

AUTOMOBILE MECHANICS'  
LOCAL NO. 701 UNION AND INDUSTRY  
PENSION FUND



SUMMARY PLAN DESCRIPTION  
BARGAINING UNIT B PENSION PLAN  
2019 EDITION



**AUTOMOBILE MECHANICS' LOCAL NO. 701  
UNION AND INDUSTRY PENSION FUND**

**Bargaining Unit B Plan**

**SUMMARY PLAN DESCRIPTION**

**2019 Edition**

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UNION AND INDUSTRY PENSION FUND**

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## **A Message from the Board of Trustees**

We are pleased to provide you with this new updated booklet describing your benefits under the Automobile Mechanics' Local No. 701 Union and Industry Pension Fund. This Summary Plan Description (SPD) booklet replaces any prior explanation booklets, but it does not replace or supersede the Plan document.

This SPD booklet covers changes to the Plan as of November 1, 2019. If you would like a copy of the official Plan document, or if you have any questions about the Plan in general, please contact the Fund Office at (708) 482-0220.

The Board of Trustees reserves the right to change or terminate the Plan at any time. When the Plan is amended, Participants will be notified. Only the full Board of Trustees is authorized to interpret the Plan described in this booklet. No Employer, Union, nor any representative of any Employer or Union, in such capacity, is authorized to interpret this Plan, nor can any such person act as agent of the Trustees.

The official Plan document and trust agreement describe the provisions of the Pension Plan in more detail and will govern with respect to your eligibility to participate and the benefits you will receive under the Pension Plan. The Board of Trustees has discretionary authority to make all final determinations on questions of eligibility and any other provisions of the Plan.

The benefits described in this booklet generally apply to Participants who retire or otherwise leave Covered Employment after November 1, 2019. The other provisions related to administration generally apply to all Participants. Except for increases to former Participants, as specifically set out in the Plan, the amount of benefits of former Participants who left Covered Employment are determined under the Plan as it existed at the time they left Covered Employment. Contact the Fund Office if you have any questions or need additional information.

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## **SECTION 1: PARTICIPATION**

### **1.01 Covered Employment**

You are working toward participation in the Plan by working in Covered Employment. Covered Employment is work under a Collective Bargaining Agreement that requires Contributions to the Plan.

### **1.02 Initial Participation**

You will become a Participant in this Plan on the earlier of:

1. The earliest January 1 or July 1 after you complete 20 weeks of work during a 12 consecutive month period in Covered Employment; or
2. January 1 of the Calendar Year in which you earn at least 1/4 Pension Credit.

### **1.03 Termination of Participation**

Once participation is established, you will remain a Participant while you work in Covered Employment. If you stop working, your Plan participation can terminate up until the time you are vested in a Pension benefit.

Your participation will terminate at the end of the Calendar Year in which you incur a one-year Break-in-Service which is described in more detail in Section 4.01.

### **1.04 Reinstatement of Participation**

If you lose your Participant status, you can become a Participant again by returning to work in Covered Employment and meeting the requirements for initial participation as explained above.

### **1.05 Vested Participants**

Once you meet the requirements for any kind of pension under the Plan, you will always be a Participant under the Plan.

## SECTION 2: CALCULATION OF YOUR ACCRUED BENEFIT

### 2.01 Annual Accrual

Your Accrued Benefit is the sum of the Annual Accruals credited during each Plan Year. The Annual Accrual is the amount calculated by multiplying your Pension Credit by the accrual rate for the applicable Plan Year. Pension Credit is counted in two ways depending on whether it is earned before or during the Contribution Period.

### 2.02 Pension Credit During the Contribution Period

You will receive Pension Credit for your weeks of work in Covered Employment for which Employer Contributions are required to be paid to the Fund based on the following schedule:

<b>Weeks of Work in Covered Employment In a Calendar Year</b>	<b>Pension Credit</b>
Less than 10	No Credit
10 to 19	0.25
20 to 29	0.50
30 to 39	0.75
40 or more	1.0

### 2.03 Pension Credit Before the Contribution Period

For periods prior to January 1, 2012, you will receive Pension Credit for work in Covered Employment before the Contribution Period (past service) based on the schedule above, only if you worked more than 26 weeks for the same Employer during the first 12 months such Employer was required to contribute to the Fund. However, if you were disabled and did not meet this requirement, you may be eligible for Pension Credit before the Contribution Period if you worked at least 27 weeks for the same Employer during the 12 months immediately preceding the date such Employer was first required to contribute to the Fund. The maximum number of Pension Credits you may receive under this provision for work before the Contribution Period is limited to five (5) Pension Credits, earned in no more than two (2) separate Contribution Periods. If you previously incurred a permanent Break-in-Service, it will be re-determined and if applicable, reversed using the Past Service Credit for the years to which the Past Service Credit is applied.

If an Employer first becomes signatory on or after January 1, 2012, to a Collective Bargaining Agreement (CBA) with Local 701 which requires Contributions to this Plan, the Employees of that Employer are eligible for Past Service Credits (PSCs) under a One-for-One Rule. Under this rule, each full year of contributory service under the Plan makes the Employee eligible for

one year of PSC. A maximum of five (5) PSCs can be earned in this manner. Of course you are only eligible for PSCs to the extent you were continuously employed by the Employer prior to the Employer becoming signatory to the CBA. The lifetime maximum of PSCs under Plan A and Plan B that you may receive is limited to 10 Pension Credits.

Effective January 1, 2014, PSCs will only be granted under the One-for-One Rule if the Employer had at least two (2) Employees in Covered Employment on the date that the Employer first became signatory to the CBA and only during weeks when the Employer has at least two (2) Employees in Covered Employment. Unless these conditions are met, PSCs will not be granted.

Under the One-for-One Rule, one potential PSC may be converted to an accrued PSC for each Future Service Credit (FSC) for which contributions are made by the signatory Employer. The One-for-One Rule is applied on a mirror image basis starting with the date the Employer was first obligated to make Contributions.

When an Employer becomes signatory, the number of potential PSCs is determined for each affected Participant based on full years of employment with the signatory Employer, up to a maximum of five (5) potential PSCs. At the end of each Plan Year, the amount of FSC earned by the Participant for that year ( $\frac{1}{4}$ ,  $\frac{1}{2}$ ,  $\frac{3}{4}$ , or 1 credit) is determined. For each full FSC that is earned, a potential PSC is converted to an accrued PSC and the Participant is also granted one Year of Vesting Service. A Participant who earns less than one full FSC during a Plan Year receives credit for the partial FSC under the Plan's rules for contributory credits. However, with regard to the One-for-One Rule, the partial FSC is held in reserve and is accumulated with any FSC for the next Plan Year and applied to the One-for-One Rule for that year. The One-for-One Rule is applied each year until the Participant converts all his or her potential PSCs up to a maximum of five (5) PSCs or the Participant terminates employment with that particular Employer. The annual accrual for each converted PSC is determined on a mirror image basis and is equal to the annual accrual of the corresponding FSC as determined under Section 2.06.

The decision of the Trustees on the amount of Pension Credits granted before the Contribution Period is final and binding. To the extent PSCs are granted, Years of Vesting Service will also be granted.

#### **2.04 Pension Credit for Non-Work Periods**

The Plan may award you non-work Pension Credit if you are disabled during the Contribution Period and receiving (A) workers' compensation benefits or (B) Weekly Accident and Sickness benefits from the Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund. You must submit proof satisfactory to the Trustees that you are disabled.

You may be credited with a maximum of 10 weeks of non-work credit per Calendar Year up to a maximum of one non-work Pension Credit during your lifetime.

Non-work Pension Credit for periods during the Contribution Period in which you were serving in the Armed Forces of the United States may be granted if you submit proof of your service in the military to the Trustees.

## 2.05 Accrual Rates

The amount of your monthly Pension benefit depends on the number of Pension Credits you earn, the Weekly Contribution Rate, and the corresponding Annual Accrual Rate. The Weekly Contribution Rates and corresponding Annual Accrual Rates are provided in the following chart.

### CONTRIBUTION AND ACCRUAL RATES

EFFECTIVE APRIL 1, 2011

Weekly Contribution Rate	Annual Accrual Rate	Weekly Contribution Rate	Annual Accrual Rate
\$12	\$2	\$42	\$32
\$13	\$3	\$43	\$33
\$14	\$4	\$44	\$34
\$15	\$5	\$45	\$35
\$16	\$6	\$46	\$36
\$17	\$7	\$47	\$37
\$18	\$8	\$48	\$38
\$19	\$9	\$49	\$39
\$20	\$10	\$50	\$40
\$21	\$11	\$51	\$41
\$22	\$12	\$52	\$42
\$23	\$13	\$53	\$43
\$24	\$14	\$54	\$44
\$25	\$15	\$55	\$45
\$26	\$16	\$56	\$46
\$27	\$17	\$57	\$47
\$28	\$18	\$58	\$48
\$29	\$19	\$59	\$49
\$30	\$20	\$60	\$50
\$31	\$21	\$61	\$51
\$32	\$22	\$62	\$52
\$33	\$23	\$63	\$53
\$34	\$24	\$64	\$54
\$35	\$25	\$65	\$55
\$36	\$26	\$66	\$56
\$37	\$27	\$67	\$57
\$38	\$28	\$68	\$58
\$39	\$29	\$69	\$59
\$40	\$30	\$70	\$60
\$41	\$31		

## 2.06 Calculation of Annual Accrual

Your Accrued Benefit is the sum of the annual accruals credited during each Plan Year. You can accrue up to one Pension Credit per year with one quarter credit for each 10 weeks of work in Covered Employment during a Plan Year. If your Weekly Contribution Rate changes during the year, the weeks with the highest Weekly Contribution Rate are used first to determine the accrual rate that applies.

If you have a change in your Weekly Contribution Rate during a Plan Year, your weekly contribution amounts will be entered into a Weekly Contribution List that ranks the weeks from highest to lowest, with the highest 40 weeks used to determine the accruals for that Plan Year. Thus, you can earn up to four quarters of credit per year, but these increments of credit are based on the ranking of the weekly contribution amounts and not based on chronological calendar quarters during the Plan Year.

You need to have at least 10 weeks to earn any credit. If you have at least 10 weekly contributions in a Plan Year, the first increment of accrual for that Plan Year is one-fourth of the Annual Accrual Rate corresponding to the 10<sup>th</sup> weekly contribution in the Weekly Contribution List; otherwise, the first increment of accrual is zero.

If you have at least 20 weekly contributions in a Plan Year, the second increment of accrual for that Plan Year is one-fourth of the Annual Accrual Rate corresponding to the 20<sup>th</sup> weekly contribution in the Weekly Contribution List; otherwise, the second increment of accrual is zero.

If you have at least 30 weekly contributions in a Plan Year, the third increment of accrual for that Plan Year is one-fourth of the Annual Accrual Rate corresponding to the 30<sup>th</sup> weekly contribution in the Weekly Contribution List; otherwise, the third increment of accrual is zero.

If you have at least 40 weekly contributions in a Plan Year, the fourth increment of accrual for that Plan Year is one-fourth of the Annual Accrual Rate corresponding to the 40<sup>th</sup> weekly contribution in the Weekly Contribution List; otherwise, the fourth increment of accrual is zero.

Your Annual Accrual during a Plan Year is the sum of the first four increments of accrual, which means that you can earn up to one credit per Plan Year.

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### *For Example:*

Dan has 52 weeks of work and earns one credit during 2015. He works at three different Weekly Contribution Rates as follows:

<b>Number of Weeks at Accrual Rate</b>	<b>Weekly Contribution Rate</b>	<b>Annual Accrual Rate</b>	<b>One-Fourth Annual Accrual Rate</b>
15	\$70.00	\$60.00	\$15.00
20	\$50.00	\$40.00	\$10.00
17	\$30.00	\$20.00	\$5.00

The weekly contribution amounts are entered into a Weekly Contribution List that ranks the weeks from highest to lowest using all 52 weeks during a Calendar Year. The weeks used to determine the accrual for a year are the 10<sup>th</sup>, 20<sup>th</sup>, 30<sup>th</sup>, and 40<sup>th</sup> weeks on the Weekly Contribution List which is summarized as follows:

#### **Weekly Contribution List**

<b>Week Number</b>	<b>Weekly Contribution Rate</b>	<b>Annual Accrual Rate</b>	<b>One-Fourth Annual Accrual Rate</b>
10	\$70.00	\$60.00	\$15.00
20	\$50.00	\$40.00	\$10.00
30	\$50.00	\$40.00	\$10.00
40	\$30.00	\$20.00	\$5.00
<b>Annual Accrual for Plan Year</b>			<b>\$40.00</b>

The first increment of accrual is based on one-fourth of the \$60 Annual Accrual Rate for week number 10 which is \$15 for the first increment.

The second increment of accrual is based on one-fourth of the \$40 Annual Accrual Rate for week number 20 which is \$10 for the second increment.

The third increment of accrual is based on one-fourth of the \$40 Annual Accrual Rate for week number 30 which is \$10 for the third increment.

The fourth increment of accrual is based on one-fourth of the \$20 Annual Accrual Rate for week number 40 which is \$5 for the fourth increment.

Dan's annual accrual during this Plan Year is the sum of the first four increments of accrual which in this case is  $\$15 + \$10 + \$10 + \$5 = \$40$ .

## **SECTION 3: VESTING SERVICE**

### **3.01 Earning Years of Vesting Service**

You are credited with a Year of Vesting Service if you have at least 20 weeks of Contributions or at least 870 Hours of Work during a Calendar Year. For purposes of earning Vesting Service, you will be credited with 45 Hours of Work for each weekly Contribution required to be made to the Plan on your behalf, regardless of the number of hours actually worked. To the extent you are granted past service credits under Section 2.03, you will also be granted Years of Vesting Service.

You can also earn one Year of Vesting Service if you transfer from Covered Employment to non-Covered Employment with the same Employer. Because you continue to work with the same Employer, this is called Continuous Employment under the Plan. It is important to note that you will still need to work 20 weeks or more in Continuous Employment and/or Covered Employment during the Calendar Year to earn a Year of Vesting Service. The Plan does not award partial Years of Vesting Service.

### **3.02 Becoming a Vested Participant**

When you are vested under the Plan, you have a non-forfeitable right to a Pension benefit when you retire. You are considered vested after you earn five (5) Years of Vesting Service.

You are also considered vested if you are actively engaged in Covered Employment when you reach Normal Retirement Age.

### **3.03 How Vesting Service Differs from Pension Credit**

Here are some important differences between Vesting Service and Pension Credits.

1. You may earn Pension Credits only for work in Covered Employment; you may earn Vesting Service for all Hours of Work, including any back pay agreed to by your Employer. You may also earn Vesting Service for non-Covered Employment that is continuous with Covered Employment for the same Employer.
2. You may earn Vesting Service in full years only, unlike Pension Credit where you earn fractions of credit.
3. If you are eligible for a Pension, your benefit amount is calculated based on Pension Credit, not Years of Vesting Service.

## SECTION 4: BREAKS-IN-SERVICE

There are two types of Breaks-in-Service: One-Year Break-in-Service and Permanent Breaks-in-Service.

These rules will apply if you are not vested as described in Section 3. You can lose Pension Credits and Years of Vesting Service if you incur a permanent Break-in-Service before you become a vested Participant.

### 4.01 One-Year Break-in-Service

One-year Breaks-in-Service are temporary and can be repaired. Generally, you have a one-year Break-in-Service in any Calendar Year that you do not have at least 10 weeks of work in Covered Employment.

You can repair a one-year Break-in-Service if, before having a permanent break, you meet the requirements for participation described in Section 1. Generally, this means returning to Covered Employment and earning at least 1/4 Pension Credit.

### 4.02 Permanent Break-in-Service

If you are not vested, you incur a permanent Break-in-Service if you have five (5) or more consecutive, one-year Breaks-in-Service.

### 4.03 Effect of Permanent Break-in-Service

If you have a permanent Break-in-Service, your Pension Credits and Years of Vesting Service are cancelled. If you return to Covered Employment, you will start out as a new Participant with zero Pension Credits and Years of Vesting Service.

### 4.04 Grace Period Exceptions to the Break-in-Service Rules

There are certain non-work periods called grace periods that are not counted in determining if a permanent Break-in-Service occurred. Grace periods will be granted during the Contribution Period for any of the following reasons:

1. **Illness or injury.** A grace period of up to two (2) consecutive Calendar Years may be granted, based on medical evidence of disability. You must notify the Fund Office in writing promptly of the start of the disability.
2. **Qualified military service.** A grace period may be granted for periods of military service in the Armed Forces of the United States if you return to or seek work in Covered Employment within 90 days after discharge or recovery from a service related disability. You must provide proof of your service in the military to the Trustees.



3. **Maternity or paternity leave.** A grace period may be granted for an absence from work because of childbirth, adoption, or infant care, up to a maximum of 435 Hours of Work in the year the absence starts or, if not required in that year to prevent a break, in the following year. You must provide sufficient information establishing that your absence is for maternity or paternity leave and the number of days for which you were absent to the Trustees in a timely manner.
  
4. **Family and Medical Leave Act.** A grace period may be granted for an absence from work due to a qualified Family and Medical Leave, up to the maximum required by federal law.

## SECTION 5: TYPES OF PENSIONS AND PENSION AMOUNTS

### 5.01 Types of Pensions

There are four (4) types of pensions provided under the Plan:

1. A Regular Pension;
2. An Early Pension;
3. A Vested Pension; and
4. A Disability Pension.

These pensions are summarized in the following chart and described on the following pages.

TYPE OF PENSION	MINIMUM SERVICE REQUIREMENTS	EARLIEST AGE AT WHICH BENEFIT IS PAID
Regular Pension	5 Pension Credits	65
Early Pension	10 Pension Credits	55
Vested Pension	5 Years of Vesting Service 10 Years of Vesting Service	65 55
Disability Pension	10 Pension Credits	Under 65

When you apply for your Pension, the Fund Office will calculate the amount of your Pension under the various optional forms of payment, which are described in Section 6.04. This will give you a comparison of the benefits available to you so that you can make an informed decision. You will have until the award date of your Pension or, if later, 90 days from the date the Fund Office gives you an estimate to decide how you want your Pension paid.

### 5.02 Regular Pension

You are eligible for a Regular Pension if:

1. You have attained age 65; and
2. You have five (5) or more Pension Credits.

The amount of the Regular Pension is equal to your Accrued Benefit.

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***For example:***

John is 65 and applies for a Regular Pension. At his date of retirement, John had 10 Pension Credits. Accordingly, John's Regular Pension is calculated based on the accrual rates in Section 2.05 as follows:

Age at Retirement	Number of Pension Credits	Accrual Rate	Monthly Benefit
65	7	\$60.00	\$420.00
	3	\$50.00	\$150.00
Total	10		\$570.00

---

### **5.03 Early Pension**

(a) Eligibility

You are eligible for an Early Pension if:

1. You have attained age 55; and
2. You have at least 10 Pension Credits.

(b) Amount

The amount of the Early Pension is equal to your Accrued Benefit with an actuarial reduction for early payment as shown in Section 14.03.

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***For example:***

Tom retires at age 55 with a total of 10 Pension Credits. If Tom's accrued monthly benefit is \$600.00, based on the factors above, his Early Retirement Pension is calculated as follows:

Accrued monthly benefit	\$600.00
Early retirement reduction factor for age 55 years and 0 months	× <u>38.00%</u>
Total monthly Pension	<u>\$228.00</u>

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## **5.04 Vested Pension**

### **(a) Eligibility**

You are eligible for a Vested Pension if:

1. You have at least 5 Years of Vesting Service and you have attained your Normal Retirement Age; or
2. You have at least 10 Years of Vesting Service and you have attained age 55.

In addition, you will be eligible for a Vested Pension if you leave Covered Employment after attaining your Normal Retirement Age.

### **(b) Amount**

The amount of the Vested Pension at Normal Retirement Age is equal to your Accrued Benefit. You can also commence a Vested Pension prior to Normal Retirement Age, if you have at least 10 Years of Vesting Service. The amount of the Vested Pension prior to Normal Retirement Age is calculated in the same way as an Early Pension under Section 5.03 above.

## **5.05 Disability Pension**

### **(a) Eligibility**

You are eligible for a Disability Pension if:

1. You are totally and permanently disabled (as defined in the Plan Document);
2. You are under age 65;
3. You have at least 10 Pension Credits; and
4. You have earned at least one quarter (1/4) Pension Credit within the twenty four (24) months immediately preceding the month in which you became totally and permanently disabled.

### **(b) Amount**

The amount of the Disability Pension is equal to your Accrued Benefit, reduced for early payment in the same manner as an Early Pension under Section 5.03, but in no event less than the amount of the Early Pension payable at age 55.

(c) When Payments Begin

Pension payments begin on the first day of the seventh month following the month in which your disability occurred, provided timely notice and application are received by the Fund Office.

(d) When Payments End

If you recover from your disability before age 65, your Disability Pension will end and your future benefits will be based on the Vesting Service and Pension Credits you have earned. If you are eligible, you can apply for the Regular, Early or Vested Pension. The amount you received as a Disability Pension will not affect the calculation of your Pension benefit. If you are eligible for a Pension, the earliest it can begin is the month after your Disability Pension terminates.

Your Disability Pension benefit ends when you:

1. Recover from your disability;
2. Refuse to take a medical exam at the Plan's expense when requested by the Trustees;
3. Reach age 65, upon which the Vested Pension will commence; or
4. Die.

(e) Death

In the event you die prior to age 65 while receiving a Disability Pension, the Qualified Preretirement Survivor Annuity described in Section 7 shall apply.

## SECTION 6: FORMS OF PENSION PAYMENT

### 6.01 Normal Form of Payment

Your pension benefit is available in different forms depending on your marital status.

#### 1. 60-Month Guarantee Option

If you are not married, the normal form of payment is the 60-Month Guarantee Option. If you elect the 60-Month Guarantee Option, you will receive a monthly benefit payable to you for life with a guarantee of receiving 60 monthly payments. If you die before receiving 60 monthly Pension payments, your Beneficiary will receive the remaining number of payments until a total of 60 monthly payments are made.

The amount of the 60-Month Guarantee Option is the amount of the Regular Pension, adjusted for early or late payment, if applicable.

#### 2. 50% Spouse Option

If you are married, the normal form of payment is a 50% Spouse Option unless you and your Spouse elect an optional form of payment, subject to the waiver requirements of Section 6.02.

Under the 50% Spouse Option, you receive a benefit for your lifetime. The amount of the monthly benefit payable to you is reduced from what it would be if the Pension were taken in the 60-Month Guarantee Option.

Upon your death, 50% of the reduced benefit amount will be paid to your Surviving Spouse for the rest of his/her life. However, if your Spouse dies within three years of the effective date of your Pension commencement date, the reduction will be cancelled and your monthly benefit will pop-up to the 60-Month Guarantee Option amount beginning with the month following the death of your Spouse. The benefit percentages payable are shown in Table 1 under Section 14.01.

### 6.02 Waiver of Spousal Benefits

If you are married and you wish to waive the 50% Spouse Option, the waiver must be in writing, in a form prescribed by the Trustees, signed by your Spouse, and witnessed by a notary public or Plan representative. Spouse for this purpose means a person to whom you are validly married under applicable state law.

A 50% Spouse Option may also be waived if you establish to the satisfaction of the Trustees, that (1) you are not married; (2) your Spouse cannot be located; (3) you have been abandoned

by your Spouse as confirmed by a court order; or (4) the consent of your Spouse cannot be obtained because of extenuating circumstances.

### **6.03 Spouse Options**

For any of the spouse options to be effective, you and your Spouse must be legally married when your Pension begins.

Payment to your Spouse will start the month following your death provided both of the following requirements have been satisfied:

- (1) Your death occurs at least one year after the date of marriage; and
- (2) You and your Spouse are legally married at the time of your death.

Once payments begin, a spouse option may not be revoked; nor will your benefits increase by reason of subsequent divorce.

### **6.04 Optional Forms of Benefit Payments**

#### **1. 60 or 120-Month Guarantee**

If you are married but wish to waive the 50% Spouse Option, you may elect the 60-Month Guarantee Option. If you die before receiving 60 monthly Pension payments, your Beneficiary will receive the remaining number of payments until a total of 60 monthly payments are made.

If you are eligible for a Pension, you may elect the 120-Month guarantee. If you are married, you must satisfy the waiver provisions in Section 6.02 in order to select this optional benefit form.

If you elect the 120-Month Guarantee, you will be paid a reduced amount for your lifetime compared to the 60-Month Guarantee Option. If you die before receiving 120 monthly Pension payments, your Beneficiary will receive the remaining number of payments until a total of 120 monthly payments are made.

If your Beneficiary dies before receiving the balance of the unpaid monthly payments, payments will be paid to the first of the following categories: (a) spouse, (b) children, (c) parents, (d) siblings, and (e) estate.

#### ***For example:***

Under a 120-Month Guarantee, you will receive a reduced benefit, based on your age, for your lifetime with a minimum guarantee of 120 months (10 years). The benefit percentages payable are shown in Table 2 under Section 14.02. This means if you die before receiving 120 monthly Pension payments, your Beneficiary would continue to

receive that same benefit amount for the balance of the 120 months. After a total of 120 monthly benefit payments are made to you and your Beneficiary, monthly benefit payments would cease. If you die after receiving 120 monthly Pension payments, no further benefits will be paid on your behalf.

## **2. 75% Spouse Option**

Under the 75% Spouse Option, you receive a benefit for your lifetime. The amount of the monthly benefit payable to you is reduced from what it would be if the Pension were taken in the 60-Month Guarantee Option. Upon your death, 75% of the reduced benefit amount will be paid to your Surviving Spouse for the rest of his/her life. However, if your Spouse dies within three (3) years of the effective date of your Pension commencement date, the reduction will be cancelled and your monthly benefit will pop-up to the 60-Month Guarantee Option amount beginning with the month following the death of your Spouse. The benefit percentages payable are shown in Table 1 under Section 14.01.

## **3. 100% Spouse Option**

Under the 100% Spouse Option, you receive a benefit for your lifetime. The amount of the monthly benefit payable to you is reduced from what it would be if the Pension were taken in the 60-Month Guarantee Option. Upon your death, 100% of the reduced benefit amount will be paid to your Surviving Spouse for the rest of his/her life. However, if your Spouse dies within three (3) years of the effective date of your Pension commencement date, the reduction will be cancelled and your monthly benefit will pop-up to the 60-Month Guarantee Option amount beginning with the month following the death of your Spouse. The benefit percentages payable are shown in Table 1 under Section 14.01.

## **4. 50% Spouse Option With Pop-Up**

Under the 50% Spouse Option Pension with Pop-Up, you receive a benefit for your lifetime. The amount of the monthly benefit payable to you is reduced from what it would be if the Pension were taken in the 60-Month Guarantee Option. Upon your death, 50% of the reduced benefit amount will be paid to your Surviving Spouse for the rest of his/her life. However, if your Spouse dies before you, the reduction will be cancelled and your monthly benefit will pop-up to the 60-Month Guarantee Option amount beginning with the month following the death of your Spouse.

## **5. 75% Spouse Option With Pop-Up**

Under the 75% Spouse Option Pension with Pop-Up, you receive a benefit for your lifetime. The amount of the monthly benefit payable to you is reduced from what it would be if the Pension were taken in the 60-Month Guarantee Option. Upon your death, 75% of the reduced benefit amount will be paid to your Surviving Spouse for the rest of his/her life. However, if your Spouse dies before you, the reduction will be



cancelled and your monthly benefit will pop-up to the 60-Month Guarantee Option amount beginning with the month following the death of your Spouse.

## 6. 100% Spouse Option With Pop-Up

Under the 100% Spouse Option Pension with Pop-Up, you receive a benefit for your lifetime. The amount of the monthly benefit payable to you is reduced from what it would be if the Pension were taken in the 60-Month Guarantee Option. Upon your death, 100% of the reduced benefit amount will be paid to your Surviving Spouse for the rest of his/her life. However, if your Spouse dies before you, the reduction will be cancelled and your monthly benefit will pop-up to the 60-Month Guarantee Option amount beginning with the month following the death of your Spouse.

## 7. Spouse Option Amounts

Under the various spouse options, your monthly Pension benefit will be actuarially reduced, and the amount of the reduction in your benefit depends on your age and your Spouse's age. The reduction factors are shown in Table 1 under Section 14.01.

*For example:* You retire at age 65 and are eligible for a monthly Regular Pension of \$1,000.00. Your spouse is age 62. Your monthly benefit amounts under the various spouse options, which will be rounded up to the next one dollar amount, are shown below:

If you elect	Your monthly benefit is	If you die, your Spouse would receive	If your Spouse dies, you would receive
50% Spouse Option	\$888.00	\$444.00	\$888.00*
75% Spouse Option	\$842.00	\$632.00	\$842.00*
100% Spouse Option	\$795.00	\$795.00	\$795.00*
50% Spouse Option with Pop-Up	\$875.00	\$438.00	\$1,000.00
75% Spouse Option with Pop-Up	\$817.00	\$613.00	\$1,000.00
100% Spouse Option with Pop-Up	\$758.00	\$758.00	\$1,000.00

\*If your Spouse dies within three (3) years of the date your Pension starts, this amount will be \$1,000.00, which is the amount of your Regular Pension payable as the 60-Month Guarantee.

### 6.05 Small Benefit Cash Out

Under certain conditions, you may be eligible for a one-time lump sum payment of your Pension benefits. If the total value of your benefit is less than \$5,000, you will be eligible to

receive a lump sum distribution of your entire Pension from the Plan. If the total value of your benefit is less than \$1,000, you will automatically receive a lump sum distribution of your entire benefit under the Plan.

If you receive a small benefit distribution, which is eligible for rollover, you may roll over all or part of it to an individual retirement account (IRA) or another qualified plan. If you do not choose to roll over the small benefit payment, federal law requires the Plan to withhold 20% of the total amount as federal income tax withholding.

## SECTION 7: QUALIFIED PRERETIREMENT SURVIVOR ANNUITY

### 7.01 Qualified Preretirement Survivor Annuity

#### 1. Eligibility

A Qualified Preretirement Survivor Annuity (QPSA) is payable if you meet each of the following conditions:

- a. You are vested; and
- b. You and your Spouse are married for at least the one-year period ending on the date of your death.

#### 2. Amount and Commencement of Benefit

Your Surviving Spouse's commencement date of the QPSA and the amount payable to him or her depends on whether you are eligible for the immediate payment of a Pension as of the date of your death.

- a. If you are eligible for the immediate payment of a Pension as of the date of your death, the amount of the survivor benefit is determined as if you had retired with a 50% Spouse Option just prior to your death. The survivor benefit begins the first day of the calendar month following the date of your death.
- b. If you are not eligible for the immediate payment of a Pension as of the date of your death, the survivor benefit will begin on the first day of the calendar month following the month in which you would have reached the earliest age at which a Pension would have been payable to you.

The amount will be determined as if you had left Covered Employment on the earlier of (1) the date you last worked in Covered Employment or (2) the date of your death. Additionally, the amount of the QPSA is determined as if you had retired with a 50% Spouse Option.

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**For example:** Jack has 10 Pension Credits, has been married to Sue for at least one year, and dies at age 50. At the time of his death, he has met the service requirement for an Early Pension, but not the requirement of having attained age 55. Sue will be eligible for the survivor benefit under the 50% Spouse Option when Jack would have attained age 55.

## SECTION 8: RETURNING TO WORK AFTER RETIREMENT

### 8.01 About Retirement

You are considered retired as of the date you receive your first Pension payment from the Pension Fund. During retirement you will receive monthly Pension payments for the rest of your life, as long as your benefits are not suspended for work in Prohibited Employment.

### 8.02 Suspension of Benefits

If you are retired, your monthly benefit is subject to suspension if you work in Prohibited Employment. Prohibited Employment differs for Pensioners who are younger than Normal Retirement Age (generally age 65) and for those who are Normal Retirement Age or older.

**Before Normal Retirement Age**, Prohibited Employment is work in any of the following types of employment:

- Employment with any Contributing Employer.
- Employment with any Employer in an industry in which the Participant worked in Covered Employment.
- Self-employment with any Employer in an industry in which the Participant worked in Covered Employment.
- Employment or self-employment within the scope of any bargaining unit in which the Participant worked in Covered Employment.

**After Normal Retirement Age**, Prohibited Employment is work that meets all of the following requirements:

- Employment or self-employment that is in an industry in which the Participant worked in Covered Employment;
- Employment or self-employment that is in the geographic area covered by the Plan when the Participant's Pension payments began; and
- Employment or self-employment that is in any occupation in which the Participant worked under the Plan at any time.

After Normal Retirement Age, your benefit will be suspended during any month in which you work more than 40 hours in Covered Employment or Prohibited Employment.

Your Pension will not be suspended beyond April 1<sup>st</sup> following the year in which you attain age 70½.

The term “industry covered by the Plan” means the Auto Mechanics’ Industry and any other industry in which Employees covered by the Plan were employed when the Participant’s Pension began or, but for suspension under this Section, would have begun.

The term “geographic area covered by the Plan” means the State of Illinois plus the remainder of any Standard Metropolitan Statistical Area which falls within Illinois and any other area covered by the Plan when the Participant’s Pension began or, but for suspension under this Section, would have begun. It shall also include any area covered by the Plan which, under a reciprocal agreement in effect when the Participant’s Pension payments began, had forwarded Contributions to the Plan, on the basis of which the Plan accrued benefits for the Participant.

### **8.03 Contact the Fund Office When You Return to Work**

If you intend to return to work, you are responsible for promptly notifying the Fund Office, in writing, of any employment, regardless of the number of hours you intend to work per month, and regardless of whether you believe the employment would be considered Prohibited Employment. You are also required to notify the Fund Office when you discontinue working.

If you return to work in Prohibited Employment, you must notify the Fund Office within 30 days after the date you return, regardless of the number of hours you intend to work. If you fail to provide timely notice and you are younger than Normal Retirement Age, your benefit payments may be withheld for an additional six (6) months.

If your benefits are suspended, the Fund Office will provide you with a notice describing the reasons for the suspension plus other information about the suspension of benefits.

### **8.04 Failure to Notify the Fund Office**

If you fail to notify the Trustees and it is determined that you are working in Prohibited Employment, the Trustees will attempt to determine when your employment began and your entitlement to benefits ended. It will be assumed that you have been working enough hours to disqualify you from receiving your benefit. You will be allowed to present evidence refuting this assumption.

You can request a review of a decision to suspend benefits by making a written request for review to the Fund Office within 60 days after the date of the notice of suspension. The request for review will be processed in the same way as an appeal of a Pension denial.

### **8.05 Return to Retirement**

When your benefit is suspended, you will be provided with a Resumption of Benefits Notice. This must be returned to the Fund Office when you want to retire again and resume receiving Pension benefits. After this notice is received, your benefit will resume after the last month the benefit was suspendable, although actual payment is not required until the beginning of the third month following the last month of suspension.

## **8.06 Repayment Provisions**

If you continue receiving a Pension check while working in Prohibited Employment, you are obligated to repay the amounts you receive. This means that when you stop working and your benefits begin again, part of the payments may be withheld until the Fund has recovered any improperly paid benefits. If you are Normal Retirement Age or older, the first three monthly payments due to you may be withheld plus up to 25% of the following monthly amounts (including payments to your Spouse), if necessary, to recover any overpayment. Prior to Normal Retirement Age, all checks due to you may be withheld until the overpayment is recovered.

## **8.07 Recalculation of Pension Benefit**

If you earn at least one Year of Vesting Service after you return to work, your Pension will be recalculated as of the January 1 following your retirement. The additional Pension Credit earned will be subject to an actuarial offset for any Pension benefit you may have already received. However, you will not receive less than the amount previously in pay status.

**Note:** When you attain age 70½, whether or not you are working, your Pension benefits will be paid; you must apply. Payments will start on the April 1<sup>st</sup> of the year after the year in which you reached age 70½.

## **SECTION 9: APPLYING FOR YOUR BENEFITS**

### **9.01 Filing Your Pension Application**

When you are ready to apply for benefits, contact the Fund Office to request your application. The staff at the Fund Office will assist you in filling out your Pension application. Early filing will avoid delay in the processing of your application and payment of benefits.

You should file your application one month in advance of the date you expect your Pension benefit to begin. For example, if you want to commence benefits as of March 1, you must submit a completed application on or before February 1.

Your application must include proof of your age, such as a certified copy of your birth certificate or a copy of a valid passport. If you are married, you must submit proof of your marriage and the date of birth of your spouse. If you were previously married, you must submit a copy of the full divorce decree(s). The documents must be acceptable to the Trustees. You must apply for your Pension by April 1<sup>st</sup> of the year following the year in which you reach age 70½.

If you die, your Spouse should contact the Fund Office as soon as possible to request instructions about filing an application for benefits. Your Spouse will need to supply a certified copy of the death certificate, as well as a copy of the marriage certificate.

The Plan does require direct deposit of your monthly Pension benefit. However, please keep in mind that deposit receipts and other retirement-related materials are still mailed to you, so always notify the Fund Office of any address changes.

### **9.02 Initial Determination**

The Fund Office will make an initial determination of whether you meet the eligibility requirements for a benefit based on the rules of the Pension Plan. If your application for a benefit is denied, you will be informed in writing of the denial. You will also be told the reason for the denial and how to appeal the Trustees' decision.

A decision on your claim will normally be made within 90 days after the claim has been received by the Plan. If additional time is required in special cases, you will be notified in writing (within the 90-day period) of the special circumstances requiring an extension of time and of the date by which the Plan expects to make a final decision on the claim. The extension will not exceed 90 days. Accordingly, the maximum processing time is 180 days (the initial 90 days plus one 90-day extension).

You may be requested to provide additional information so that the Plan can process your claim. A request for additional information will be in writing and will provide a reasonable period of time to respond. When you respond to the Plan's request for additional information, the ordinary time limits will again start to run. If you do not respond to the Plan's request

within the time requested, the Plan will decide your claim without that information, which may result in the denial of your claim.

### **9.03 Review Rights If Your Claim Is Denied**

If your claim is denied, the Plan will send you a written notice stating the specific reason or reasons for the denial, making reference to pertinent Plan provisions on which the denial was based. If applicable, the notice will describe any additional material or information necessary to process your claim, along with an explanation of why such material or information is necessary. A notice of claim denial will also include an explanation of the Plan's appeal procedures.

If your claim has been denied, in whole or in part, you may request a full and fair review (referred to in these procedures as an "appeal") by filing a written notice of appeal with the Fund Office. If you are a Pensioner and your Pension payments are suspended or stopped for any reason, you have the right to appeal that decision. A notice of appeal must be received by the Fund Office not more than 60 days after your receipt of the written notification of denial of the claim or, if applicable, suspension of your Pension. Your appeal is considered to have been filed on the date the written notice of appeal is received by the Fund Office.

In connection with your appeal, you or your authorized representative may review pertinent documents and may provide additional documents or submit issues and comments in writing.

#### **1. Right to Representation**

If you wish, another person may represent you in connection with an appeal. If another person claims to be representing you in your appeal, the Trustees have the right to require that you give the Plan a signed statement, advising the Trustees that you have authorized that person to act on your behalf regarding your appeal. Any representation by another person will be at your own expense.

#### **2. Appeal Decision**

The appeal will be decided by the Board of Trustees or a sub-committee of the Board. The Trustees hold regular meetings at least four (4) times per year. If your appeal is filed more than 30 days before a regular meeting of the Trustees, your appeal will be decided at that meeting unless special circumstances require an extension of time for processing, in which case a decision will be made on your appeal at the next following meeting of the Trustees. If your appeal is filed within the 30-day period immediately preceding a regular meeting of the Trustees, the appeal will not be decided at that meeting but will be decided at the next following meeting, unless special circumstances require an extension of time for processing your appeal. In that case, a decision will be made on your appeal at the third regular meeting following the date your appeal was filed.



Whenever there are special circumstances that require that the decision be delayed until the next following regular meeting, you will be advised in writing of why the extension of time was needed and when the appeal will be decided.

Once the Board of Trustees has decided your appeal, the Plan will send you a written notice of the decision. The notice will be mailed within five (5) days of the Trustees' decision. If the Trustees uphold the denial of your claim, you will then have the right to file suit under the authority of the Employee Retirement Income Security Act of 1974, as amended (ERISA). No legal action can be brought with respect to a claim under the Plan after 90 days from the decision on appeal. Also, if your appeal is denied, you are entitled to receive upon request and at no cost, copies of documents and information that the Plan relied on in denying your claim.

If the decision on an initial claim is not furnished within the time limits stated in these procedures, the claim is deemed to have been denied. No claim will be considered to have been denied until you have exhausted all of the procedures described in these claims and appeal procedures.

#### **9.04 Discretionary Decision Making**

The Board of Trustees as the Plan Administrator has discretionary decision making authority to determine eligibility for benefits and to interpret the provisions of the Plan. Benefits under the Plan will be paid only if the Plan Administrator decides in its discretion that the applicant is entitled to them.

All decisions and interpretations of the Plan Administrator made in good faith pursuant to the Plan shall be final and binding on all persons, subject only to the Plan's claims and appeal procedures. You may not file a lawsuit or other action against the Trust Fund or its Trustees until the matter has been submitted for review under the Plan's claims and appeal procedures.

The decisions of the Plan Administrator will receive judicial deference in any judicial or administrative proceeding to the extent that they do not constitute an abuse of discretion.

#### **9.05 Incompetent or Incapacitated Pensioner or Beneficiary**

In the event the Trustees determine that either a Pensioner or a Beneficiary is unable to care for his or her affairs because of mental or physical incapacity, any payment due may be applied to the maintenance or support of the Pensioner or Beneficiary, or to a person the Trustees find to be an object of the natural bounty of the Pensioner or Beneficiary, unless, prior to such payment, a claim was made for the payment by a legally appointed guardian, committee or other legal representative authorized to receive the payment on behalf of the Pensioner or Beneficiary.

## **SECTION 10: GENERAL INFORMATION ABOUT THE PLAN**

### **10.01 Assignment of Rights**

The Pension Plan contains a provision prohibiting any transfer, assignment, sale or attachment of a Pension benefit except in relation to a Qualified Domestic Relations Order. See Section 10.04 for a description of Qualified Domestic Relations Orders.

### **10.02 Lump Sum Payments and Rollovers**

If the value of a benefit payable under the Plan is \$5,000 or less as of the date the benefit payment would start, you or your Surviving Spouse may elect to receive a single lump sum cash out. If a lump sum is elected, you may be eligible for a rollover to an IRA or another qualified plan.

### **10.03 Mandatory Payout of Benefits**

The Plan requires you to begin receiving a Pension no later than April 1<sup>st</sup> of the year after the year you reach age 70½, regardless of whether you continue employment.

### **10.04 Qualified Domestic Relations Orders (QDROs)**

The Plan, in accordance with law, must recognize a Qualified Domestic Relations Order. A domestic relations order is a judgment, decree or order (including approval of a property settlement agreement) that:

1. Relates to the provision of child support, alimony payments or marital property rights of a spouse, former spouse, child or other dependent of a Participant; and
2. Is made pursuant to state domestic relations law.

A domestic relations order is a Qualified Domestic Relations Order (QDRO) if it creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to receive all or a portion of the benefits payable to a Participant under a plan, specifies required information, and does not alter the amount or form of plan benefits.

An Alternate Payee is a spouse, former spouse, child or other dependent of a Participant who is recognized by a domestic relations order as having a right to receive all, or a portion, of the benefits under the Plan with respect to the Participant.

Thus, if a QDRO requires the distribution of all or part of your benefits under the Plan to an Alternate Payee, the Trustees are required to comply with the order. The Trustees have established procedures for administering QDROs. You may request a copy of these procedures at no cost from the Fund Office.

An Alternate Payee who is assigned a benefit by a QDRO may receive the assigned benefit in a form payable for the Participant's life or for the life of the Alternate Payee. In the event a QDRO creates a separate interest for the Alternate Payee, such benefits payable to the Alternate Payee will be actuarially reduced for age and form of payments.

In the event the QDRO is either silent or unclear on any of the following topics, the following assumptions will be used:

### **1. Separate Interest Approach**

If the QDRO is either silent or unclear as to whether the Alternate Payee's benefit is to be payable for the Participant's life or the life of the Alternate Payee, the Plan will pay benefits to the Alternate Payee for his or her life under the separate interest approach. Any actuarial adjustment that may be necessary to convert the Alternate Payee's benefits to his or her own lifetime will be applied to the Alternate Payee's benefits.

### **2. Death of Alternate Payee Under Separate Interest Approach**

If the Alternate Payee predeceases the Participant before commencing his or her benefits, the Alternate Payee's portion of the Participant's benefits will revert to the Participant. If the Alternate Payee predeceases the Participant after his or her benefit commencement date, the Alternate Payee's portion of benefits shall cease.

### **3. Death of Alternate Payee Under Shared Interest Approach**

If the Alternate Payee predeceases the Participant, the Alternate Payee's portion of the Participant's benefits shall revert to the Participant.

### **4. Early Retirement Subsidy**

The Alternate Payee will be entitled to a pro rata share of any early retirement subsidy provided to the Participant on the date of his or her retirement. If the Alternate Payee has already commenced his or her share of the benefits on the date of the Participant's retirement, then the amounts payable to the Alternate Payee will be increased to provide the Alternate Payee with an actuarially adjusted pro rata share of such early retirement subsidy on a prospective basis only. Such pro rata share will be calculated in the same manner as the Alternate Payee's share of the Participant's retirement benefits.

### **5. Post Dissolution Benefit Accruals**

The Alternate Payee will have no right to any increases on any portion of the Participant's benefits which is either granted or accrues subsequent to the date of divorce or dissolution of marriage (which shall be the date the divorce decree is entered by the court).

## **SECTION 11: ADMINISTRATIVE FACTS**

### **11.01 Type of Plan**

This is a defined benefit plan, which means that the benefits provided are based on the benefit formula described in the Plan.

### **11.02 Plan Name**

This Plan is known as the Automobile Mechanics' Local No. 701 Union and Industry Pension Plan for Bargaining Unit B.

### **11.03 Restatement Date of Plan**

The Plan was restated as of January 1, 2014. This Summary Plan Description incorporates changes to the Plan through November 1, 2019.

### **11.04 Identification Numbers**

The Plan identification number is 001. The number assigned to the Board of Trustees by the Internal Revenue Service is 36-6042061.

### **11.05 Plan Sponsor and Administrator**

The Board of Trustees is the Plan Sponsor and Plan Administrator.

### **11.06 Agent for Service of Legal Process**

If legal disputes involving the Plan arise, any legal documents should be served upon the Board of Trustees or the Administrative Manager, Automobile Mechanics' Local No. 701 Union and Industry Pension Fund, 361 S. Frontage Road, Suite 100, Burr Ridge, Illinois 60527.

### 11.07 Board of Trustees

As of the date of this Restatement, the Trustees of the Plan are:

Union Trustees	Employer Trustees
Mr. Sam Cicinelli Automobile Mechanics' Local No. 701 450 Gundersen Drive Carol Stream, IL 60188	Mr. Ronald Fetty ABF Freight Systems 1900 East Route 30 Sauk Village, IL 60411
Mr. Mark Grasseschi Automobile Mechanics' Local No. 701 450 Gundersen Drive Carol Stream, IL 60188	Mr. Christopher Konecki Chicago Automobile Trade Association 18W200 Butterfield Road Oakbrook Terrace, IL 60181
Mr. Robert Keppler Automobile Mechanics' Local No. 701 450 Gundersen Drive Carol Stream, IL 60188	Mr. Dave Mashek Prairie Material 7601 W. 79 <sup>th</sup> Street Bridgeview, IL 60455

### 11.08 Collective Bargaining Agreements

This Plan is maintained pursuant to Collective Bargaining Agreements between the Employers and the Union.

The Fund Office will provide you, upon written request, with information as to whether a particular Employer is contributing to the Plan on behalf of Employees working under the Collective Bargaining Agreements or a list of Contributing Employers.

### 11.09 Source of Contributions

The benefits described in this booklet are provided through Employer Contributions. The amount of Employer Contributions and the Employees on whose behalf Contributions are made are determined by the provisions of the Collective Bargaining Agreements.

### 11.10 Pension Trust's Assets and Reserves

All assets are held in Trust by the Board of Trustees for the purpose of providing benefits to eligible Participants and defraying reasonable administrative expenses. The Pension Fund's assets and reserves are invested by investment managers selected by the Board of Trustees.

### **11.11 Plan Amendment or Termination**

The Board of Trustees reserves the right to terminate, modify, suspend, or amend the Plan, pursuant to the terms of the Plan document and trust agreement governing the Plan and in accordance with the Employee Retirement Income Security Act of 1974, as amended (ERISA). You will be notified in writing of any changes that are made. If the Plan was to terminate, the money in the Trust Fund would be used to provide benefits due according to the priority required by law and stated in the Plan document. No funds may be returned to any Employer. If any amounts remain after the benefits have been fully provided, the excess will be divided among Participants. The Board of Trustees will determine when benefits are paid after the Plan termination has been approved by the appropriate government agencies.

## SECTION 12: DEFINITIONS

### 12.01 Accrued Benefit

Accrued Benefit means the amount of monthly benefit that an eligible Participant is entitled to receive, as determined under the Plan, commencing at a Participant's Normal Retirement Age.

### 12.02 Annual Accrual

Annual Accrual means the amount earned during a Plan Year based on the Participant's work in Covered Employment.

### 12.03 Calendar Year

Calendar Year shall have the same meaning as Plan Year under Section 12.16.

### 12.04 Collective Bargaining Agreement

Collective Bargaining Agreement means a written agreement between the Union and an Employer that requires Contributions to this Fund.

### 12.05 Contributions

Contributions are the payments made to the Pension Fund by an Employer on behalf of an Employee as required under the applicable Collective Bargaining Agreement or other written agreements.

### 12.06 Covered Employment

Covered Employment means employment of an Employee by an Employer which would result or should result in Contributions being paid to the Fund.

### 12.07 Employee

If you work for an Employer who is required to pay Contributions to the Fund under a Collective Bargaining Agreement or other written agreement, you are an Employee under the Plan.

### 12.08 Employer

Employer means an employer signatory to a Collective Bargaining Agreement or other written agreement that requires Contributions to this Fund. The Union and the Pension and Welfare Funds shall also be considered Employers with respect to their Employees.

### **12.09 Hours of Work**

An Hour of Work is each hour you are paid, or entitled to be paid by an Employer, for your performance of work duties, including any back pay agreed to by your Employer.

### **12.10 Normal Retirement Age**

The Normal Retirement Age is age 65 with 5 years of continuous participation.

### **12.11 Participant**

Participant means you have met the requirements for participation as provided in Section 1.

### **12.12 Pension Credit**

Pension Credit is the unit of measurement used to determine a Participant's Annual Accrual during a Plan Year.

### **12.13 Plan or Pension Plan**

Plan or Pension Plan means the plan document as adopted by the Trustees known as the "Automobile Mechanics' Local No. 701 Union and Industry Pension Plan."

### **12.14 Plan A**

Plan A refers to the Bargaining Unit A Plan or Plan A plan of benefit established effective February 1, 1958.

### **12.15 Plan B**

Plan B refers to the Bargaining Unit B Plan or Plan B plan of benefits established effective April 1, 2011.

### **12.16 Plan Year**

The Plan Year is a period of twelve consecutive months from January 1 through December 31 and serves as the period for which Pension Credits, Years of Vesting Service and Breaks-in-Service are computed and recorded. It is also the fiscal year of the Fund for accounting and governmental reporting purposes.

### **12.17 Trust Fund or Fund**

Trust Fund or Fund means all assets of whatsoever kind and nature from time to time held by the Trustees pursuant to the terms and conditions of the trust agreement out of which benefits of the Plan are provided.



## 12.18 Trustees

Trustees mean the Board of Trustees of the Automobile Mechanics' Local No. 701 Union and Industry Pension Fund.

## 12.19 Union

Union means the Automobile Mechanics' Local No. 701, affiliated with the International Association of Machinists, AFL-CIO.

## 12.20 Weekly Contribution List

Weekly Contribution List means a list of weekly contribution amounts for a Participant in a Plan Year, sorted from highest to lowest.

## 12.21 Weekly Contribution Rate

Weekly Contribution Rate means the level of weekly contributions that are paid to the Plan that correspond to the level of accruals provided in Section 2.05.

## 12.22 Other Terms

Additional terms are defined within this SPD at the corresponding Section.

<b>Terms</b>	<b>Section</b>
1. 50% Spouse Option .....	6.01
2. 50% Spouse Option with Pop-Up.....	6.04
3. 60 or 120-Month Guarantee .....	6.04
4. 75% Spouse Option .....	6.04
5. 75% Spouse Option with Pop-Up.....	6.04
6. 100% Spouse Option .....	6.04
7. 100% Spouse Option with Pop-Up.....	6.04
8. Disability Pension .....	5.05
9. Early Pension.....	5.03
10. Future Service Credit.....	2.03
11. One-for-One Rule .....	2.03
12. Past Service Credits .....	2.03
13. Prohibited Employment.....	8.02
14. Qualified Domestic Relations Order .....	10.04

15. Qualified Preretirement Survivor Annuity .....	7.01
16. Regular Pension.....	5.02
17. Spouse .....	6.02
18. Vested Pension .....	5.04
19. Years of Vesting Service .....	3.01

You should also refer to the official Plan document for additional terms that are not defined in this SPD. Below are additional terms that are referenced in this SPD but are defined in the official Plan document.

<b>Terms</b>	<b>Plan Section</b>
1. Beneficiary.....	2.4
2. Contribution Period.....	2.12
3. Pension.....	2.27
4. Pensioner .....	2.31
5. Surviving Spouse.....	2.36

## SECTION 13: FEDERAL RIGHTS AND PROTECTION

### 13.01 Benefit Protection Through the PBGC

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

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

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. Therefore, the PBGC's maximum guarantee is \$35.75 per month times a Participant's years of credited service.

*Example 1:* If a Participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the Participant's years of service ( $\$500/10$ ), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ( $.75 \times \$33$ ), or \$35.75. Thus, the Participant's guaranteed monthly benefit is \$357.50 ( $\$35.75 \times 10$ ).

*Example 2:* If the Participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or  $\$200/10$ ). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus \$6.75 ( $.75 \times \$9$ ), or \$17.75. Thus, the Participant's guaranteed monthly benefit would be \$177.50 ( $\$17.75 \times 10$ ).

The PBGC guarantee generally covers:

1. Normal and early retirement benefits;
2. Disability benefits if you become disabled before the Plan becomes insolvent; and
3. Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

1. Benefits greater than the maximum guaranteed amount set by law;
2. Benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the earlier of:

- a. The date the Plan terminates; or
  - b. The time the Plan becomes insolvent;
3. Benefits that are not vested because you have not worked long enough;
  4. Benefits for which you have not met all of the requirements at the time the Plan becomes insolvent; and
  5. Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>. (29 C.F.R. 2520.102-3(m)(3)).

### **13.02 Your Rights Under ERISA**

As a Participant of the Automobile Mechanics' Local No. 701 Union and Industry Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all Plan Participants will be entitled to:

#### **1. Receive Information About the Plan and Your Benefits**

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and Union halls, all documents governing the Plan, including insurance contracts and Collective Bargaining Agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA).

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and Collective Bargaining Agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may assess 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 the annual funding notice.

Obtain a statement telling you whether you have a right to receive a Pension at Normal Retirement Age (generally age 65) and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a Pension, the statement will tell you how many more years you have to work to get a right to a Pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

You may also request to review any periodic actuarial report (including sensitivity testing) received by the Plan for any Plan Year, so long as the report has been in the Plan's possession for at least 30 days; any quarterly, semi-annual, or annual financial report prepared for the Plan by any Plan investment manager or advisor or other fiduciary which has been in the Plan's possession for at least 30 days; and any application filed with the Secretary of the Treasury requesting an extension under Section 304 of ERISA or Section 431(d) of the Internal Revenue Code and the Secretary's determination on the application.

The above information may only be requested with respect to Plan Years beginning after December 31, 2007. The Plan Administrator has 30 days from the day that your written request was received to provide the documents and the Plan Administrator may charge a reasonable fee that covers the cost of furnishing the documents requested. The Plan Administrator will not respond to requests for reports or applications that have already been furnished to you within the 12-month period immediately prior to the date on which the request was received by the Plan. The Plan Administrator is not required to furnish copies of outdated reports and will not provide copies of reports or applications that have been in the Plan's possession for six years or more as of the date on which the request was received by the Plan. The Plan Administrator does not have to disclose the information or data that served as the basis for any report or application being requested and the Plan Administrator will not disclose documents that contain individually identifiable or proprietary information about any Plan Participant, Beneficiary, Employee, fiduciary, or Contributing Employer.

## **2. Prudent Actions by Plan Fiduciaries**

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

### **3. Enforce Your Rights**

If your claim for a Pension is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan document or the latest annual funding notice from the Plan and do not receive them within 30 days, you may file a lawsuit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file a lawsuit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file a lawsuit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file a lawsuit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

### **4. Assistance with Your Questions**

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration (29 C.F.R. 2520.102-3(t)(2)).

## SECTION 14: APPENDIX

### 14.01 Spouse Option Factors

Table 1 Spouse Option Factors						
Age of Spouse in Relation to Age of Employee	50% Payable to Spouse		75% Payable to Spouse		100% Payable to Spouse	
	<u>Without Pop-Up</u>	<u>With Pop-Up</u>	<u>Without Pop-Up</u>	<u>With Pop-Up</u>	<u>Without Pop-Up</u>	<u>With Pop-Up</u>
<b>10 years younger</b>	.860	.850	.8100	.7900	.760	.730
<b>9 years younger</b>	.864	.854	.8145	.7935	.765	.734
<b>8 years younger</b>	.868	.857	.8190	.7970	.770	.738
<b>7 years younger</b>	.872	.861	.8235	.8015	.775	.742
<b>6 years younger</b>	.876	.864	.8280	.8050	.780	.746
<b>5 years younger</b>	.880	.868	.8325	.8085	.785	.750
<b>4 years younger</b>	.884	.871	.8370	.8120	.790	.754
<b>3 years younger</b>	.888	.875	.8415	.8165	.795	.758
<b>2 years younger</b>	.892	.878	.8460	.8200	.800	.762
<b>1 year younger</b>	.896	.882	.8505	.8235	.805	.766
<b>SAME</b>	.900	.885	.8550	.8270	.810	.770
<b>1 year older</b>	.904	.888	.8595	.8305	.818	.777
<b>2 years older</b>	.908	.891	.8640	.8340	.826	.784
<b>3 years older</b>	.912	.894	.8685	.8375	.834	.791
<b>4 years older</b>	.916	.897	.8730	.8410	.842	.798
<b>5 years older</b>	.920	.900	.8775	.8445	.850	.805
<b>6 years older</b>	.924	.903	.8820	.8480	.858	.812
<b>7 years older</b>	.928	.906	.8865	.8515	.866	.819
<b>8 years older</b>	.932	.909	.8910	.8550	.874	.826
<b>9 years older</b>	.936	.912	.8955	.8585	.882	.833
<b>10 years older</b>	.940	.915	.9000	.8620	.890	.840

## 14.02 120-Month Guarantee Option Factors

<b>Table 2 120-Month Guarantee Option Factors</b>	
<b>Age</b>	<b>120 Month</b>
55	0.980
56	0.976
57	0.972
58	0.968
59	0.964
60	0.960
61	0.956
62	0.952
63	0.948
64	0.944
65	0.940
66	0.932
67	0.924
68	0.916
69	0.908
70	0.900



### 14.03 Early Retirement Factors

**Table 3**  
**Age at Retirement in Years and Completed Methods**

	<b>55</b>	<b>56</b>	<b>57</b>	<b>58</b>	<b>59</b>	<b>60</b>	<b>61</b>	<b>62</b>	<b>63</b>	<b>64</b>	<b>65</b>
<b>0</b>	38.00%	42.00%	46.00%	50.00%	54.00%	60.00%	66.00%	74.00%	82.00%	90.00%	100%
<b>1</b>	38.33%	42.33%	46.33%	50.33%	54.50%	60.50%	66.67%	74.67%	82.67%	90.83%	
<b>2</b>	38.67%	42.67%	46.67%	50.67%	55.00%	61.00%	67.33%	75.33%	83.33%	91.67%	
<b>3</b>	39.00%	43.00%	47.00%	51.00%	55.50%	61.50%	68.00%	76.00%	84.00%	92.50%	
<b>4</b>	39.33%	43.33%	47.33%	51.33%	56.00%	62.00%	68.67%	76.67%	84.67%	93.33%	
<b>5</b>	39.67%	43.67%	47.67%	51.67%	56.50%	62.50%	69.33%	77.33%	85.33%	94.17%	
<b>6</b>	40.00%	44.00%	48.00%	52.00%	57.00%	63.00%	70.00%	78.00%	86.00%	95.00%	
<b>7</b>	40.33%	44.33%	48.33%	52.33%	57.50%	63.50%	70.67%	78.67%	86.67%	95.83%	
<b>8</b>	40.67%	44.67%	48.67%	52.67%	58.00%	64.00%	71.33%	79.33%	87.33%	96.67%	
<b>9</b>	41.00%	45.00%	49.00%	53.00%	58.50%	64.50%	72.00%	80.00%	88.00%	97.50%	
<b>10</b>	41.33%	45.33%	49.33%	53.33%	59.00%	65.00%	72.67%	80.67%	88.67%	98.33%	
<b>11</b>	41.67%	45.67%	49.67%	53.67%	59.50%	65.50%	73.33%	81.33%	89.33%	99.17%	

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