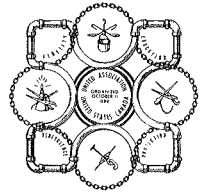


PLUMBERS AND PIPEFITTERS LOCAL 501 NORTHERN ILLINOIS BENEFIT FUNDS



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To All Northern Illinois Retirement Fund Participants:

The Boards of Trustees have made several recent plan changes. We are enclosing the following documents for you as a participant in the Plan.

Northern Illinois Retirement Fund

- Enclosed are replacement pages no. 12 & 13 (yellow copies) for the Northern Illinois Retirement Fund Summary Plan Description binder which more clearly describes the two types of separation from employment distributions and the rules that apply to the General Separation Distribution and the Cash-Out Distribution.

Please insert these updated replacement pages in the appropriate Summary Plan Description binders. If you have any questions, please feel free to contact the Fund Office.

Sincerely,

Robert E. Niksa
Administrative Manager

REN/clb
Encl.

later than 90 days following the calendar year in which you reach age 70½ irrespective of whether you have retired.

When can I receive a distribution for total and permanent disability?

You can receive a distribution for total and permanent disability if you apply for benefits and you meet the Pension Plan's definition of "permanently and totally disabled," which is that your disability is permanent and continuous for the remainder of your life, that the disability prevents you from engaging in any regular construction occupation or employment, and that the disability was not incurred from criminal activity, a war injury or other similar cause.

When can I receive a distribution for separation from employment?

There are two types of separation from employment distributions.

1. "General separation" distributions are made for participants who have left the plumbing and pipefitting trade or left Local 501's jurisdiction. ***The "general separation" distribution applies to any participant (including travelers and non-bargaining unit participants) if the participant cannot receive a "cash-out" distribution.***
 - a. ***You will be entitled to receive a lump sum distribution if any portion of your Local 501 amount was accrued prior to June 1, 2004 provided you have not worked in employment or self-employment as a plumber or pipefitter in the construction industry in the jurisdiction of Local 501 for fourteen months, including performance of work in any capacity, without a bona-fide termination of employment from your last contributing employer.***
 - b. ***The same rules apply if all your Local 501 amount was accrued on and after June 1, 2004 except that your period of non-employment in the industry must have been two years (rather than fourteen months) within the State of Illinois (rather than in the Union's jurisdiction).***
 - c. ***You will be also entitled to receive a lump sum distribution of all your Local 501 amount if you have left covered employment as a result of either termination from the Joint Education Fund apprenticeship program; or you discontinued working under a permit.***

General separation distributions cannot be made if the participant is transferred to a non-bargaining unit position but continues to be employed by the same employer.

2. "Cash-Out" distributions are generally for travelers and non-bargaining unit participants, and can be involuntary or voluntary.
 - a. "Involuntary cash-out" (mandatory) distributions are for participants:
 - Who are NOT members of Local 501 and who do NOT pay an agency fee to Local 501;
 - Whose accumulated share is \$1,000.00 or less;
 - Who have an accumulated share that consists solely of a Local 501 amount;
 - Who terminate Plan participation;
 - Who do NOT have one or more hours of work in covered employment during the month that Plan participation terminates or in the next following month; ***and***
 - ***Who terminate employment from the employer for whom the participant last performed covered employment.***



- b. "Voluntary cash-out" distributions are for participants who would otherwise qualify for an involuntary cash-out under the rules above, but who had an accumulated share greater than **\$5,000**. A participant with an accumulated share in excess of \$5,000.00 may not receive a voluntary cash-out unless the participant's accumulated share was greater than \$5,000 on June 1, 2004. In accordance with federal law, the participant will be given the opportunity to have at least 30 days to consider whether he wishes to receive this voluntary distribution.

Under both the involuntary and voluntary cash-out provisions, distribution of the qualifying employee's accumulated share will be made in the form of a lump sum and will generally be made no later than the end of the second plan year following the plan year in which the termination of participation occurred. However, a distribution may be made at a later time if the facts are affirmatively demonstrated establishing a "termination of participation in the plan."

Once a person receives an involuntary cash-out he ceases to be a participant in the Plan. This does not prevent that person from returning to covered employment at a later date and once again becoming a Plan participant after having one hour of service.

How does the death benefit work?

If you die before you have received a distribution of the entire amount of your Individual Account, it will be paid to your beneficiary. Normally this beneficiary is your surviving spouse. To the extent required under a Qualified Domestic Relations Order a surviving spouse may include a person to whom you were formerly married. However, if there is no surviving spouse or if the surviving spouse has consented in writing to the designation, your death benefit will be paid to the beneficiary which you had designated in writing at the time of your death. If you did not properly designate a beneficiary, the amount will be paid to your surviving children equally, or if there are no surviving children, to your surviving parents. If you don't have a surviving parent, then payment will be made to your executor or other personal representative for distribution in accordance with heirship laws.

Can I receive a "hardship" distribution of all or part of my accumulated share?

No. Although the Plan used to allow participants to take hardship distributions in certain situations, the Plan was amended effective January 1, 2001 to eliminate this form of distribution.

What can I do with any distribution?

You can either take it in an immediately taxable lump sum or, if permitted, you may "roll over" the distribution to an IRA or other eligible retirement plan to defer taxation.

Who is eligible to receive benefits in the form of a rollover?

Either you or your surviving spouse. However, in the case of your surviving spouse the distribution may only be rolled over into an IRA or individual retirement annuity and not into another eligible retirement plan. No other beneficiary is permitted to roll over a distribution.