that have taken place since 1986 are listed below. The amended language to the Rules and Regulations is also provided.

1987 PENSION IMPROVEMENTS

ACCRUAL RATE ADJUSTMENT

Effective for retirements after January 1, 1987 the Trustees provided an additional 2% of pension credit for each year a participant earns more that 25 years of pension credit. Previously an employee earned 2% for each year of pension credit over 25 years, this has been changed to 4%. The 4% accrual only applies to employees who left Covered Employment on or after January 1, 1987 and is payable for benefits due after January 1, 1987.

An example of how this new rule will effect a participant retiring at a $500 monthly benefit level is shown below.

YEARS OF SERVICE	BENEFIT LEVEL $500 2% PLAN	BENEFIT LEVEL $500 NEW PLAN WITH 4%
25	$500	$500
30	$550	$600
35	$600	$700
40	$650	$800
45	$700	$900

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BENEFIT LEVEL

The Trustees have also liberalized the rules for determining at what Benefit Level an employee retires at. Previously, when an employee retired the pension was based upon the Benefit Level in effect at the time he last worked in Covered Employment, provided that the employee had at least 2 quarters of Future Service Credit (880 hours) under that Benefit Level.

The 2 quarters or 880 hours requirement has now been reduced to one hour of service during the (90) day period immediately preceding the change in Benefit Level. The effective date of the pension must also be after the change in Benefit level. If an employee does not have an hour of service in this period then the 2 quarters of Future Service Rule applies. This change went into effect January 1, 1987.

BREAK IN SERVICE

Effective January 1, 1987, a permanent break in service will not occur unless the participant has consecutive one year breaks of five or more. In other words, if a participant has two years pension credit before he suffers a permanent break in service he would have to be out of the Industry for five or more years.

OTHER AMENDMENTS

Amendments have also been provided that were requested by the Internal Revenue Service due to recent changes in the dollar amount of pension benefits that are payable. These amendments are limitation on annual benefits. Amendments 6 - 12 were required due to recent changes in the law regarding the amount of lump sum benefits payable, the Trustees decision to allow contributions from Contributing Unions for participants who lost pension credit due to working in Local Union business and other technical amendments.

DEFINED CONTRIBUTION FUND

Since the booklet was printed there have been some changes in the Defined Contribution Fund. In order to participate in the DCF, previously a group had to have a pension benefit (Defined Benefit Plan) that provided for a minimum monthly benefit of $250.00 at age 65. The $250.00 requirement is now eliminated. In other words, a company does not have to have a Defined Benefit Plan before they can participate in PIUMPF's Defined Contribution Fund.

In addition, the rules have been clarified to determine how a persons account is valued in the Defined Contribution Fund.

AMENDMENTS THE PAPER INDUSTRY UNION-MANAGEMENT PENSION FUND

The Rules and Regulations of the Paper Industry Union-Management Pension Fund are hereby amended, effective January 1, 1987, as follows:

1. Article IV, Section 2 is amended to read as follows:

(a) For all purposes of this Plan, the Benefit Level applicable to a Participant shall be the Benefit Level in effect at the time the Participant last worked in Covered Employment; provided however, in the event of a change in the Benefit Level, a Participant shall be eligible for a higher Benefit Level only if the Participant was credited with an Hour of Service as described in Article I, Section 20 during the ninety (90) day period immediately preceding the effective date of the change in Benefit Level and further provided that if a Participant was not credited with an Hour of Service in such period, a higher Benefit Level shall be applicable if the Participant was credited with at least two quarters of Future Service Credit under the Benefit Level. A Participant shall be treated as meeting the two quarters of Future Service Credit test if the Participant was credited with at least 880 hours for which contributions were made to the Pension Fund under that Benefit Level over a period of two consecutive calendar years.

(b) If a Participant has been covered under more than one Benefit Level and has not been credited, as described in paragraph (a) of this Section 2, with an Hour of Service in the ninety (90) day period or two quarters of Future Service Credit under the highest Benefit Level, the Participant's Pension shall be based on the next lower Benefit Level under which the Participant satisfied the requirements described in paragraph (a) of this Section 2.

2. Article IV, Section 4(c) is amended to read as follows:

If a Participant leaves Covered Employment on or after January 1, 1987 with more than twenty-five (25) years of Pension Credit, he shall be entitled to an additional monthly benefit for benefits due after January 1, 1987 equal to 4% of the Benefit Level applicable to him, multiplied by his full and fractional years of Pension Credit in excess of 25.

3. Effective January 1, 1987, the following is added at the end of Article II, Section 2:

"Effective January 1, 1987, the foregoing age 25 requirement shall be reduced to age 21, but only with respect to a Participant who has an Hour of Service in Covered Employment on or after such date."

4. Effective January 1, 1987, the following is added at the end of Article III, Section 6(c):

"Effective January 1, 1987, a Permanent Break in Service shall not occur under the preceding sentence unless the number of consecutive One-Year Breaks in Service are at least five or more in number; provided, that the foregoing shall not operate to annul a Permanent Break in Service which had already occurred on or before December 31, 1986, determined without regard to this sentence."

5. Effective January 1, 1986, Article V, Section 12 is amended to read as follows:

Limitation on Annual Benefits

(a) Construction. The purpose of this Section 12 is to comply with section 415 of the Internal Revenue Code, and all provisions of this Section 12 shall be construed and administered consistently with said section.

(b) Limitation on Annual Benefits. Anything in this Plan to the contrary notwithstanding, but subject to the provisions of this Section 12, the annual amount of pension payable to a Participant under this Plan as a qualified joint and survivor annuity or annuity for life only, or the actuarial equivalent of an annuity to the Participant for life only in the case of a benefit payable in any other form, shall not exceed the lessor of (a) the Dollar Limit or (b) the Compensation Limit. For this purpose, a "qualified joint and survivor annuity" means a Husband and Wife Pension or a Joint and Survivor Option with a Participant's spouse as beneficiary.

(c) Adjustments to Dollar Limit.

(i) Decrease in Dollar Limit. If a Participant's pension begins before age sixty-two (62), the Dollar Limit shall be actuarially reduced, so that it is equivalent to the Dollar Limit as applied to a benefit beginning at age 62; provided, that such adjustment shall not reduce the Dollar Limit below (a) in the case of a benefit beginning at or after age fifty-five (55), seventy-five thousand dollars ($75,000), or (b) in the case of a benefit beginning before age 55, the actuarial equivalent of a $75,000 limitation at age 55.

(ii) Increase in Dollar Limit. If a Participant's pension begins after sixty-five (65) the Dollar Limit shall be actuarially increased, so that it is equivalent to the Dollar Limit as applied to a benefit beginning at age sixty-five (65).

The interest assumption used for the actuarial adjustments described in this Section 12(c) shall be 5%.

(d) Participants with Fewer Than Ten Years of Employment. If a Participant has fewer than ten (10) years of Service with an Employer at the time his pension starts, the Dollar and Compensation Limits shall be reduced proportionately.

(e) Benefits Payable under More Than One Defined Benefit Plan. The benefits payable under this Plan, as limited by this Section 12, shall be subject to further limitation in order that the amount of employer-provided benefits payable under all defined benefit plans (but exclusive of other multiemployer plans) shall not, in the aggregate, exceed the benefit limitations described in this Section 12. If a reduction in the benefits under such defined benefit plans in the aggregate is thus required, such reduction shall be applied by first reducing benefits under other plans.

(f) Combined Limitation. If a Participant participates (or participated) in the Paper Industry Union-Management Defined Contribution Fund (the "Defined Contribution Fund"), the pension payable to him under this Plan shall be reduced to the extent necessary to ensure that the total amounts payable with respect to him under this Plan and the Defined Contribution Fund do not exceed the limitations prescribed by section 415 (e) of the Internal Revenue Code.

(g) Limitation Year. All determinations under this Article 15 shall be made by reference to the Calendar Year.

(h) The limitations in this Section 12 shall be applied as if all Employers were a single Employer, without distinguishing them as to the source of a Participant's benefits, contributions, Earnings or Service.

(i) Definitions. Solely for purposes of this Article 15:

(i) Compensation Limit: "Compensation Limit" means one hundred percent (100%) of the employee's average annual Earnings for the three (3) consecutive years in which his Earnings were highest. This limit shall not apply to any pension that does not exceed $1,000 a year for each hear of Service with an Employer, including years before the Employer adopted this Plan, up to a maximum of $10,000, unless the Participant has also been covered by an individual account plan to which an Employer contributed on his behalf.

(ii) Dollar Limit. "Dollar Limit" means ninety thousand dollars ($90,000), as adjusted from time to time beginning with the 1988 limitation year to reflect increases in the cost of living pursuant to applicable regulations. The adjustment required pursuant to the preceding sentence for any year shall be the cost of living adjustment which is effective as of the January 1 which occurs in such year. No such adjustment shall be taken into account before the year for which such adjustment first takes effect.

(iii) Earnings. "Earnings" for any year means total compensation actually paid or made available by an Employer, or predecessors of any of them, for such year, which is excludable for Federal income tax purposes, but not including deferred compensation, qualified stock options or other distributions which receive special tax benefits.

6. Effective January 1, 1985, the last paragraph of Article I, Section 20, is amended:

(a) The reference to "501 hours" in the first sentence be deleted and in its place "441 hours" be substituted.

(b) A new sentence be added to the end of the paragraph stating:

"No credit shall be given under this paragraph unless the Participant timely furnishes the Plan Administrator with such information as the Pension Fund may require to establish that the absence from work was for maternity or paternity reasons as set forth above, and the number of days for which there was such an absence."

7. Effective January 1, 1987, the first sentence in the last paragraph of Article II, Section 1 is amended:

The reference to "age 25" be deleted and "age 21" be inserted in its place.

8. Effective January 1, 1985, the following sentence be added at the end of the third full sentence in Article IV, Section 11:

"No non-spouse beneficiary may be named by the Participant unless the consent, as described in Article IV, Section 13(a), of the spouse is obtained."

9. Effective January 1, 1985, the following sentence be added to the end of the second paragraph of Article IV, Section 13:

"No optional form of benefit is available to a married Participant, nor may any non-spousal beneficiary be named, unless the spousal consent requirements of this subsection are followed."

10. Effective January 1, 1986, Article V, Section 1(c) is deleted and the following inserted in its place:

"(c) If the actuarial present value of a Participant;s benefit is less than or equal to $3,500, the present value may be distributed to the Participant or surviving spouse in a single cash payment, in the Trustees' discretion."

11. Effective March 4, 1986, Article I, Section 15 is amended by adding the following sentence after the first full sentence:

"The term "Contributing Union" shall also mean the United Paperworkers International Union AFL-CIO or a Local Union that has entered into an agreement with the Trustees whereby such International Union or the Local Union agrees to make contributions to the Pension Fund on behalf of persons on leave from an Employer for the purpose of performing Contributing Union business."

12. Effective January 1, 1986, Article IV, Section 14(b)(iv) shall be amended by adding the following sentence:

"For purposes of this subsection (b)(iv), "Actuarial Equivalent" shall be based on the 1971 Group Annuity Mortality Table, weighted 80% for males and 20% for females, and 7% interest compounded annually."

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AMENDMENTS TO DEFINED CONTRIBUTION FUND

(1) Effective August 15, 1986, Article VII, Section 12 is amended to read as follows:

Contributions to the Defined Contribution Plan shall be in an amount as stipulated in the Standard Form of Participation Agreement.

Effective January 1, 1986, amendments made are indicated by deletion of words in brackets ( ) and addition of words underlined.

(2) Article VII, Section 8 add the following sentence:

The term "Individual Account" shall also mean "Accumulated Share" where that term is used.

(3) Article VII, Section 9 is amended to read as follows:

Section 9. Valuation Date. The term "Valuation Date" as used herein shall mean the last day of each calendar (year) quarter.

(4) Article VIII, Section 2(B)

(B) The Employer contributions made on behalf of the Employee and received by the Fund during the (Fiscal year) calendar quarter, plus

(5) Article VIII, Section 3A is amended to read as follows:

Section 3(a) The Trustees shall determine the investment yield obtained by the Fund during the Calendar quarter. For the first Valuation Date after the inception of the Fund, the investment yield shall be divided by the total amount of all the Individual Accounts established on such Valuation date. Thereafter, beginning with the second Valuation Date after the inception of the Fund, the investment yield shall be divided by the total amount in all of the Individual Accounts, as of the last previous Valuation Date (that is, excluding contributions received in that calendar quarter and excluding Individual Accounts terminated during the calendar quarter. In each calendar quarter, the fraction so obtained shall be multiplied by the amount previously in each such Individual Account, and shall represent "gross investment yield" to be added to each such previously established Individual Account as of the Valuation Date. From the "gross investment yield" the Trustees shall deduct such expenses for the administration of the Fund. The expenses or other amounts so deducted from the "gross investment yield" shall be on a per Individual Account basis uniformly applied regardless of the amount in each Individual Account. The "gross investment yield" less the expenses so deducted by the Trustees shall represent the "net investment yield" to be added to each such previously established Individual Account as of the Valuation Date. In the event that the "gross investment yield" attributable to any Individual is less than the charge for expenses and other deductions against the Individual Account, the excess expenses and charges shall be deducted from the principal of the Individual Account.

(6) Article VIII, Section (3) (B)

(3) Determine the total of all expenses paid by the Fund during the (Fiscal year) last preceding Valuation date.

(7) Article VIII, Section (3) (B)

(c) Annually, within six months of the close of the (fiscal year) calendar year each Employee who has an Individual Account shall receive a statement reflecting the balance of his Individual Account as of the end of the calendar year.

Article IX, Section 1(3)

(3) Determine the total market value of the Fund as of the last day of the preceding (calendar quarter) Valuation Date less the total of all contributions received (from the previous Valuation Date) since that date to and including the last day of the (calendar quarter) Valuation Date preceding the happening of the event.