

Plumbers and Pipefitters Local 501 U.A.



Summary Plan Description

of the

NORTHERN ILLINOIS PENSION FUND

Defined Benefit Pension Plan

Effective August 1, 2010

To Participants and Beneficiaries of the Northern Illinois Pension Fund:

This document is a "Summary Plan Description" (SPD) of the Northern Illinois Pension Fund. Its purpose is to explain your rights under the Plan. It is based upon the Plan provisions that are in effect as of August 1, 2010. If you terminated employment before August 1, 2010, the Plan provisions in effect when you terminated employment generally apply to you. This SPD and other important information can also be viewed on the Fund's website.

You are urged to read this SPD carefully and to acquaint your family or beneficiaries with certain provisions of the Plan. The Plan was designed to be flexible, but certain types of benefits have important conditions or limitations. You should understand these conditions so that you can determine which of them apply to your situation.

This SPD has been prepared as accurately as possible. It outlines a complex and technical legal document (the Plan itself). In the event of any difference between the Summary Plan Description and the Plan, the terms of the Plan will control.

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INTRODUCTION

HOW THE PLAN WAS ESTABLISHED

The Plan is maintained pursuant to a collective bargaining agreement between the Plumbing and Mechanical Contractors Authority of Northern Illinois-Alliance, hereinafter referred to as “PAMCANI Alliance” and the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada and Plumbers and Pipefitters Local Union 501 (the “Union”).

The Plan consolidated three separate plans, one for the former Local 507, one for the former Local 319 and one for the former Local 514. Following the merger of these Locals, together with former Locals 554 and 612 to form a new Local 501, the defined benefit pension plans of former Local 319 and Local 514 were merged into the defined benefit pension plan of former Local 507. Certain benefits, rights and features of the prior plans were preserved in the merged Plan and no participants’ benefits were decreased as a result of the merger. This summary describes the benefits, rights and features that apply to all of the participants of the merged Plan and the benefits, rights and features that continue to apply only to benefits accrued under the prior plans.

A participant or beneficiary may obtain a copy of the collective bargaining agreements governing the Plan upon written request to the Board of Trustees or from your business agent. In addition, a copy of any such agreement may be examined at the Fund Office or Union office by participants and beneficiaries as required by Department of Labor Regulations 29 CFR §§ 2520.104b-1 and 2520.104b-30.

OVERVIEW OF THE PLAN

The Plan is called a “pension” plan. A pension plan allows you to earn a monthly retirement benefit while you work in a job for which contributions are required to be made to the Plan on your behalf. How much of this benefit you will actually receive depends on why and when you leave employment which is covered by the Plan.

If you are eligible for a pension benefit, the amount you will receive is a percentage of the total creditable contributions made for you by the contributing employers. Your benefit will be paid in one of the forms of payment discussed in the “Forms of Payment” section.

Contributing employers pay a monthly amount to the Plan in order to provide the benefits that participants have earned. The amount of the contribution is determined by the collective bargaining agreement or other written agreement requiring contributions to the Plan.

You will not be taxed on the contributing employer’s contributions until the amounts are actually distributed to you in the form of a pension benefit.

The Board of Trustees reserves the right to amend the Plan at any time, subject to the limitations of federal law protecting benefits you have already earned under the Plan. The Board of Trustees has full discretionary authority to construe all documents governing the Plan including the Trust Agreement, the Plan document, this summary and other relevant instruments. The Board of Trustees’ decisions shall be final and binding on all



parties in connection with any claim for benefits or any other issue relevant to the Plan, except to the extent that any such decision may be determined to be arbitrary or capricious by a court or arbitrator having jurisdiction over the matter.

HOW YOU BECOME A PARTICIPANT IN THE PLAN

Each person who is covered by the collective bargaining agreement between the Union and PAMCANI Alliance or by another written agreement requiring contributions on his or her behalf to the Plan and who is employed by a contributing employer is eligible to participate in the Plan.

You will become a participant in the Plan on the first day of the plan year following your completion of 400 hours of service. If you were a participant in prior plans for Local 319 or Local 514 on May 31, 1998 or would have become eligible to participate in either of those prior plans on June 1, 1998, you became a participant in the Plan on June 1, 1998. In addition, if you were a participant in the retirement plan maintained by either Local 554 or Local 612 on May 31, 1998, you became a participant in this Plan on June 1, 1998.

Benefits under this Plan will be paid only when the Board of Trustees, or persons delegated by them to make such decisions, decides, in its sole discretion, that the participant or beneficiary is entitled to benefits under the terms of the Plan.

If you leave a contributing employer after becoming a participant and are later reemployed by a contributing employer, you will again be a participant on the date you complete an hour of service for which a contribution is payable on your behalf.



KEY DEFINITIONS

The Plan uses a number of terms for which you need to know the meanings to understand your rights and benefits. Here are some of the more important terms:

“Break in service” is defined on page 16.

“Contributing employer” is an employer that is required by the collective bargaining agreement or other written agreement to make contributions to the Plan on behalf of its employees who are covered by the agreements. Since the Union and benefit funds providing benefits to employees represented by the Union make contributions on behalf of certain of their employees, they are also considered to be contributing employers.

Your **“frozen accrued benefit”** (if you were a participant in the Local 319 Plan or the Local 514 Plan) is the monthly benefit you were entitled to under the terms of those plans on May 31, 1998. The amount of your frozen accrued benefit is available from the Board of Trustees upon request. The method for calculating your frozen accrued benefit is set forth in Appendix A.

“Hours of service” are hours of employment that are used to determine vesting and to calculate your eligibility for benefits under the Plan. An “hour of service” includes:

1. Each hour that you work and for which you are paid by a contributing employer. Overtime hours are credited on the basis of the number of hours actually worked, rather than the number of hours paid.
2. Each hour for which you receive back-pay from a contributing employer.
3. Each hour of work you miss as a result of military service, provided you return to employment covered by the Plan while your rehire rights are protected by law. (See “Qualified Military Service” on page 22 for more information.)
4. Up to the lesser of 400 hours or one year of vested service for hours for which you are paid, but for which no duties are performed due to vacation, holiday, illness, layoff, jury duty, authorized leave of absence, or a period of disability for which a participant receives Loss of Time Benefits from the Northern Illinois Benefit Fund or would have been entitled to those disability benefits except that the disability was occupational. (Disability credit is granted at a rate of 45 hours of service per week of disability.) Hours credited in this manner are NOT counted toward determining whether a participant is eligible for a disability pension.

“Industry Employment” is defined on page 17.

The **“Plan Administrator”** is the Board of Trustees. The Board is divided equally between Trustees elected by the Union membership and by Trustees appointed by contributing employers. The Board of Trustees has discretionary authority to administer the Plan, including the right to establish the benefit formulas used in the Plan. The Board of Trustees employs a staff headed by a Plan Administrator which handles the day to day administration of the Plan.

“Plan Year” is the fiscal year of the Plan, which is July 1 through June 30.

“Prior plans” means the pre-merger Plumbers & Pipefitters Local 507 Pension Fund, The Journeymen and Apprentices of the Plumbing and Pipefitting Industry U.A. Local



319 Pension Fund Pension Plan and the DuPage County Plumbers and Pipe Fitters Local 514 Retirement Plan.

“**Vested Service**” is the number of years of employment which are used to determine your eligibility for retirement benefits under the Plan. Once you have five years of vested service under the Plan, you are fully vested under the Plan. The procedure for calculating your vested service is described in the “Vested Service” section.

VESTED SERVICE

“Vested service” is employment which determines whether you are eligible to receive a pension benefit. If you are eligible to receive a benefit, the term “vested” refers to the percentage of your pension benefit that you will receive no matter when or why you stop working for contributing employers. However, even if you are vested, the only benefits payable to anyone if you die before you begin to receive your pension benefits are the death benefits described in the “Pre-Retirement Death Benefits” section.

You are 100% vested if you are a participant and work for contributing employers until attaining normal retirement age. If you terminate employment with contributing employers before your normal retirement age, your vesting depends on your “years of vested service” earned while working for contributing employers.

Normally, you are fully vested under the Plan when you have five years of vested service.

If you have at least five years of vested service, you are 100% vested. If you have less than five years of vested service and were covered under a collective bargaining agreement or other written agreement requiring contributions to the pension plan of either Local 514, Local 554 or Local 612, you may be partially vested in your pension benefit (see the “Deferred Vested Pension” section). No pension will be paid if you terminate employment with less than five years of vested service (unless you were formerly covered under the Local 514, Local 554 or Local 612 collective bargaining agreement or other written agreement requiring contributions to the retirement plan covering the members of one of those Locals).

Your vested service will be calculated separately for two different time periods as explained below.

SERVICE BEFORE JUNE 1, 1998

For the period before June 1, 1998, you receive credit for vested service in accordance with the terms of the prior plans for Local 507, Local 514 and Local 319 in which you participated. The method for calculating vested service under the prior plans is set forth in Appendix B. If you were previously a covered employee under the retirement plans of Local 554 or Local 612, you do not receive vested service credit for any period prior to July 1, 1998, except that if you became a participant on June 1, 1998, you will receive one year of vested service for the plan year ending June 30, 1998 if you completed at least 400 hours of service between June 1, 1998 and May 31, 1999.



SERVICE AFTER JUNE 1, 1998

After June 1, 1998, you receive one year of vested service for each plan year beginning on or after July 1, 1998 in which you are credited with at least 400 hours of service (including the plan year prior to the date you become a participant in the Plan). If you became a participant in the Plan on June 1, 1998, you received a year of vested service for the plan year ending on June 30, 1998 if you were credited with at least 400 hours of service between June 1, 1998 and May 31, 1999.

In addition to the different methods of calculating vested service, two other rules are important to the determination of your vested service:

- You will not be given credit for more than one year of vested service in a plan year beginning after June 30, 1998.
- For purposes of determining your vested service, all hours of service with contributing employers covered by the collective bargaining agreement or other written agreement requiring contributions to the Plan and all verified contiguous hours of service with a contributing employer which are not covered by the collective bargaining agreement or other written agreement requiring contributions to the Plan will be taken into account.

Hours of service are “contiguous” if they are for non-covered employment, meaning employment for which your employer is *not* required to make contributions to the Fund, but that immediately precede or follow hours of service in covered employment that *are* covered by the collective bargaining agreement or other written agreement requiring contributions to the Plan. Hours are only contiguous if there has been no termination of employment between the covered and contiguous hours of service. No contiguous hours of service will be credited unless you report this information to the Fund Administrator within 90 days of initial participation, or if later, the end of the plan year in which you performed the contiguous hours of service. In reporting this information, you must give the name of the employer and also the dates and hours of the work.

RECIPROCAL AGREEMENTS

The Plan Trustees have adopted the United Association Reciprocity Agreement. Under this Reciprocity Agreement, you may receive credit for vested service under the Plan for work in the jurisdiction of other UA locals. You should contact the Fund Office to determine whether a specific UA local is also signatory to the United Association Reciprocity Agreement.

CALCULATION OF PENSION BENEFITS

This section explains how the Plan Administrator calculates the amount of your basic pension benefit. However, whether you are eligible to receive a benefit, and how much of the benefit you will receive if you stop working for contributing employers, is explained in other parts of this Summary Plan Description.

Your basic pension benefit is a monthly benefit equal to your frozen accrued benefit plus 4.25% of the total, non-forfeited creditable contributions made to the Plan on your behalf by contributing employers since June 1, 1998. Appendix A explains how your frozen accrued benefit is determined. The amount of creditable contributions made to the Plan on your behalf by the contributing employers is determined under the collective bargaining agreement. The terms of the collective bargaining agreement do not require contributing employers to make contributions for first-year apprentices.

NORMAL RETIREMENT PENSION

Normal retirement age is age 62.

However, if you were previously a participant in the prior plan for Local 319, your normal retirement age with respect to your frozen accrued benefit is the later of the date you attain age 65 and the date you have at least five years of vested service or have been a participant in the Plan (including the prior plan) for at least five years.

Normal retirement age is 62. However, you may also qualify for an unreduced benefit at age 60.

If you are a participant who is employed by a contributing employer when you reach your normal retirement age, your basic pension benefit (see the “Calculation of Pension Benefit” section) is fully vested, regardless of your actual years of vested service.

Unless you elect otherwise, your monthly pension benefit will begin within 60 days after the end of the plan year in which the last of the following occurs:

1. You reach age 62;
2. You terminate covered employment; or
3. The tenth anniversary of the date you began participation in this Plan.

A failure to complete and return an application for pension benefits will be deemed an election to defer commencement of benefits until such time as an application is filed. If you work beyond your normal retirement age, your pension will be increased. Your monthly benefit will be the basic pension benefit recalculated as of the date you actually retire, taking into account any additional non-forfeited, creditable employer contributions made on your behalf after your normal retirement age.

Payment of your monthly pension will be made in one of the methods described in the “Forms of Payment” section. You are required to complete certain distribution forms before your pension benefits can begin.



EARLY RETIREMENT PENSION

You are eligible for an early retirement pension if you terminate employment after reaching early retirement age but before normal retirement age.

“Early retirement age” means the age at which a participant has attained age 57 and has at least five years of vested service.

Your early retirement pension will be an amount equal to your basic pension benefit, unless reduced as described below.

Your early retirement pension benefit will begin on the first day of the month after you reach your early retirement age. However, you may elect to receive the early retirement pension on the first day of any month after your early retirement but before you reach normal retirement age.

You may also begin to receive your frozen accrued benefit at age 55 if you were previously a participant in the prior plan for Local 514 or Local 319 (and you have at least ten years of vested service if you were a participant in the prior plan for Local 319).

Early Retirement Reduction Factors

If you elect to begin receiving your pension before normal retirement age, your monthly benefit will be reduced because your pension benefits will be paid over a longer period than if you had waited to receive benefits until normal retirement age. The reduction with respect to the portion of your pension that is attributable to service after May 31, 1998 is 0.5% for each month that your benefit begins before age 62 (or age 60 if you qualify for an unreduced early retirement pension at age 60). The reduction percentage applicable to your frozen accrued benefit is set forth in Appendix C.

For example, assume that your basic pension benefit (none of which is a frozen accrued benefit) is \$3,000 per month at age 62, and that you decide to retire at age 59 and begin receiving your benefit right away. Your \$3,000 benefit is reduced by 18% for the 36 months between age 59 and age 62. Your pension benefit at age 59 would be \$2,460 per month.

Eligibility for Unreduced Early Retirement Pension at Age 60

The early retirement reduction factors will apply to any months between the date your early retirement benefits start and age 60 (instead of age 62) if you first retire on or after June 1, 2001 with at least one year of vested service in any plan year beginning on or after June 30, 2000, or if you were receiving disability pension benefits from this Plan on June 1, 2001.

For example, assume you qualify for the waiver of the over-60 reduction factors and that your basic pension benefit (none of which is a frozen accrued benefit) is \$3,000 per month at age 62. If you retire at age 59 and begin receiving your benefit right away, your \$3,000 benefit is only reduced by 6% for the 12 months between age 59 and age 60, for a pension benefit of \$2,820 per month.

If you returned to covered employment following a previous retirement that occurred prior to June 1, 2001, but you have at least one year of vested service in any plan year beginning on or after June 30, 2000, the reduction factors for months between 60 and



62 will be waived for the portion of your benefit that you earned after you re-entered covered employment.

Payment of your monthly pension will be made in one of the methods described in the "Forms of Payment" section.

DISABILITY PENSION

You are eligible for a disability benefit from the Plan if you become permanently and totally disabled after you have completed ten or more years of vested service and you have earned at least one year of vested service in either of the two plan years preceding your disability or in the plan year in which your disability occurred. However, no disability benefit will be paid during the period you receive a disability benefit under any other program to which a contributing employer contributes.

A person who was a prior participant in the former Local 554 or Local 612 plans who first became a participant in this Plan on June 1, 1998 will be eligible for a disability pension if the participant:

- Terminates employment on or after May 7, 2002 as a result of a total disability; and
- Has completed at least five years of vested service under this Plan after June 1, 1998, at least one of which was completed during the two plan years immediately preceding the date his total disability began.

"Permanently and totally disabled" means a mental or physical condition that permanently and totally prevents you from engaging in any regular construction occupation or employment and is expected to be permanent and continuous for the rest of your life. However, total disability does not include disability resulting from:

- Criminal activity;
- Self-addiction to illegal substances;
- Participation in a riot or state of civil unrest.

Your disability benefit will equal your full basic pension benefit, based on your frozen accrued benefit and the creditable contributions which have been made for you between June 1, 1998 and the date you terminate employment. Your monthly benefit will start on the first day of the month after the later of (a) your termination of employment, or (b) the date of your application for a disability pension.

Your benefits will stop if any one of the following occurs:

1. You engage in any occupation or employment for wages or for profit in excess of \$500 per month, or which, based upon all involved circumstances, including the type and amount of work performed, involves more than "minimal work";
2. The Plan Administrator determines on the basis of any medical exam that you no longer have a total disability;
3. You begin receiving a disability benefit under another program to which a contributing employer contributes;
4. You refuse a medical examination requested by the Plan Administrator;



5. You attain age 62; or
6. You die.

If you attain age 62 while receiving a disability benefit, you will become eligible to receive a normal retirement benefit in any form of payment available under the “Forms of Payment” section. If you die while receiving a disability benefit, your spouse or beneficiary will become eligible to receive the death benefit set forth in the “Pre-Retirement Death Benefits” section.

DEFERRED VESTED PENSION (IF YOU TERMINATE EMPLOYMENT BEFORE RETIREMENT)

You are eligible for a “deferred vested” pension benefit if you have completed at least five years of vested service and you terminate employment before qualifying for any other benefits under the Plan. If you leave before completing five years of vested service, you will not be eligible for any pension under the Plan. However, if you were previously a participant in the retirement plan for Local 554 or Local 612 and you became a participant in the Plan on June 1, 1998, you are eligible to receive a percentage of your basic pension benefit if you terminate employment with less than five years of vested service. The percentage is equal to 20% multiplied by your years of vested service.

In addition, if you were previously a participant in the prior plan for Local 514 and you have completed three years of vested service, you are eligible for 50% of your frozen accrued benefit. If you were previously a participant in the prior plan for Local 514 and you have completed four years of vested service, you are eligible for 75% of your frozen accrued benefit.

The amount of your pension will be calculated in the same manner as a basic retirement pension, based on your frozen accrued benefit and the total nonforfeited creditable employer contributions made on your behalf between June 1, 1998 and the date you terminate employment.

Your pension benefit will begin on the first day of the month after you reach your normal retirement age. However, if you have at least five years of vested service, you may elect to begin receiving your pension at any time between age 57 and your normal retirement age. Further, if you were previously a participant in the prior plan for Local 514 or Local 319, you may receive your frozen accrued benefit upon attaining age 55 (provided you have at least ten years of vested service if you were a participant in the prior plan for Local 319). If you elect to receive your benefit before your normal retirement age, the amount of benefit will be reduced in the same manner as an early retirement pension, based on your age when your benefits begin.

Payment of your pension will be in one of the forms described in the “Forms of Payment” section.



FORMS OF PAYMENT

AUTOMATIC FORMS OF DISTRIBUTION

Unless you elect a different form of payment, the Plan provides for the following “automatic” forms of distribution:

Five-Year Certain and Life Annuity (Unmarried Participants)

If you are unmarried, your benefit will be paid in the form of a “five-year certain and life annuity.” A five-year certain and life annuity pays you a monthly benefit for life, but guarantees a minimum of five years of benefits. If you die before receiving the guaranteed payments, your designated beneficiary will receive the balance of the payments. You may choose the person or persons to receive the benefits after your death. You may change your beneficiary at any time before your death. The five-year certain and life annuity is the “normal form” of payment under the Plan for unmarried participants.

Joint and 75% Survivor Annuity (Married Participants)

If you are married when your benefit begins, your benefit will be paid in the form of a “joint and 75% survivor annuity.” This form of benefit pays you a reduced monthly benefit for your life and, after your death, 75% of your benefit to your surviving spouse for his or her life. Your surviving spouse must be the same person to whom you are married when your benefits begin. No benefits are paid after your death if your spouse does not survive you.

If you are married, you may waive the joint and 75% survivor annuity form of distribution and elect an alternative form of benefit payment. However, your election is valid only if your spouse consents in writing to the waiver of the joint and 75% survivor annuity within 90 days before your benefit payments begin. Your spouse's consent must be witnessed by a Plan representative or by a notary public. You may revoke a waiver at any time before your benefits commence.

If you and your spouse waive the joint and 75% survivor annuity form of payment, you may elect instead to receive your benefit in the form of a five-year certain and life annuity or one of the optional forms.

OPTIONAL FORMS OF DISTRIBUTION

Joint and 50% or 100% Survivor Annuity

The joint and 50% or 100% survivor annuity pays you a reduced monthly benefit for life. After your death, your spouse will receive a monthly benefit equal to either 50% or 100% (as you elect at the time of retirement) of the monthly benefit you received, for the remainder of his or her life. Your surviving spouse must be the same person to whom you are married when your benefits began.



Joint and Survivor Annuity With Pop-Up

The joint and survivor annuity with pop-up feature pays you a reduced monthly benefit for life. After your death, your spouse will receive a monthly benefit equal to either 75% or 100% (as you elect at the time your benefit commences) of the monthly benefit you received for the remainder of his or her life. The amount of the reduction in your monthly benefit will depend on whether you choose the 75% or 100% survivor option. Your surviving spouse must be the same person to whom you are married when your benefits begin.

If your spouse predeceases you, the joint and survivor annuity will change back to the same amount you would have received if you had elected the five-year certain and life annuity. This will result in your monthly benefit being increased. The increase will be effective for the first day of the month after the date of your spouse's death, but in order to implement the increase, you must notify the Plan Administrator.

Lump Sum Distribution

If your monthly benefit payable in the form of a five-year certain and life annuity is less than \$50.00 per month, excluding the amount of your frozen accrued benefit, you can elect a lump sum form of payment. If the lump sum value, including your frozen accrued benefit, exceeds or has ever exceeded \$5,000, you, and, if you are married, your spouse must consent in writing to this form of payment.

Additional Forms of Distribution

Additional forms of distribution are available with respect to your frozen accrued benefit if you were previously a participant in the prior plan for Local 319 or Local 514. See Appendix D for a description of these forms of distribution.



DEATH BENEFITS

PRE-RETIREMENT DEATH BENEFITS

If you are vested in all or a portion of your basic retirement benefit and you die before receiving any part of your pension, there are three possible death benefits: the surviving spouse monthly benefit, the five-year certain death benefit and the lump sum death benefit. The type of death benefit which your beneficiary will receive depends on whether you die before or after your early retirement date and whether you are married when you die.

Surviving Spouse Benefits

If you are married when you die, your spouse's monthly benefit is 75% of the monthly benefit that you would have been paid if you retired and elected to receive a joint and 75% survivor annuity. The benefit will begin on the first day of the month following the later of your death and the date you would have reached your normal or early retirement date if you had lived. However, if you die prior to your early retirement date, your spouse may elect to receive the death benefit beginning the first day of the month following your death. If your spouse elects to receive the surviving spouse monthly benefit prior to your early retirement date, the monthly benefit will be reduced so as to be actuarially equivalent to the benefit payable at your early retirement date.

Instead of receiving the surviving spouse monthly benefit for life, your spouse may elect in writing, at any time before the monthly payments begin, to receive 60 monthly payments equal to 70% of the vested portion of your basic retirement pension earned to your date of death. This option may only be elected if the actuarial value is greater than the actuarial value of the spouse's monthly benefit under the 75% joint and survivor annuity.

Death Benefits Payable to Other Beneficiaries

If you are not married and you die after your early retirement date (but before you have retired and started receiving a pension), your beneficiary will receive 60 monthly payments equal to 70% of the vested portion of your basic retirement pension earned to your date of death. If you are not married and you die after you are vested in all or a portion of your basic retirement benefit but before reaching your early retirement date, or if you are married when you die, and your spouse dies less than 30 days after you, and neither your spouse nor your beneficiary are eligible for a death benefit under the prior plan for Local 319 or Local 514, your beneficiary will receive 60 monthly payments equal to 70% of your basic vested pension benefit.

You may designate your beneficiary on a form provided by the Plan Administrator. You should contact the Plan Administrator to obtain a form and should return the completed form to the Plan Administrator. You may change your beneficiary at any time before your death.

The death benefit payable to the beneficiary of a former participant in the prior plan for Local 319 or Local 514 is determined under a special rule for service prior to June 1, 1998. See Appendix E for a description of these benefits.



General Rules Governing Pre-Retirement Death Benefits

If you die before you are vested in any portion of your basic retirement benefit, no death benefit will be paid to your spouse or beneficiary.

Any death benefit payable to your spouse or beneficiary under the Plan will be reduced by any death benefit payable to an alternate payee with respect to your basic retirement benefit under a qualified domestic relations order.

POST-RETIREMENT DEATH BENEFITS

If you die while receiving benefit payments (other than disability benefit payments), your beneficiary will receive any payments continuing after your death in accordance with the form of distribution you selected at the time your benefit commenced.



BREAKS IN SERVICE

DEFINITION OF BREAK IN SERVICE

For the purposes of determining your years of vested service, you will have a “break in service” if you have less than 400 hours of service during a plan year. You will not have a break in service in any year in which you had an authorized leave of absence, or as a result of military service provided you apply for and resume employment with the contributing employer within the time limits established by the Uniformed Services Employment and Reemployment Rights Act of 1994.

If you leave work because of your pregnancy, the birth of your child, adoption of your child or caring for your child immediately after the birth or adoption, you will be credited with your normal work hours for each day of the absence, up to a maximum of 400 hours. These hours will be credited to the plan year that you leave, if the crediting is necessary to prevent a break in service in that period. In all other cases, the hours of service will be credited in the following plan year. This rule applies only for preventing a break in service and does not apply to maternity or paternity leaves prior to 1985.

CANCELLATION OF PRIOR SERVICE

If you have a break in service before you are vested in any benefits under the Plan (typically, before you have at least five years of vested service), your vested service will be canceled. The service which is canceled may be reinstated in some situations if you are reemployed by a contributing employer, as described in the next subsection.

REREDITING OF SERVICE

If you are rehired by a contributing employer following a break in service and you are again eligible to participate in the Plan, your prior vested service will be reinstated if:

- You had vested benefits when your break in service began; or
- You are reemployed before you have five consecutive breaks in service.

If you do not meet either of the conditions above, you will start over again just as a new employee and your previous vested service and all benefits based on your prior service will not be reinstated.



SUSPENSION OF BENEFITS

SUSPENSION OF BENEFITS OF REEMPLOYED RETIREES

Your pension will be suspended (i.e., not paid) for any month in which you work more than 40 hours in industry employment.

“Industry employment” means work in the jurisdiction of Local 501 (or in another jurisdiction if the employment results in the transfer of contributions to this Plan through a reciprocity agreement) for a contributing employer or other business entity engaged in business activities of the same type as any contributing employer, including work as a self-employed individual or for a nonunion company. It excludes employment as a plumbing inspector in any month during which no other industry employment is performed. For normal retirees, it also excludes hours worked as a faculty member of the Joint Educational Fund.

You must notify the Fund and provide any information needed by the Fund to verify the type and length of your employment, and the number of hours you worked in any month. You must also notify the Fund when your employment ceases. If you do not comply with these reporting requirements, and if the Trustees become aware of any work performed by you in industry employment, the Trustees will assume that you have worked more than 40 hours in your first and all subsequent months of re-employment until you notify the Fund that you are no longer working in such employment. If your work was at a construction site, the Trustees will presume that you worked for as long as the involved employer was working at that construction site. These presumptions can be overcome if you can establish that the work was not a basis for suspension of benefits.

You may request an advance determination by the Plan Administrator as to whether certain employment will result in a suspension of benefits.

RETURNING TO COVERED EMPLOYMENT

No benefit is payable for any month in which you work more than 40 hours in covered employment. Therefore, if you plan to work over 40 hours in any month, you should notify the Fund Office and your benefit payments will be stopped. Payments will be restarted when you notify the Fund Office that you will no longer be working more than 40 hours a month.

Any additional benefit you earn after you return to work will be reduced by the actuarial value of any benefit that was paid (i.e., not withheld) for any month in which you worked more than 40 hours.



Example: Joe Smith retires effective April 1, 2005 with an accrued monthly benefit of \$2,800 payable as a 5-year certain and life annuity. He returns to work in July 2005 for the number of hours shown below:

<u>Month</u>	<u>Hours</u>	<u>Creditable Contributions</u>
July 2005	37	\$ 127.65
August 2005	39	134.55
October 2005	39	134.55
January 2006	63	217.35
March 2006	15	<u>51.75</u>
		\$665.85
	Benefit rate	x 4.25%
	New accrual	\$ 28.30

The Plan provides for the calculation of new accruals each July 1. Based on his new hours, Joe earned an additional benefit of \$28.30 per month. However, because Joe did not notify the Fund Office that he would work more than 40 hours in January, his January check was not withheld. His new benefit must now be reduced by the actuarial value of that payment. The calculation is as follows:

1. Actuarial value of January payment	\$2,896.34
2. Actuarial value of new accrual	\$3,606.83
3. Offset percent (No. 1 div. by No. 2)	80.30%
4. New accrual before offset	\$ 28.30
5. Offset amount (\$28.30 x 80.30%)	<u>\$ 22.72</u>
6. New accrual after offset	\$ 5.58
7. Total benefit as of July 1, 2006	\$2,805.58

Under this Plan, these benefit offset provisions apply whenever a retired participant returns to work for more than 40 hours in a month, regardless of the form of payment elected on his original retirement date (including lump sum payments). Different rules apply to those receiving disability benefits.

CONTINUING TO WORK AFTER NORMAL RETIREMENT AGE

If you reach your normal retirement age and continue to work, the suspension rules will apply even though you have not actually retired. However, creditable contributions made on your behalf for hours worked after your normal retirement age will be counted when your benefit calculation is made. There will be no actuarial adjustment or increase in your benefit if you retire after age 62 and before the April 1 following the end of the year in which you attain age 70½. If you retire on or after the April 1 following the end of the year in which you attain age 70½, your benefit will be actuarially increased from such April 1 date to the date you actually retire.



WORKING WHILE RECEIVING A DISABILITY PENSION

Disability benefits will be terminated if you take ANY job(s) and earn in excess of \$500 per month, or if based on all facts and circumstances, it is determined that your employment involves more than “minimal work.”

RECOVERY OF OVERPAYMENTS

If benefits are paid during a period when benefits should have been suspended, the amount of any overpayment will be recovered from future benefit payments. When you stop working and benefits resume, the future payments will be reduced until the overpayment is recovered. Benefit overpayments will be recovered in accordance with the following terms:

- The first monthly payment due after resumption will be withheld in full and applied to the overpayment; and
- 25% of each future monthly payment will be withheld and applied to the overpayment until the full amount of the overpayment has been recovered. In the event that you die before the full amount of the overpayment is recovered, the balance will be deducted from any death benefit payable on your behalf.



GENERAL PLAN PROVISIONS AND INFORMATION

CLAIM AND APPEAL PROCEDURES

You must apply to receive your benefits from the Plan. However, if you fail to complete and return an application form, your benefits shall be paid in the relevant automatic form of distribution (described on page 12) 60 days after the close of the plan year in which the last of the following occurs:

- You attain age 62;
- You terminate employment; or
- You reach the tenth anniversary of the date you became a participant in the Plan.

Effective February 1, 2005 if you fail to complete and return an application form, you will be deemed to have elected a deferred commencement date.

The Plan Administrator will determine your eligibility for benefits based upon your application and the records it maintains. In resolving any claim for benefits under the Plan, the Board of Trustees shall possess and exercise the fullest extent of discretion afforded under relevant law. Benefits under this Plan will be paid only when the Board of Trustees, or persons delegated by them to make such decisions, decides, in its sole discretion, that the participant or beneficiary is entitled to benefits under the terms of the Plan. The Board of Trustees' decisions shall be final and binding on all parties in connection with any claim for benefits, except to the extent that any such decision may be determined to be arbitrary or capricious by a court or arbitrator having jurisdiction over the matter.

If your application for benefits is denied, in whole or in part, the Plan Administrator will give you written notice of the denial within 90 days after your claim is received, unless special circumstances require more time for processing the claim. If more processing time is required, the Plan Administrator will give you written notice of the extension before the initial 90-day period is completed. The extension will not be longer than 90 days from the end of the initial period.

You may make a written request to the Plan Administrator for a review of your denial. Your written request must be made within 60 days after the mailing date of your notice of denial or the date you receive your first benefit payment, whichever applies. You must refer to the Plan provisions on which your request is based and state the facts you believe justify a reversal or modification of the Plan Administrator's decision.

You may examine pertinent documents and submit pertinent issues in writing. You may have an authorized representative act for you in requesting a review. The Plan Administrator will review its decision denying benefits within 60 days after receiving your written request.

Request for Hearing

You may also request a personal hearing before the Plan Administrator or the Board of Trustees. Any such request must be made in writing and delivered to the Plan Administrator at the time you file your written request for a review of the denial of your claim.

Within 45 days of receipt of the notice of your wish to appear before the Plan Administrator, you will be notified of the date, time and place of the full hearing of your appeal by



first class mail addressed to the address contained in your written notice of appeal. In no case will the date for the hearing be set for a time longer than 90 days after the receipt of your notice of appeal. The time and place for the appeal will be convenient and accessible to you. Although it is not necessary, you may be represented by legal counsel of your choosing at the hearing. The cost of such representation must be borne entirely by you. At any time prior to the hearing, the Plan Administrator, at your request, will disclose to you all sources of information outside of the application itself on which the denial or rejection was based. You, or your representative, may examine all documents and records relating to the denial or rejection in the possession of the Plan Administrator.

The Hearing

A written record of the proceeding of the hearing will be kept. In conducting the hearing, the Plan Administrator will not be bound by the usual common law or statutory rules of evidence. You or your attorney will have the right to review the written record of the hearing, receive a copy of it and file objections to it. Copies will be made of all documents and records introduced at the hearing, attached to the written record of the hearing and made a permanent part thereto.

All information upon which the Plan Administrator based its original decision will be disclosed to you at the hearing. In the event that additional evidence is introduced by the Plan Administrator which was not made available to you prior to the hearing, you will be granted a continuance, if you so desire, in which to examine the new evidence. The continuance shall not exceed 30 days.

You will be given the opportunity to present any evidence in support of your claim for benefits. In the event that you introduce evidence which was not previously available to the Plan Administrator, the hearing may be adjourned for a period not to exceed 30 days so that the Plan Administrator may investigate and determine whether the new evidence should be considered.

Within 30 days after the conclusion of the hearing, you will be mailed written findings of fact and the determination of the Plan Administrator. The decision of the Plan Administrator will be final, binding and conclusive upon you.

Claims for Disability Pensions

In the case of an application for a disability pension, the initial decision on such benefits by the Plan Administrator will be made within 45 days, with the possibility of further extensions by two separate periods of 30 days if the extension is due to circumstances beyond the control of the Plan. The Plan Administrator will notify the participant of the first extension before the expiration of the initial 45-day period, and of the second extension prior to the end of the 30-day first extension. In addition, requests for additional information from the Plan Administrator regarding the claim will be made within the initial 45-day time period. The participant will have 45 days to obtain the information and, if the information is not supplied, the claim for benefits will be denied within 30 days of the deadline to provide the information. The period for requesting review by the Trustees of an adverse decision from the Plan Administrator regarding a disability pension is 180 days after the Plan Administrator's denial of the claim.



Review of a decision by the Trustees in such a case must ordinarily be made within 45 days of receipt of the request for review. If the Trustees require additional time, written notice of the extension shall be furnished prior to the end of this 45-day time period, with a final decision rendered no later than 90 days after the Trustees received the request for review from the participant, unless the participant caused or contributed to the postponement. If the Trustees require additional medical information regarding the disability pension application, they must consult a medical professional who is not the same individual or a subordinate of the person requested by the Plan Administrator.

QUALIFIED DOMESTIC RELATIONS ORDER

If you become divorced, a portion of your pension benefit may be assigned to your former spouse under the terms of a qualified domestic relations order (“QDRO”). A QDRO is a court order that usually relates to a property settlement in a divorce. The QDRO may provide for a distribution to your former spouse of an assigned portion of your pension benefit.

The QDRO must satisfy certain legal requirements before it may be approved by the Plan Administrator. You may want to have the QDRO reviewed by the Plan Administrator before it is entered with the court. Copies of the Plan's QDRO procedures are available from the Plan Administrator free of charge.

QUALIFIED MILITARY SERVICE

If employment terminates due to qualified military service (performance of duty on a voluntary or involuntary basis in a uniformed service), the participant shall be credited with hours of service for the hours he would have been scheduled to work during the period of qualified military service, provided he applies for, and resumes, employment with the contributing employer within the time limits established by the Uniformed Services Employment and Reemployment Rights Act of 1994. This service counts toward vesting credit and toward the amount of benefits, which will be paid upon retirement. The amount of these benefits will be paid from Plan assets. Reemployments initiated prior to December 31, 1994 are governed under prior law, which may also provide credit toward vesting and/or amounts of benefits for periods of military service interrupting covered employment under the Plan.

TERMINATION OR AMENDMENT OF THE PLAN

The Board of Trustees reserves the right to amend or terminate the Plan at any time for any reason. However, no amendment may be adopted if it alters the basic principles of the Trust Agreement founding the Fund, is in conflict with collective bargaining agreement provisions applicable to contributions to the Fund, is contrary to laws governing multiemployer ERISA trust funds or is contrary to agreements entered by the Trustees. While an amendment may be made retroactively, to the extent permitted under applicable law, it cannot reduce a benefit accrued prior to the amendment or eliminate an optional form of benefit applicable to a benefit accrued prior to the amendment unless such an amendment is permitted under applicable federal law. In addition, subject to



provisions of the Plan, no amendment may reduce the percentage of the accrued benefit in which a participant is vested.

The Plan may be terminated at any time by a vote of the Trustees, upon mutual agreement between the Union and PAMCANI Alliance to terminate the Plan, or by a mutual agreement of the Union and PAMCANI Alliance to terminate the Trust, if the action is taken in conformity with applicable law. The Plan will also terminate upon the termination of the Trust by the occurrence of any one or more of the following events: (1) no individuals are living who can qualify as employees, (2) the adoption after September 26, 1980 of a Plan amendment providing that participants will receive no credit for any purpose under the Plan for service with an employer after the date specified in the amendment, (3) the withdrawal of every employer from the Plan or the cessation of obligation of all employers to contribute under the Plan, (4) upon action taken by the PBGC under ERISA Section 4042(a), (5) when there is no longer a written agreement or other obligation between any employer and the Union or the Fund requiring contributions to the Fund, or (6) in the opinions of the Trustees the Fund is inadequate to carry out the intent and purpose of this agreement or to meet the payments due or to become due under this agreement to persons already receiving benefits. The Plan may also become "partially terminated" with respect to certain participants if the conditions for such a termination under applicable law are present.

If the Plan is terminated, the benefits you earned before the termination will be fully vested to the extent funds exist to support the benefits. The Plan assets will then be used to provide benefits to the participants and to pay the expenses of the termination. Procedures applicable under federal law will apply. In addition, a "priority" system has been set forth in the Plan for the payment of benefits to participants after the expenses of termination are satisfied, with all payments to be determined in accordance with applicable PBGC regulations. The allocation shall be made under classifications which are intended to conform with Section 4044 of ERISA and PBGC rules. In substance, benefits are paid in the following order, with allocations to be made to a "lower" priority group only if assets are sufficient to pay all benefits in all of the "higher" priority groups

1. The actuarial equivalent of the remaining benefits to be paid to persons whose pension benefits commenced three or more years prior to the Plan termination date;
2. The actuarial equivalent of the remaining benefits to be paid to persons for whom a pension benefit could have been made if they had elected to retire three or more years prior to the Plan termination;
3. The actuarial equivalent of the pension benefits under the Plan that are guaranteed by the PBGC under Title IV of ERISA, in accordance with PBGC regulations, in the following order of priority: (a) participants who have terminated employment and are receiving pension benefits on the date of termination, (b) participants who could have elected to terminate employment and receive benefits on the date of termination, and (c) all other participants who have accrued benefits;
4. The excess of the actuarial equivalent of the pension benefit for each participant which would have been paid if the participant's employment with the employer had terminated on the day of termination of the Plan over the amounts that are guaranteed by the PBGC;
5. The excess of the actuarial equivalent of the accrued benefit of the participant on the date of termination over the amounts previously allocated under Nos. 1-4 above; and



6. If assets remain after the allocations in Nos. 1-5 above, remaining amounts will be used to increase the benefits of participants as determined by the Trustees in their discretion.

If assets are insufficient to provide full benefits to one of the above priority classes, the “lower” priority classes will receive no distribution and the allocation to each participant in the last priority class will be reduced in proportion to the assets available to satisfy that class. In addition, the amount to be allocated shall not be in excess of the actuarial equivalent of the pension benefits that would have been payable had these pension benefits been payable under the provisions of the Plan in effect at the time during the five years preceding termination that produce the lowest pension benefits.

PBGC PROTECTION

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. Under the multiemployer program, the PBGC guarantee equals a participant’s years of service multiplied by: (1) 100% of the first \$11 of the monthly benefit accrual rate, and (2) 75% of the next \$33. The PBGC’s maximum guarantee limit is \$35.75 per month times a participant’s years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$12,870.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the Plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at earliest 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 multiemployer benefit guarantees, go to PBGC’s website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).



IRS DISTRIBUTION REQUIREMENTS

None of the benefit distribution options described in this booklet will be available unless the distributions to you and your beneficiary satisfy certain minimum distribution requirements established by the Internal Revenue Code. (The government generally requires minimum payments to begin no later than April 1st following the year in which you reach age 70 1/2.)

Also, current federal income tax laws limit the amount of pension benefits a participant may receive. The maximum amount a person can receive varies based on the person's year of birth, retirement age and year of retirement. If your accrued benefit exceeds any of the federal limits, the Plan has no choice but to reduce your benefit to the maximum amount allowed. (Note that if you are eligible for a benefit that would otherwise exceed the federal limit you may be able to keep within the limit by electing a different method of payment.)

ROLLOVERS

Under the tax laws, lump sum payments of pension benefits may be eligible for tax-free rollover to an IRA or another eligible retirement plan. Whether or not a plan is an "eligible retirement plan" is determined in accordance with IRS rules. If you are entitled to a benefit that is eligible for rollover, you can have all or any portion of your payment paid in a direct rollover, meaning that your payment will be made directly to your IRA or another eligible retirement plan. The Fund Office will help you determine whether you can elect a rollover, and will explain your rights and obligations regarding rollovers and withholding requirements.

STATEMENT OF ERISA RIGHTS

As a participant in the Northern Illinois 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 are entitled to:

Receive Information About Your Plan and 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.
- 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 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.

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 Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan 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 you believe that Plan fiduciaries misuse the Plan's money, or if you believe 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 them.

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 Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits 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. You may also find answers to your questions and a list of EBSA field offices at the website of the EBSA at www.dol.gov/ebsa.

How to Read or Get Plan Material

You can read the material listed in the previous section by making an appointment at the Fund Office during normal business hours. This same information can be made available



for your examination at certain locations other than the Fund Office. The Fund Office will inform you of these locations and tell you how to make an appointment to examine this material at these locations. Also, copies of the material will be mailed to you if you send a written request to the Fund Office. There may be a small charge for copying some of the material. Before requesting material, call the Fund Office to find out the cost. If a charge is made, your check must be attached to your written request for the material. Contact information for the Fund Office is shown below.

Northern Illinois Pension Fund
1295 Butterfield Road
Aurora, IL 60502-8879
Telephone: 630-978-4600
Fax: 630-978-4616
Email: benefitfunds@ualocal501.org
Website: www.ualocal501.org

GENERAL INFORMATION ABOUT YOUR PLAN

Name of Plan/Fund - The name of your Plan is Northern Illinois Pension Fund.

Plan Sponsorship and Administration - Your Plan is sponsored by a joint labor-management Board of Trustees. The Board of Trustees is the Plan Administrator. The Board is divided equally between Trustees elected by the Union membership and by Trustees appointed by contributing employers. The names and addresses of the individual Trustees are shown on page 29.

Union members of the Board of Trustees are elected by the membership of Plumbers & Pipefitters Local 501, U.A., 1295 Butterfield Road, Aurora, IL 60502-8879. Employer members of the Board of Trustees are appointed by the Plumbing and Mechanical Contractors Authority of Northern Illinois Alliance (PAMCANI Alliance), 603 Rogers Street, Suite 2, Downers Grove, IL 60515. A complete list of employers and the employee organizations sponsoring the Fund may be obtained by participants and beneficiaries upon written request to the Board of Trustees, and is available for examination by participants and beneficiaries, as required by DOL regulations 29 CFR § 2520.104b-1 and 2520.104b-30. This right includes a “superseded” collective bargaining agreement if such agreement controls any duties, rights or benefits under the Plan.

The Trustees are assisted in the administration of the Fund by a salaried Administrative Manager, who is an employee of the Fund. The name and address of the Administrative Manager, which is also the address of the Fund Office, is shown on page 29.

Service of Legal Process

Mr. Robert E. Niksa
Administrative Manager
Northern Illinois Pension Fund
1295 Butterfield Road
Aurora, IL 60502-8879

Service of legal process may also be made on the Administrative Manager or any member of the Board of Trustees.



Source of Financing/Plan Participation - The Fund receives contributions from employers under the terms of collective bargaining agreements and participation agreements and from the Union, the Northern Illinois Benefit Fund, the Pension Fund and the Joint Education Fund. Employees are entitled to participate in this Plan if they work under one of the collective bargaining agreements or participation agreements and if the required contributions are made to the Fund on their behalf. Administrative employees of the Union, Benefit Fund, Pension Fund and Joint Education Fund are also entitled to participate in the Plan.

Type of Plan - Defined Benefit Pension Plan

Plan Administrator's Identification Number - 36-2663798

Plan Number - 001

Plan Year - July 1 through June 30

Plan Consultant and Actuary

Watkins, Ross & Co.
161 Ottawa Ave., N.W., Suite 505
Grand Rapids, MI 49503

Fund Legal Counsel

Mr. Hugh Arnold
Attorney at Law
Arnold & Kadjan
19 West Jackson Boulevard
Chicago, IL 60604



BOARD OF TRUSTEES OF THE NORTHERN ILLINOIS PENSION FUND

Employer Trustees

Ms. Lori Abbott (Chairperson)
Abbott Industries
225 William Street
Bensenville, IL 60106

Mr. Frank Kennedy
Gehrett Plumbing
4743 South Knox
Chicago, IL 60632

Mr. Chris LaVoie
Capital Mechanical Ind.
998 N. Lombard Road - Suite 150
Lombard, IL 60148-1262

Mr. Dan Mahoney
Mahoney Plumbing
501 Bank Lane
Highwood, IL 60040

Mr. Gary Rippentrop
G's R Plumbing
1831 E. Lincoln Highway
DeKalb, IL 60115

Mr. Martin Schulz
Premier Mechanical
111 South Fairbank
Addison, IL 60101-3119

Union Trustees

Mr. Thomas E. Andrews (Secretary)
Plumbers and Pipefitters Local 501
1295 Butterfield Road
Aurora, IL 60502-8879

Mr. Joseph Blasing
Plumbers and Pipefitters Local 501
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Mr. Paul Hinterlong
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Mr. Scott Melahn
Plumbers and Pipefitters Local 501
1295 Butterfield Road
Aurora, IL 60502-8879

Mr. Scott Roscoe
Plumbers & Pipefitters Local 501
1295 Butterfield Road
Aurora, IL 60502-8879

Fund Administrative Manager

Mr. Robert E. Niksa
Northern Illinois Pension Fund
1295 Butterfield Road
Aurora, IL 60502-8879



APPENDIX A

FROZEN ACCRUED (PRE-JUNE 1, 1998) BENEFIT CALCULATIONS

LOCAL 507

The monthly amount of your frozen accrued benefit will be equal to the sum of your years of service between July 1, 1958 and June 30, 1968, if any, multiplied by \$2.00 (past service benefit) plus 4.25% of the total, nonforfeited employer contributions made on your behalf between July 1, 1968 and May 31, 1998 (future service benefit).

For example: If you completed ten years of service between July 1, 1958 and June 30, 1968 and total nonforfeited employer contributions of \$50,000.00 were made to the plan for you between July 1, 1968 and May 31, 1998, your frozen accrued benefit will be calculated as follows:

Past Service Credit (10 years x \$2.00)	\$ 20.00
plus	
Future Service Benefit (4.25% x \$50,000)	\$2,215.00
Total	\$2,145.00 per month

LOCAL 319

The monthly amount of your frozen accrued benefit will be equal to 3.75% of the total, nonforfeited employer contributions made on your behalf between June 1, 1958 and May 31, 1998.

LOCAL 514

The monthly amount of your frozen accrued benefit will be equal to the sum of:

- 4.25% of the contributions made to the prior plan on your behalf between June 1, 1995 and May 31, 1998;
- \$83.17 times the years of accrual service you earned between June 1, 1987 and May 31, 1995;
- \$55.00 times the years of accrual service you earned between June 1, 1977 and May 31, 1987;
- \$30.00 times the years of accrual service you earned between June 1, 1963 and May 31, 1977; and
- \$13.50 times the years of accrual service you earned before June 1, 1963.

Your years of accrual service are determined in accordance with the following chart based on the number of hours of service in covered employment you worked during those years:

Years of Accrual Service Credited for Plan Years Beginning

<u>Hours of Service in Covered Employment</u>	<u>6/1/86 through 5/31/95</u>	<u>6/1/77 through 5/31/86</u>	<u>6/1/63 through 5/31/77</u>
	*	1.5	1.0
2,480-2,599	1.9	1.5	1.0
2,360-2,479	1.8	1.5	1.0
2,240-2,359	1.7	1.5	1.0
2,120-2,239	1.6	1.5	1.0
2,000-2,119	1.5	1.5	1.0
1,880-1,999	1.4	1.4	1.0
1,760-1,879	1.3	1.3	1.0
1,640-1,759	1.2	1.2	1.0
1,520-1,639	1.1	1.1	1.0
1,400-1,519	1.0	1.0	1.0
1,280-1,399	0.9	0.9	0.9
1,040-1,279	0.8	0.8	0.8
920-1,039	0.7	0.7	0.7
800-919	0.6	0.6	0.6
700-799	0.5	0.5	0.5
600-699	0.4	0.4	0.4
500-599	0.3	0.3	0.3
400-499	0.2	0.2	0.2
Less than 400	none	none	none

* There is no limit on the number of years of accrual service that were credited. You earn an additional 0.1 year of accrual service for every 120 hours of service in covered employment in excess of 2,480.

You may also have earned up to ten years of accrual service for periods prior to June 1, 1963 if you were employed in covered employment prior to June 1, 1963.

For example: If you completed three years of accrual service between June 1, 1977 and May 31, 1987 and 13.2 years of accrual service between June 1, 1987 and May 31, 1995 and total non-forfeited contributions of \$10,000 were made on your behalf between June 1, 1995 and May 31, 1998, your frozen accrued benefit will be calculated as follows:

3 years x \$55.00	\$ 165.00
plus	
13.2 years x \$83.17	\$1,097.84
plus	
4.25% x \$10,000	<u>\$ 425.00</u>
Total	\$1,687.84 per month



APPENDIX B

VESTED SERVICE

LOCAL 507

You will receive one year of vested service for each plan year beginning on or after July 1, 1976 (and before June 1, 1998) in which you are credited with at least 400 hours of service (including the plan year prior to the date you become a participant in the Plan). Years of service for plan years prior to July 1, 1976 are determined in accordance with the terms of the plan as it existed in 1976.

LOCAL 514

You earn one year of vested service for each plan year beginning on and after June 1, 1963 and prior to June 1, 1998 in which you have at least 1,000 hours of service. If you work less than 1,000 hours but at least 400 hours in a plan year, you earn a partial year of vested service, as shown in this table:

<u>Hours of Service</u>	<u>Years of Vested Service</u>
1,000 or more	1.0
900-999	0.7
800-899	0.6
700-799	0.5
600-699	0.4
500-599	0.3
400-499	0.2
Less than 400	none

You can also receive credit for up to ten years of vested service if you were employed by a contributing employer before June 1, 1963.

LOCAL 319

You receive one year of vested service for each plan year beginning prior to June 1, 1998 in which you complete at least one hour of service with a contributing employer.



APPENDIX C

EARLY RETIREMENT REDUCTION FACTORS

The following provisions apply if you earn vesting credit after June 30, 2000 and retire on or after June 1, 2001.

LOCAL 507

0.5% per month for each month your frozen accrued benefit begins before you reach age 60 (age 62 if you did not earn vesting credit after June 30, 2000 and first retire on or after June 1, 2001).

LOCAL 514

5% for each year (adjusted proportionately to allow for fractional parts of a year) your frozen accrued benefit begins before you reach age 60 (age 62 if you did not earn vesting credit after June 30, 2000 and first retire on or after June 1, 2001).

LOCAL 319

5% per year for each year or portion of a year your frozen accrued benefit begins before you attain age 60 (age 65 if you did not earn vesting credit after June 1, 2000 and first retire on or after June 1, 2001, but age 60 if you completed at least 30 years of service).



APPENDIX D

ADDITIONAL FORMS OF DISTRIBUTION AVAILABLE WITH RESPECT TO FROZEN ACCRUED BENEFITS

LOCAL 514

Joint and Survivor Annuities

The joint and 50%, 66 2/3%, 75%, or 100% survivor annuity pays you a reduced monthly benefit for life. After your death, your spouse (or other beneficiary) will receive a monthly benefit equal to either 50%, 66 2/3%, 75%, or 100% (as you elect at the time your benefit commences) of the monthly benefit you received, for the remainder of his or her life. The amount of the reduction in your monthly benefit will depend on whether you choose the 50%, 66 2/3%, 75%, or 100% survivor option, and your ages at the time your benefit commences.

Single Life Annuity

A single life annuity pays you your full frozen accrued benefit for your life. No benefits are paid after your death.

Joint and Survivor Annuity With Pop-Up Feature

The joint and survivor annuity with pop-up feature pays you a reduced monthly benefit for life. After your death, your spouse will receive a monthly benefit equal to either 50%, 66 2/3% or 100% (as you elect at the time your benefit commences) of the monthly benefit you received for the remainder of his or her life. The amount of the reduction in your monthly benefit will depend on your ages and on whether you choose the 50%, 66 2/3% or 100% survivor option. Your surviving spouse must be the same person to whom you are married when your benefits begin.

If your spouse predeceases you, the joint and survivor annuity will be converted to a single life annuity. This will result in your monthly benefit being increased. The increase will take effect on the first day of the month after the Plan Administrator receives notice of your spouse's death, but in order to implement the increase, you must notify the Plan Administrator.

Certain and Life Options

Whether you are married or single at retirement, a 5-, 10- or 15-year (60, 120 or 180 months, respectively) certain and life option may be elected. Under these options, a reduced pension is paid for your life-time. You may choose to have either 60, 120 or 180 monthly benefit payments guaranteed. As a result, if you die before the guaranteed number of monthly benefit payments have been paid, the remaining monthly payments are paid to your spouse or beneficiary. The more monthly benefit payments that are guaranteed, the greater the reduction to your monthly benefit. You may choose the person or persons to receive the benefits after your death. You may change your beneficiary at any time before your death.

Level Income Option

Whether you are married or single at retirement, you may elect a level income option. This option is available only for early retirement. It pays a greater benefit until you become eligible for Social Security benefits, and a smaller benefit afterwards. The purpose is to provide a uniform income throughout



retirement. Contact the Fund Office for more information if you wish to have your frozen accrued benefit paid this way.

LOCAL 319

Joint and Survivor Annuity

The joint and survivor annuity pays you a reduced monthly benefit for life. After your death, your spouse will receive a monthly benefit equal to 50%, 75% or 100% (as you elect at the time your benefit commences) of the monthly benefit you received, for the remainder of his or her life. Your surviving spouse must be the same person to whom you are married when your benefits begin.

Single Life Annuity

A single life annuity pays you your full frozen accrued benefit for your life. No benefits are paid after your death.

Joint and Survivor Annuity With Pop-Up

The joint and survivor annuity with pop-up feature is the same as the regular joint and survivor annuity, except that if your spouse predeceases you, your pension will be converted to a single life annuity. This will result in your monthly benefit being increased. The increase will be effective for the first day of the month after the date of your spouse's death, but in order to implement the increase, you must notify the Plan Administrator.

Lump Sum

A single lump sum payment of the present value of your frozen accrued benefit is available only to participants who terminate employment on or after their normal or early retirement date.

Ten-Year Period Certain and Life Annuity

A ten-year period certain and life annuity pays you a reduced monthly benefit for life, but guarantees a minimum of ten years of benefits. If you die before receiving the guaranteed payments, your spouse or other beneficiary will receive the balance of the payments. You may choose the person or persons to receive the benefits after your death. You may change your beneficiary at any time before your death.



APPENDIX E

DEATH BENEFITS FOR SERVICE PRIOR TO JUNE 1, 1998

LOCAL 319

The amount of the death benefit payable after your death with respect to service performed prior to June 1, 1998 and the forms of payment available to your beneficiary depend on your age and service at the time of your death.

A. Death While Employed and After Age 55 with 25 Years

If you die while employed by a contributing employer and after attaining age 55 and completing at least 25 years of service (which can be after June 1, 1998), your spouse or beneficiary will receive the greater of:

1. A lump sum payment equal to 100% of the creditable employer contributions made to the Plan on your behalf before June 1, 1998, plus interest at the rate of 5% per annum, compounded annually, from June 1, 1979 to the date of distribution; or
2. A benefit, payable in any form available to you as a former member of Local 319 with respect to your frozen accrued benefit as set forth in Appendix C, in an amount equal to the actuarial value of the benefit you had earned at the earlier of the time of your death or May 31, 1998.

If the actuarial value of the benefit under A-2 is greater than the actuarial value of the benefit under A-1 above, your spouse may elect to receive the lump sum death benefit under A-1 and the difference between the actuarial value of the benefit under A-1 and A-2 in the form of a life annuity.

B. Death While Employed and After Five Years of Service but Before Age 55 with 25 Years

If you die while employed by a contributing employer but before you reach age 55 and complete 25 years of service, your beneficiary will receive the amount determined in A-1 above. However, if you are married on the date of your death, your spouse may elect to receive the benefit that would have been payable after your death if you had lived until you were eligible to begin receiving benefits and elected to receive your frozen accrued benefit in the form of a joint and 50% survivor annuity and died immediately thereafter. Your spouse may elect to receive this benefit in the form of a lump sum payment or a life annuity as described in A-2 above.

C. Death After Termination of Employment and Completion of at Least Five Years of Service

If you die while you are not employed by a contributing employer but after you have completed at least five years of service, your beneficiary will receive a lump sum payment equal to 75% of the creditable employer contributions made on your behalf to the prior plan before June 1, 1998 without interest. However, if you are married on your date of death, your spouse may elect to receive the benefit that would have been payable after your death if you had lived until you were eligible to begin receiving benefits and elected to receive your frozen accrued benefit in the form of a joint and 50% survivor annuity and died immediately thereafter. Your spouse may elect to receive this benefit in the form of a lump sum payment or a life annuity as described in A-2 above.



LOCAL 514

A. Single Sum Death Benefit

If you die before you begin to receive benefit payments but after you have completed at least three years of service (having worked at least 400 hours each of those years), your spouse (or other beneficiary if you have no spouse) will receive a death benefit equal to the sum of:

1. \$500 multiplied by your years of accrual service completed prior to June 1, 1974; plus
2. \$1,000 multiplied by your years of accrual service completed on and after June 1, 1974.

Your years of accrual service are determined in accordance with the chart that starts on page 31.

You may also have earned up to ten years of accrual service for periods prior to June 1, 1963 if you were employed in covered employment prior to June 1, 1963.

B. Surviving Spouse Annuity

If you are married on your date of death and you have completed at least three years of service (having worked at least 400 hours in each of those years), your spouse shall also receive the remainder of:

1. The benefit that would have been payable after your death if you had lived until you were eligible to begin receiving benefits and elected to receive your frozen accrued benefit in the form of a joint and 50% survivor annuity and died immediately thereafter; minus
2. The amount of monthly benefit that would have been payable to your spouse if the total of the single sum death benefit had been used to provide a monthly benefit for such spouse in the form of a life annuity on a full cash refund basis.

This surviving spouse annuity benefit shall be payable as of the later of the date you die or the first day of the month in which you would have attained age 55.

Alternatively, your spouse may decline the single sum death benefit and instead receive the amount in B-1 above before B-2 is subtracted. If your spouse chooses this option, but dies before receiving an amount equivalent to the single sum death benefit, the difference between the value of the single sum death benefit and the amount paid to your spouse will be paid to your spouse's beneficiary.