



PLUMBERS AND PIPEFITTERS LOCAL 501

NORTHERN ILLINOIS BENEFIT FUNDS

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NORTHERN ILLINOIS RETIREMENT FUND SUMMARY PLAN DESCRIPTION MATERIAL MODIFICATION

I INTRODUCTION

The Trustees of the Northern Illinois Retirement Fund ("the "Plan") have amended the Plan. Changes have been made in time periods applicable to appeal procedures regarding Total and Permanent Disability Benefits in order to comply with federal law. In addition, the Trustees are communicating to you to clarify certain Plan provisions applicable to credit to your Individual Account for time spent in Qualified Military Service. Finally, the Trustees are providing you with disclosures about the Plan which are not fully contained in the current Summary Plan Description and which are required under federal law.

This is a summary of the changes and the involved Plan provisions. It is presented to you as an addition to the Summary Plan Description. If you have any questions about it, contact the Plan's Administrator. A copy of the Plan is available for your inspection. If there is any discrepancy between the Plan and this Summary of Material Modification, the provisions of the Plan, as amended, will control.

II GENERAL INFORMATION

There is certain information you may need to know about changes in the Plan, disclosures concerning the Plan, and with respect to the Plan Administrator. This information is presented below.

1. Changes made concerning appeal procedures are designed to incorporate the procedures applicable to Total and Permanent Disability Benefit applications filed on or after January 1, 2002. Changes made with respect to Qualified Military Service are effective with the Plan's June 1, 1997 Effective Date and apply to re-employments initiated on or after December 31, 1994. Other disclosures concern matters, which reflect the current provisions of the Plan.
2. The name, address and telephone number of the Plan Administrator are:

Board of Trustees
Northern Illinois Retirement Fund
1295 Butterfield Road
Aurora, IL 60504
(630) 978-4600
3. The Plan Administrator keeps the records for the Plan and is responsible for its administration. The Administrator will answer any questions you may have about the Plan.

III SUMMARY OF CHANGES AND DISCLOSURES

1. Changes have been made in certain provisions applicable to Total and Permanent Disability Benefits in order to comply with federal regulations. In the case of an application for Total and Permanent Disability Benefits, the initial decision on such benefits by the Administrative Manager 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 Administrative Manager 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 Administrative Manager 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 of 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 Administrative Manager regarding Total and Permanent Disability Benefits has been extended to 180 days after the Administrative Manager'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 Total and Permanent Disability Benefits application they must consult a medical professional who is not the same individual or a subordinate of the person requested by the Administrative Manager.
2. The Trustees also wish to communicate with you concerning individual account credit after Qualified Military Service under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), as well as under prior law. Effective with respect to reemployments on or after December 31, 1994, if employment terminates due to Qualified Military Service (performance of duty on a voluntary or involuntary basis in a Uniformed Service), the Employee shall receive credit toward participation, contributions, benefits and service for Qualified Military Service in accordance with Section 414(u) of the Code (USERRA). This would include vesting, although the full and immediate vesting provisions of the Plan mean that a Participant is 100% vested upon completion of the first hour of Covered Employment under the Plan. Any contributions necessary to provide such benefits shall be the responsibility of the last employer for whom the employee performed Covered Employment prior to the period of Qualified Military Service. This provision is effective upon the Plan's June 1, 1997 Effective Date and is applicable to reemployments initiated on or after December 31, 1994.
3. The remaining items in this Summary of Material Modifications represent disclosures concerning the Plan, which reflect current Plan provisions and which are required to be specifically disclosed in a Summary Plan Description under amended regulations issued by the Department of Labor. One of these requirements is for the Trustees to provide you with information concerning the Plan's "type." The paragraph "Type of Plan" on page 20 is revised to state: "The Northern Illinois Retirement Fund is classified as a defined contribution, individual account, profit sharing plan."
4. A further requirement is that the Trustees provide information regarding procedures applicable to Qualified Domestic Relations Orders (QDRO's). The answer to the question "Can my benefits be assigned or attached?" at page 18 of the current Summary Plan Description is amended to add the following sentence: "Participants and beneficiaries can obtain, without charge, a copy of procedures governing qualified domestic relations order (QDRO) determinations from the Board of Trustees by contacting the Administrative Manager."
5. A further requirement is that provisions regarding the statutory definition of "normal retirement age," be included. Under the relevant statute the "normal retirement age" is defined as age 65. However, the full Local 501 Amount may be received, upon retirement, at age 57, and full benefits under the Local 554 Amount may be received upon retirement at age 60. In order to avoid confusion, references to "the normal retirement age" on pages 10 and 14 of the Summary Plan Description are deleted.

6. Another requirement under the Regulations is for the Trustees to summarize for you Plan provisions governing the authority of the Plan sponsors or others to amend the Plan, and the effect of such amendment upon benefits. The answer to the question, on page 19, "Can the Plan be amended?" is changed to read as follows:

Yes. The Plan may be amended by the Trustees at any time. However, no amendment may reduce benefits which have been approved for payment if funds are available for payment of the benefits nor reduce your Individual Account other than for losses to the Trust. In addition, 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 multi-employer ERISA trust funds or is contrary to agreements entered by the Trustees. Further, 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.

7. The Trustees must also provide information regarding plan provisions governing termination of the Plan, the effect upon benefits of any such action, and the existence of any PBGC insurance coverage for benefits. The question and answer: "What happens if the Plan terminates?" on page 19 of the Summary Plan Description is changed to read as follows:

When and how can the Plan be terminated, and what happens if the Plan is terminated?

The Plan may be terminated at any time by a vote of the Trustees, upon mutual agreement between the Union and the Employer Association to terminate the Plan, or by a mutual agreement of the Union and the Employer Association 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 terminates, the benefits you earned prior to termination will continue to be fully vested to the extent funds exist to support the benefits. The expenses of the Plan will be paid. Thereafter, each Participant shall receive that part of the total remaining assets of the Plan in the same ratio as the Participant's Accumulated Share bears to the aggregate amount of the Accumulated Share of all Participants. No part of the assets shall be returned to any Employer or inure to the benefit of any Employer or to the Union.

Because this is an "individual account plan" under ERISA Section 3(34), 29 U.S.C. § 1002(34), the benefits of the Plan are not insured under Title IV of ERISA, pursuant to ERISA Section 4021(b)(1), 29 U.S.C. § 1321(b)(1), which excludes "individual account plans" from benefit insurance coverage by the PBGC.

8. The Trustees have also been given a slightly altered form for the "Participant Rights" section of the Summary Plan Description. This section shall now read:

As a participant in the Northern Illinois Retirement Fund you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

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 Pension and Welfare Benefit 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 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 the law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (statutorily defined as age 65, although full benefits at retirement are available at age 57 for the Local 501 Amount, or for the Local 554 Amount, age 60) 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 twelve (12) months. The Plan must provide the statement free of charge.

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 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 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 disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit 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 suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued

to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

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 Pension and Welfare Benefits Administration. The Hotline number is currently 1-800-998-7542.

Summary of Material Modification

EIN: 36-4166381 PN: 001

June 2002