



# **UNITED FOOD & COMMERCIAL WORKERS INTERNATIONAL UNION PENSION PLAN FOR EMPLOYEES**

**Summary Plan Description  
Revised May 1, 2016**





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## To All Participants

Greetings:

I am pleased to enclose the Summary Plan Description (SPD) describing the benefits under your United Food and Commercial Workers International Union Pension Plan for Employees ("Pension Plan") as of May 1, 2016. We are very proud of the benefits that the Pension Plan provides to employees of our organization. The Pension Plan is a program that will help ensure a secure retirement for our employees.

This booklet will give you the information you need to determine your eligibility to participate in the Pension Plan, when you can retire, and how to estimate your monthly pension, and will provide other important facts about the Pension Plan.

The booklet is organized for your use as follows:

Section One – Outlines general information about the Plan.

Section Two – Outlines the Plan's eligibility requirements and the types of benefits for which you are eligible. Examples are provided.

Section Three – Relates to Plan operations and ERISA information.

If you have any questions regarding the Pension Plan or would like to receive a copy of the Pension Plan, please contact:

UFCW Benefits Office

1775 K Street, N.W.

Washington, D. C. 20006-1598

(202) 223-3111, ext. 1207

We hope that you find this important information regarding your pension benefits under the Pension Plan helpful in planning your retirement.

Sincerely and fraternally,



Anthony M. Perrone

International President



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## SECTION ONE - GENERAL INFORMATION

This Summary Plan Description (“SPD”) contains a summary of the rights and benefits that pertain to you under the Pension Plan; it is not the Pension Plan document. A summary cannot cover in detail each provision of the Pension Plan and how it might work in every situation for every Participant. Therefore, in the event of any difference between this SPD and the actual provisions of the Pension Plan, the Pension Plan will determine your rights. The Pension Plan is available from the UFCW Benefits Office. If you have trouble understanding any part of this material, call or write the UFCW Benefits Office.

In addition, the Pension Plan and the rules under which it is administered are subject to change by the Executive Committee from time to time. Should this occur, you will be notified of any changes to the SPD and Pension Plan as required by law. The Pension Plan document in effect at the time you leave Eligible Employment will generally control your right to benefits and other options available to you. Therefore, if you left Eligible Employment prior to the effective date of this booklet, some of the provisions in this booklet may not apply to you.

### I. Name and Type of Pension Plan

The name of the Pension Plan is the United Food and Commercial Workers International Union Pension Plan for Employees. The Pension Plan is the result of the 1979 merger of the Retail Clerks International Union Retirement Plan for Employees and the Amalgamated Meat Cutters and Butcher Workmen of North America Retirement Plan and Trust Fund. It is a defined benefit pension plan. Certain employees may be covered by collective bargaining agreements which refer to participation in this Plan. Copies of those Agreements may be obtained upon written request to the Plan Administrator or your Employer and are available for examination by Participants and Beneficiaries. The Plan Year is the twelve-month period commencing on May 1st of each year.

### II. Plan Sponsor

The sponsor is the Executive Committee of the United Food and Commercial Workers International Union (“International Union”), and its address is 1775 K Street, NW, Washington, D.C. 20006-1598.

The employer identification number of the Plan is 52-1106251. The Plan number assigned by the Executive Committee of the International Union to this Plan is 002. Participants and beneficiaries may, upon written request to the Plan Administrator, request information as to whether a particular employer maintains the Plan.

### III. Administrator of the Plan

The Administrator of the Pension Plan is the Executive Committee of the United Food and Commercial Workers International Union (“International Union”). The Executive Committee is also the Named Fiduciary of the Plan. The findings, determinations, and decisions of the Executive Committee are final and binding. The Executive Committee is the sole entity responsible for determining the standard of proof required in any case and of the application and interpretation of the Plan. The Executive Committee shall have the power to interpret, apply, and amend the provisions of the Trust Agreement and this Plan and make factual determinations regarding its administration. The address of the Executive Committee members is 1775 K Street, NW, Washington, D.C. 20006-1598 and the telephone number is (202) 223-3111. The names of the Executive Committee are:

Anthony M. Perrone  
Esther R. Lopez  
Paul R. Meinema  
Stuart H. Appelbaum  
Shaun Barclay

### IV. Contributions to the Plan

The Pension Plan is supported by contributions made by the International Union, the Chartered Local Bodies and the Affiliated Funds on behalf of their employees, and by the Participants covered under the Pension Plan, that are appropriate, in consultation with the Plan’s Actuary, to fund the Pension Plan. For a definition of Salary that is subject to this contribution requirement see page 2-3.

### V. Background Information—Participant Groups

The Plan started on June 30, 1979. However, it was not a new plan. It was a continuation of the Retail Clerks International Union Retirement Plan (“RCIU Plan”) and the Amalgamated Meat Cutters

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and Butcher Workmen of North America Retirement Plan and Trust Fund (“AMC&BW Plan”), which merged on that date. Since 1979, the Plan has been amended several times and several plans have merged into this Plan. In its present form, it includes all changes to the Pension Plan through May 1, 2015. The Plan now covers three groups of people.

First, there are Participants and Beneficiaries who are receiving benefits under the terms of:

- the Prior Plans: the RCIU Plan and the AMC&BW Plan or other merged plan; and
- the Plan as in effect from June 30, 1979, to present.

Benefits of these persons are based on the benefits in effect on the date the person ceased to be in Eligible Employment as a Participant and any subsequent improvements that specifically apply to their benefits.

The second group consists of Former Participants who have ceased to work in Eligible Employment covered by this Plan or a Prior Plan and are entitled to receive a pension to start some time in the future. Benefits for this group are based upon the benefits provided by the Plan in effect at the time the individual ceased to be an active Participant.

The third group consists of active Participants under this Plan.

## **SECTION TWO - BENEFITS PROVIDED BY THE PLAN**

### **I. Eligibility to Participate**

Participant means an Employee in Eligible Employment who has satisfied the requirements to participate in the Pension Plan. Eligible Employment means employment on or after the first day of the month following your 18th birthday on the regular payroll as an officer or employee of the International Union, any of the Local or District Unions or Intermediate Chartered Bodies (as described in the International Constitution), or an Affiliated Fund that participates in the Plan, on or after April 30, 1999, generally in the United States or its territories and possessions. This also means “Eligible Employment” as defined under the prior AMC&BW Plan or employment as an “Employee” as defined in the RCIU Plan. Employment is excluded if it is within a unit covered by a collective bargaining agreement

that provides for exclusive coverage in another pension plan or excludes participation in this Plan.

A Former Participant means a person who, on June 30, 1979, was a former participant in the AMC&BW Plan; or had withdrawn from the RCIU Plan, through termination of employment or otherwise, with a right to a deferred vested pension; or a Participant who, after June 30, 1979, leaves Eligible Employment, or ceases to be a Participant while remaining in Eligible Employment, and has a right to vested deferred age retirement payments.

In this SPD, the term Employer means the International Union, any Chartered Local Body and any Affiliated Fund. Affiliated Fund means an employee welfare benefit plan, pension plan or other organization established or maintained by the International Union or any Chartered Body that is accepted for participation in the Plan by the Executive Committee, executes a written participation agreement, and makes the required contributions for its Employees.

To become an active Participant in the Pension Plan, you must (1) be in Eligible Employment, (2) apply in writing and be accepted by the Executive Committee as a Participant, and (3) make the Employee Contributions required by the Plan.

### **A. Participant Contributions**

On and after January 1, 2003, and through April 30, 2005, all Participants were required to contribute five percent per month of their gross Salary for all periods of Employment on or after January 1, 2003. Effective May 1, 2005, all Participants are required to contribute four percent per month of their gross Salary for all periods of Employment. Salary means your basic wage and overtime received while you are in Eligible Employment, including salary reduction contributions under any 401(k) plan or cafeteria plan in which you participate—for example, your Savings and Retirement Plan. It does not include such items as expense allowances, reimbursements of any kind, bonuses, severance pay, money for vacations worked, gratuities, the cost of fringe benefits or any additional compensation, or retroactive pay increases (except for those pay increases covered in a retroactively effective collective bargaining agreement that provides for coverage in this Plan). Accumulated Contributions means the total amount contributed to this Pension Plan, or a qualifying Prior Plan, by or on behalf of



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a Participant, plus interest earned under the terms of the Pension Plan. Effective May 1, 2005, Salary is capped at \$150,000 for all purposes under the Plan, including the application of the Employee contribution requirements. Prior caps on Salary are set forth on page 10.

## **B. Leaves of Absence**

Under specified conditions, if you are a Participant and are on an approved leave of absence, you will be treated as a Participant earning Vesting Service and Benefit Service if:

- You go directly to military service or are called up for active duty in the Reserve or National Guard of the U.S. or Canada (and are a citizen of that country), as long as you do not seek a refund of Accumulated Contributions and you return to Eligible Employment within six months after the end of your leave. This does not apply to periods of reenlistment not required by the draft, national emergency, or war. You must make Employee Contributions during periods of military service for your months of leave based on your last full month of Salary when you left.
- In addition, you will be treated as a Participant earning Vesting Service and Benefit Service in accordance with federal law if you meet the requirements for coverage under the Uniformed Service Employment and Reemployment Rights Act of 1994. See page 5 for more information.
- You are on a leave approved by the Executive Committee, for up to two years, because of pregnancy, illness, or injury, and you do not elect to receive a refund of Accumulated Contributions and you return to Eligible Employment within six months of pregnancy, illness, or injury. In addition, you must pay the required Employee Contributions for your months of leave based on your last full month of Salary when you left. This payment must be made prior to your final separation from employment.
- You are on any other leave of absence approved by the Executive Committee for up to two years, as long as you meet the same conditions as for leave for pregnancy, illness or injury and, in addition, a contribution is received from you (or on your behalf) that is equal to the Employer

Contribution for the period of leave.

A leave other than a military leave that is extended for more than two years with the approval of the Executive Committee will also be covered. To receive approval for a leave of absence, you must apply in writing to the Executive Committee. To receive credit for a military leave, you should supply the Executive Committee with documentation showing the date of your entry into Military Service and the date of your return to Eligible Employment.

## **II. SERVICE**

It is important that you understand how Service is determined because it is the basis for calculating your Vesting Service, which determines your right to benefits, and your Benefit Service, which determines the amount of your benefit.

### **A. Service Prior to June 30, 1979**

Your Vesting Service and Benefit Service prior to June 30, 1979, consist of the amount of your Vesting Service and Benefit Service credited under the prior RCIU or AMC&BW Plans. However, if you became a Participant in the Plan as a result of a different merger, see “Service Prior to a Merger” below.

### **B. Service Prior to a Merger**

If you become a Participant as a result of a merger, consolidation, or affiliation by the UFCW with another labor organization, your Vesting Service and Benefit Service prior to the date of merger, consolidation, or affiliation with the UFCW, regardless of when it was earned, are described in Appendix 2 to the Plan document and a separate insert provided in this booklet if your benefits under this Pension Plan are affected by the terms of the pre-merger plan.

### **C. Service After June 30, 1979**

You receive credit for a Month of Service if you made the required Employee Contributions for that period and you worked at least one Hour of Service during the month.

An Hour of Service is generally any of the following, as an officer or employee on the regular payroll of an Employer:

- an hour for which you are paid, or entitled to payment for the performance of duties;

- an hour for which, although no duties were performed, you are paid, or entitled to payment; for instance, vacations, paid holidays, illness, layoff, jury duty or leave of absence; or
- an hour for which back pay is awarded or agreed to by the employer.

You may not receive overlapping credit for the same hour under two or more paragraphs above.

However, if you become a Participant in the Pension Plan as a result of a merger, see “Service Prior to a Merger.”

#### **D. Your Period of Service Determines Your Vesting Service**

Vesting Service is used to determine your right to retirement payments. If you do not qualify for such a right, Vesting Service also is used to determine whether your prior Benefit Service and Vesting Service are lost if you leave Eligible Employment, as described on page 6.

A year of Vesting Service is earned for calendar years during which a Participant earns at least six Months of Service. A Month of Service means any month in which an Employee is credited with one Hour of Service. Vesting Service also includes:

- Vesting Service credited under the prior RCIU or AMC&BW Plans;
- Periods of leave of absence taken in accordance with the terms of the Plan;
- The period of time during which you receive disability retirement payments if you again become an active Participant within 90 days after your last disability payment;
- Months of service that a Participant earned as a participant under the pension plan of another labor organization prior to participation in this Pension Plan if agreed to by the Executive Committee at the time of employment; and
- Vesting Service credited as the result of a merger.

#### **E. One Year Break in Service**

A One Year Break in Service is a calendar year in which you did not receive Vesting Service for at least three months. Solely for purposes of determining whether a One Year Break in Service has occurred, you will be credited with up to three months of Vest-

ing Service if you are absent from work because of:

- your pregnancy;
- birth of your child;
- adoption of a child; or
- caring for your child immediately following birth or adoption.

You also will not incur a One Year Break in Service if you are absent from Eligible Employment for leave for family medical reasons under the Family Medical Leave Act of 1993, as amended. The Executive Committee will require you to provide proof that the absence is for one of the permitted reasons. If you satisfied the Plan’s leave of absence rules (as described on page 23), this provision does not apply, because an approved leave of absence allows you to continue to earn Vesting and Benefit Service if applicable requirements are met.

#### **F. Loss of Vesting Service**

If you lose your Vesting Service, you also lose all your Benefit Service. When this happens, you may have this Vesting and Benefit Service restored only if you satisfy one of the Vesting Service restoration rules. You lose your Vesting Service and Benefit Service before retirement if:

1. You die, unless your spouse or other Continuent Annuitant is eligible for a lifetime survivor pension; or
2. You have not met the requirements for vested deferred age retirement payments or attained age 65 at the time you terminate Eligible Employment.

Under the Pension Plan, if you have one Hour of Service after November 30, 1988, you are eligible for vested deferred age retirement payments if you have five or more years of Vesting Service. If you do not have at least one Hour of Service after that date, you are eligible for deferred vested age retirement payments if you had ten or more years of Vesting Service.

If you terminated Employment before December 1, 1988 and are reemployed later, you will be treated as a new Participant unless one of the service restoration rules applies. In addition, your prior Vesting Service and Benefit Service are forfeited if you were not eligible for vested deferred age retirement payments when you left.

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## **G. Restoration of Vesting Service After November 30, 1988**

If you have an Hour of Service after November 30, 1988, and you terminated Eligible Employment before you became vested, your previous Vesting Service will be restored to you upon reemployment in Eligible Employment, provided that (1) you earn three Months of Service in that calendar year, and (2) your period of consecutive One Year Breaks in Service does not equal or exceed five years.

## **H. Vesting Service and Benefit Service During Military Service**

The Uniformed Services Employment and Reemployment Rights Act (“USERRA”) provides reemployment rights and benefits and protection from discrimination to individuals who, either by induction or as a volunteer, have entered military service in any branch of the uniformed forces of the United States. If you satisfy the conditions for protection under USERRA, your period of military service will be treated as Hours of Service for all purposes under the Pension Plan, including vesting, benefit accrual and eligibility in accordance with law. You also can “make up” the Employee Contributions that you would have made if you had remained in Eligible Employment, within a period (beginning with the date of reemployment) that is three times the duration of your military service, not to exceed five years. No retroactive interest is credited on your “make up” contributions and you will receive credit for these contributions only to the extent that you actually make the required Employee Contributions to the Pension Fund. You must make Employee Contributions during periods of military service for your months of leave based on your last full month of Salary when you left.

To be entitled to reemployment rights and pension benefits under the USERRA, you must:

1. be absent from Eligible Employment with an Employer because of your military service;
2. give advance notice of your service to your Employer, unless notice is prevented by military necessity or otherwise is impossible or unreasonable to give under the circumstances;
3. be absent for military service for five years or less, unless extended service is required as part of your initial period of obligation or your ser-

vice is involuntarily extended, such as during a war;

4. apply for a job with your Employer or another Employer within the requisite time period; and
5. receive an honorable discharge or satisfactorily complete military service.

For periods of service of less than 31 days or an absence due to a fitness exam, you must report back to employment no later than the first regularly scheduled work period on the first day after an eight hour break and after time for travel back home. For periods of service from 31 days to 180 days, you must reapply for employment within 14 days after military service. For service over 180 days, you must reapply within 90 days after completion of service. These limits may be extended under USERRA in particular circumstances.

Effective May 1, 2007, if you otherwise would qualify for reemployment rights under the law after your military service, but you are not reemployed because of your death or disability while performing qualified military service, you will be treated as having returned to employment on the day before your death, and then having terminated employment on the date of your death, for the purpose of determining your Vesting Service under the Pension Plan, to the extent required by law.

Effective May 1, 2009, if you receive differential wages from your Employer during a period of qualified active duty military service that lasts for more than 30 days, those differential wages will be counted as Salary under the Pension Plan for purposes of calculating your benefit, to the extent required by law.

Effective May 1, 2010, if you die or become disabled while performing qualified military service, you will also be credited with Benefit Service for your period of military service, provided you or your surviving spouse makes the Employee Contributions required during that period to the Pension Plan.

## **III. BENEFIT SERVICE**

Generally, Benefit Service means the credit given for periods of Eligible Employment with an Employer. This also includes qualifying service under a Prior Plan, merged plan or other periods of employment as provided under the Plan.

## A. Participation On or Before December 1, 1988

If you are a Participant on December 1, 1988, and remain a Participant, you will continue to be eligible to receive Benefit Service for any period of Eligible Employment before December 1, 1988, that you earned before you became a Participant. This includes employment prior to May 1, 1985, for which you could not participate because you were age 18 or older but under age 22. You can receive Benefit Service for this additional period in two ways:

- by continuing to make required Employee Contributions from December 1, 1988, until you have made 240 months of total contributions; after this, Benefit Service is credited for the pre-December 1, 1988, pre-participation period; or
- by making continuous Employee Contributions to the Plan and by making contributions to the Plan for the entire previous period of Eligible Employment when you were not a Participant. You may make the required Employee Contributions for the previous period of pre-December 1, 1988, employment at any time before you terminate Eligible Employment so long as you remain a Participant. These contributions will count towards satisfaction of the required 240 months of contributions. There may be a late participation penalty involved when you make these contributions depending on the total period under which you make employee contributions. The penalty is described under Section V(D), Limitation on Benefits, on page 22.

However, you cannot obtain Benefit Service for any period that has been permanently forfeited under the Break in Service rules.

## B. Participation after December 1, 1988

If you became a Participant after December 1, 1988, you will receive Benefit Service during Eligible Employment only when you are making Employee Contributions, if required. Before May 1, 1998, you were required to make 240 months of Employee Contributions to receive Benefit Service for any periods of Eligible Employment; after you had made 240 months of required Employee Contributions, you received Benefit Service for your Eligible Employment without making additional Employee Contributions.

On or after May 1, 1998, you are required to make Employee Contributions to receive Benefit Service for any periods of Eligible Employment.

You cannot obtain Benefit Service for any period that has been permanently forfeited under the Break in Service rules.

## C. Loss of Benefit Service

If you terminate employment, receive a refund of your Accumulated Contributions, and are subsequently reemployed in Eligible Employment, you will permanently forfeit any prior Benefit Service you had earned if your Vesting Service is not restored under the Vesting Service Restoration rules. However, even if your Vesting Service is restored, your Benefit Service is not automatically restored at the same time. Your Benefit Service is restored when you repay the Accumulated Contributions you received at the time you terminated employment. **You have five years from the date you return to Eligible Employment to repay any Accumulated Contributions you received from the Plan. After that time, you may not repay and restore your Benefit Service.**

### EXAMPLE

Let's assume you terminate Eligible Employment on May 1, 2005, with three years of Vesting Service and Benefit Service and receive a refund of your Accumulated Contributions. You then return to Eligible Employment on May 1, 2009. Your four consecutive One Year Breaks in Service do not exceed five years, so your Vesting Service is restored. You immediately become a Participant in the Plan again by making Employee Contributions. On May 1, 2012, you repay your withdrawn Accumulated Contributions. Immediately before you repaid your Accumulated Contributions, you had been credited with seven years of Vesting Service and four years of Benefit Service. After repayment, you are credited with seven years of both Vesting Service and Benefit Service.

However, you cannot obtain Benefit Service for any period that has been permanently forfeited under the Break in Service rules.



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## IV. BENEFITS

The following is a description of the types of benefits you can receive from the Pension Plan. Note that the date upon which you first became a Participant is important in determining your eligibility to receive a benefit, because each type of benefit requires a different minimum period of participation and Service.

### A. Normal Age Retirement Payments

#### 1. Qualifications

Normal Retirement Age under the Plan means age sixty-five (65). If you are a Participant who either (a) began Eligible Employment before July 1, 1999, (b) entered into an employment agreement with an Employer prior to July 1, 1999, but did not begin Eligible Employment until after July 1, 1999, and became a Participant effective with your first Hour of Service, or (c) was working in Eligible Employment prior to July 1, 1999, and became a Participant by November 1, 1999, there are two ways you can become eligible for normal age retirement payments. You must either:

- (a) reach age 55 or over, have been a Participant for four years or more, and have five or more years of Vesting Service; or
- (b) reach age 65 and be an Eligible Employee participating in the Plan; and you must terminate directly from Eligible Employment.

If you are a Participant who either (a) is hired on or after July 1, 1999, and who first has an Hour of Service on or after July 1, 1999, or (b) entered into an employment agreement with an Employer prior to July 1, 1999, but did not begin Eligible Employment until after July 1, 1999, and did not become a Participant effective with your first Hour of Service, or (c) was working in Eligible Employment prior to July 1, 1999, but did not become a Participant by November 1, 1999, you become eligible for normal age retirement payments when you either:

- (a) reach age 60 or over, have five or more years of Vesting or Benefit Service, and have been a Participant for four (4) years or more; or

- (b) reach age 65 and are an Eligible Employee participating in the Plan; and you must terminate directly from Eligible Employment.

#### 2. Amount

Over time, there have been a number of changes in the way benefits are calculated under the Pension Plan, and these changes are described below. In no event do any of these changes take away benefits you accrued prior to the date the changes were made.

Your monthly pension benefit depends on two factors:

- (a) your years and months of Benefit Service as of the date you terminate participation; and
- (b) the Highest Average Monthly Salary received by you during (1) any four years in which you receive Benefit Service as of April 30, 2005, or (2) any ten years in which you receive Benefit Service. For purposes of determining Highest Average Monthly Salary, you must use periods of twelve consecutive months.

Prior to January 1, 2003, your Highest Average Monthly Salary is determined by selecting the four years during which you received Benefit Service and your Salary was the highest, and then calculating the average monthly amount you received during those four years as Salary. If your Benefit Service is fewer than four years, you simply calculate your average monthly Salary during your entire period of Benefit Service. See page 2-3 for a full definition of Salary.

Effective January 1, 2003, your Highest Average Monthly Salary is determined as above, except that the amount of any increases in Salary (from all Employers for which you work in that year) considered in calculating your Highest Average Monthly Salary is limited to five percent in each twelve month period. If a Salary increase is in effect for less than a full twelve month period, the five percent limit is applied on a pro rata basis. If the five percent limit on Salary increases causes compensa-



tion not to be recognized as Salary in a twelve month period, the unrecognized compensation can be carried forward and counted as Salary in a subsequent twelve month period, up to the lesser of (i) a five percent increase in salary in that twelve month period, or (ii) the Participant's actual Salary in that twelve month period.

Effective May 1, 2005, Highest Average Monthly Salary is based upon average monthly Salary using the highest ten-year average monthly salary. However, the Plan will always compare the highest ten-year average monthly Salary as of the date of retirement to the highest four-year average monthly salary as of April 30, 2005, and use the greater of the two when calculating an individual's pension benefit. The limitation on Salary increases of 5 percent during the highest four-year average as described on page 9 will continue to apply to the highest four-year period during the ten-year average. If you have fewer than ten years of Benefit Service, you simply calculate your Highest Average Monthly Salary during your entire period of Benefit Service.

The way in which Highest Average Monthly Salary over a ten-year period is calculated can be illustrated with the following Example A:

In this Example A, the Highest Average Monthly Salary is the ten-year average of \$4,416.67 when compared to the highest four-year average as of April 30, 2005. Therefore, the Highest Average Monthly Salary used to calculate the benefit would be \$4,416.67, resulting in a monthly benefit of \$1,987.50 (\$4,416.67 x 45 percent = \$1,987.50).

#### EXAMPLE A

Assuming a Participant retired on January 1, 2013, with the following salary history and 20 years of Benefit Service for a total Benefit Service Percentage of 45 percent, his Highest Average Monthly Salary would be calculated as follows:

##### SALARY HISTORY AS OF APRIL 30, 2005

May 1, 2001 – April 30, 2002.....	\$40,000
May 1, 2002 – April 30, 2003.....	\$42,000
May 1, 2003 – April 30, 2004.....	\$44,000
May 1, 2004 – April 30, 2005.....	\$46,000
Highest 4-Year Average Monthly Salary,	
4/30/05 = \$172,000 / 48 months	
= <b>\$3,583.34</b>	

##### SALARY HISTORY AT RETIREMENT

2003.....	\$44,000
2004.....	\$46,000
2005.....	\$48,000
2006.....	\$50,000
2007.....	\$52,000
2008.....	\$54,000
2009.....	\$56,000
2010.....	\$58,000
2011.....	\$60,000
2012.....	\$62,000
Highest 10-Year Average Monthly Salary =	
\$530,000 (total salary) / 120 (months)	
= <b>\$4,416.67</b>	

On page 9 are some examples of how the 5% Salary Cap rule will work for someone with a Benefit Service Percentage of 70% and a Salary of \$45,000 in 2003.

### EXAMPLE 1

In this first example assume the individual retires January 1, 2013, five years after a 15% increase that is effective January 1, 2008. Under this example we are assuming the Highest Average Monthly Salary for the four year period ending April 30, 2005, is \$3,733.90 (based on a 3% increase each year going back to 2001).

Calendar Year	Salary	% of Increase	Recognized Salary
2003	\$45,000.00		
2004	\$46,350.00	3%	
2005	\$47,740.00	3%	
2006	\$49,172.00	3%	
2007	\$50,647.00	3%	
2008	\$58,245.00	15%	
2009	\$59,992.43	3%	\$59,992.43
2010	\$61,792.21	3%	\$61,792.21
2011	\$63,645.97	3%	\$63,645.97
2012	\$65,555.35	3%	\$65,555.35

Final Average Salary for the ten-year Period Ending December 31, 2012 = \$4,567.85. Since the ten year average of \$4,567.85 is greater than four-year Highest Average Monthly Salary as of April 30, 2005, of \$3,733.90, the ten-year average of \$4,567.85 will apply in the calculation of the individual's benefit.

In Example 1, the Salary Cap rule is not triggered because the ten-year average monthly Salary applies rather than the four-year average.

Now let's assume an individual retires three years after the year he or she receives a 15% increase with a 3% increase in the following years. See Example 2 below.

### EXAMPLE 2

Calendar Year	Salary	% of Increase	Recognized Salary	Capped Increase
2003	\$45,000.00			
2004	\$46,350.00	3%		
2005	\$47,740.00	3%		
2006	\$49,172.00	3%		
2007	\$50,647.90	3%		
2008	\$52,167.33	3%		
2009	\$53,732.35	3%	\$53,732.35	3%
2010	\$61,792.21	15%	\$56,418.97	5%
2011	\$63,645.97	15%	\$59,239.92	5%
2012	\$65,555.35	3%	\$62,201.92	5%

Let's again assume the Final Average Monthly Salary for the four-year period ending April 30, 2005 = \$3,733.90 (based on a 3% increase each year going back to 2001) The Highest Average Monthly Salary for the ten-year period ending December 31, 2012, (\$4,465.03) is higher than the four-year Highest Average Monthly Salary as of April 30, 2005, of \$3,733.90. (Note that because of the 5 percent salary cap not all of the Salary increase received in 2010 is recognized in that year.) Consequently, in this example the 10 year average would be used.

From May 1, 1989, through April 30, 1994, the Salary considered cannot exceed \$200,000 or such other increased amount allowed by the Internal Revenue Service (IRS). After May 1, 1994, the Salary considered cannot exceed \$150,000 or such other increased amount allowed by the IRS. Effective May 1, 2004, the Salary considered cannot exceed \$205,000 or such other increased amount allowed by the IRS. Effective May 1, 2005, the maximum Salary that will be considered will be \$150,000 with no increases that might otherwise be provided under federal law. In no event will the reductions in Salary considered over time result in a reduction in benefits any Participant may have accrued through those dates.

Once you know your years of Benefit Service and Highest Average Monthly Salary, you can calculate your monthly pension by finding the percentage from the following tables that correspond to your years of Benefit Service. The percentage is the sum of the percentages you earn for each year of Benefit Service. Prior to January 1, 2003, your monthly benefit is based on 2.5 percent of your Highest Average Monthly Salary for each year of Benefit Service you earn in your

first twenty years of Employment, 2.0 percent of your Highest Average Monthly Salary for each year of Benefit Service you earn between your twenty-first and thirtieth years, and 1.0 percent of your Highest Average Monthly Salary for each year of Benefit Service you earn in your thirty-first through forty-fifth year.

Effective January 1, 2003, your monthly benefit is based on 2.0 percent of your Highest Average Monthly Salary for each year of Benefit Service you earn on or after January 1, 2003, in your first thirty years of Employment. The formula for each year of Benefit Service you earn after your first thirty years of Employment (years 31 and after) is the same as above (1.0 percent). Again, this change will not decrease any benefits you have earned through December 31, 2002.

If your Benefit Service does not come out to an exact number of years, the percentage applicable to you is increased proportionally. For example, if you have 20 years and nine months of Benefit Service prior to January 1, 2003, your percentage is 51.50% (50% plus nine-twelfths of the difference between 52% and 50%). That percentage of your Highest Average Monthly Salary is your monthly pension.

**Monthly Pension Benefit Percentage Chart**  
(for determining your Benefit Service Percentage for Service through December 31, 2002).

<b>No. of Complete Years of BENEFIT SERVICE</b>	<b>% of Average Monthly SALARY</b>	<b>No. of Complete Years of BENEFIT SERVICE</b>	<b>% of Average Monthly SALARY</b>	<b>No. of Complete Years of BENEFIT SERVICE</b>	<b>% of Average Monthly SALARY</b>
1	2.50%	16	40.00	32	72.00
2	5.00	17	42.50	33	73.00
3	7.50	19	47.50	34	74.00
4	10.00	20	50.00	35	75.00
5	12.50	21	52.00	36	76.00
6	15.00	22	54.00	37	77.00
7	17.50	23	56.00	38	78.00
8	20.00	24	58.00	39	79.00
9	22.50	25	60.00	40	80.00
10	25.00	26	62.00	41	81.00
11	27.50	27	64.00	42	82.00
12	30.00	28	66.00	43	83.00
13	32.50	29	68.00	44	84.00
14	35.00	30	70.00	45 or more	85.00
15	37.50	31	71.00		

Monthly Pension Benefit Percentage Chart  
(for determining your Benefit Service Percentage for Service on or after January 1, 2003.)

<b>No. of Complete Years of BENEFIT SERVICE</b>	<b>% of Average Monthly SALARY</b>	<b>No. of Complete Years of BENEFIT SERVICE</b>	<b>% of Average Monthly SALARY</b>
1	2.00%	24	48.00
2	4.00	25	50.00
3	6.00	26	52.00
4	8.00	27	54.00
5	10.00	28	56.00
6	12.00	29	58.00
7	14.00	30	60.00
8	16.00	31	61.00
9	18.00	32	62.00
10	20.00	33	63.00
11	22.00	34	64.00
12	24.00	35	65.00
13	26.00	36	66.00
14	28.00	37	67.00
15	30.00	38	68.00
16	32.00	39	69.00
17	34.00	40	70.00
18	36.00	41	71.00
19	38.00	42	72.00
20	40.00	43	73.00
21	42.00	44	74.00
22	44.00	45 or more	75.00
23	46.00		

The following are two example of how the percentages work when applying both of the charts:

#### EXAMPLE 1

Under this example a Participant has 10 years of service in 2001 at a Salary of \$50,000.00. As of December 31, 2001, this individual has a Benefit Service Percentage of 25% (10 x 2.5%). Assume that the Participant received 3% increases in Salary for the next 11 years and retires January 1, 2012. The benefit is calculated as follows:

Calendar Year	Salary	New Benefit Accrual Rates
2001 (10th year)	\$50,000	25%
2002 (11th year)	\$51,500	2.5%
2003 (12th year)	\$53,045	2.0%
2004 (13th year)	\$54,636	2.0%
2005 (14th year)	\$56,275	2.0%
2006 (15th year)	\$57,964	2.0%
2007 (16th year)	\$59,703	2.0%
2008 (17th year)	\$61,494	2.0%
2009 (18th year)	\$63,339	2.0%
2010 (19th year)	\$65,239	2.0%
2011 (20th year)	\$67,196	2.0%

Total Accrual Rate: 45.5%

Highest Average Monthly Salary as of April 30, 2005 = \$4,488.67

Highest Average Monthly Salary for 10 year period as of December 31, 2011 = \$4,919.93

Annual Benefit: \$27,748.38

(\$4,919.93 x .47% x 12)

#### EXAMPLE 2

Under this example a Participant has 18 years of Service in 2002. As of December 2002 this individual has a Benefit Service Percentage of 45% (18 x 2.5%). The individual works another 10 years and retires on January 1, 2013. The Participant has a Salary of \$55,000 in 2002 and receives 3% Salary increases except in 2010 when he receives an 8% increase and in 2011 when he receives a 7% increase. The benefit is computed as follows:

Calendar Year	Salary	Recognized Salary	New Benefit Accrual Rate
2002 (18th year)	\$55,000	\$55,000	45%
2003 (19th year)	\$56,650	\$56,650	2%
2004 (20th year)	\$58,350	\$58,350	2%
2005 (21st year)	\$60,100	\$60,100	2%
2006 (22nd year)	\$61,904	\$61,904	2%
2007 (23rd year)	\$63,761	\$63,761	2%
2008 (24th year)	\$65,674	\$65,674	2%
2009 (25th year)	\$67,644	\$67,644	2%
2010 (26th year)	\$73,056	\$71,026	2%
2011 (27th year)	\$78,170	\$74,577	2%
2012 (28th year)	\$80,515	\$78,306	2%

Total Accrual Rate: 65%

Highest Average Month Salary for 10 Year Period as of December 31, 2012 = \$5,483.27

Annual Benefit: \$42,769.56

(\$5,483.27 x 65% x 12)



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### 3. Social Security Level Income Option

If you are eligible to receive normal age retirement payments, you can elect to receive your benefit as follows:

- (a) You can designate a Social Security commencement date, which will generally be your 62nd or 66th birthday. However, beginning with individuals born on or after 1943, the Social Security Retirement Age is 66 and phases up to age 67 for individuals born on or after 1960.
- (b) Based on specified assumptions, the Executive Committee calculates the amount of Social Security benefits you will probably receive, and pays a percentage of that amount to you until your Social Security commencement date, in addition to the regular normal age retirement payments.
- (c) After the Social Security commencement date, the regular normal age retirement payment amount will be reduced to make up for the higher amounts that were paid before that date. This option allows you to receive higher payments from the Plan before your Social Security commencement date, and correspondingly lower payments from the Plan after that date, so that your total monthly income, including benefits both from this Plan and from Social Security, will remain relatively constant before and after your Social Security commencement date. If you want to elect this option, you must notify the Executive Committee at least 90 days before payments from the Pension Plan are to start.

If your Social Security benefits do not begin by your Social Security commencement date as a result of administrative delay by the Social Security Administration, you will continue to receive the higher monthly payment until either your Social Security benefits start or for three additional months after your Social Security commencement date, whichever is earlier. Your benefit will be adjusted to reflect

the extended payment of such higher monthly benefit.

NOTE: This option does not affect your Social Security benefits, and changes in Social Security after you start receiving benefits under this option do not affect your benefits under the Pension Plan. You are entitled to both your pension and the Social Security benefits you have earned. This option may be used even if you do not apply for Social Security.

If you elect the Social Security Level Income Option, but return to Eligible Employment under the Plan, upon your subsequent retirement your benefits will be actuarially increased to reflect the number of months in which the Social Security Level Income Option benefit was suspended.

## B. Early Age Retirement Payments

### 1. Qualifications

To be eligible for early age retirement payments you must have:

- reached age 50 or over;
- been a Participant for four years or more;
- have 15 or more years of Vesting Service; and
- terminate from Eligible Employment.

### 2. Amount

If you (1) are a Participant on or before July 1, 1999, (2) entered into an employment agreement with an Employer prior to July 1, 1999, but did not begin Eligible Employment until after July 1, 1999, and became a Participant effective with your first Hour of Service, or (3) were working in Eligible Employment prior to July 1, 1999, and became a Participant by November 1, 1999, your monthly benefit amount is the amount of the normal age retirement payments to which you would be entitled (taking into account the minimum benefit) reduced by 0.5% for each month between the date you elect to begin receiving payments and the first day of the month that coincides with or follows your 55th birthday.

### EXAMPLE 1

Assume a Participant retired at age 50 with a normal age retirement benefit of \$1,487.50. The Participant's monthly early age retirement pension would be \$1,041.25, calculated as follows:

- a. Normal age retirement payments:  
\$1,487.50
- b. Early age reduction  $0.5\% \times 60 \text{ months} = 30\%$ ;  $(30\% \times \$1,487.50) = \$446.25$
- c. Early age retirement payments  
 $(\$1,487.50 - \$446.25) = \$1,041.25$

If you are a Participant who (a) is hired on or after July 1, 1999, and who first has an Hour of Service on or after July 1, 1999, or (b) entered into an employment agreement with an Employer prior to July 1, 1999, but did not begin Eligible Employment until after July 1, 1999, and did not become a Participant effective with your first Hour of Service, or (c) was working in Eligible Employment prior to July 1, 1999, but did not become a Participant by November 1, 1999, the reduction for early age retirement payments will be five-twelfths of one percent (5/12%) for each month between the date you elect to begin receiving payments and the first day of the month that coincides with or follows your 60th birthday.

### EXAMPLE 2

Assume that the Participant described in the above example first completed an Hour of Service on July 15, 1999, and retired at age 50 with the same benefit described above. The Participant's monthly early age retirement pension would be \$743.75 calculated as follows:

- a. Normal age retirement payments:  
\$1,487.50
- b. Early age reduction  $5/12\% \times 120 \text{ months} = 50\%$ ;  $(50\% \times \$1,487.50) = \$743.75$
- c. Early age retirement payments  
 $(\$1,487.50 - \$743.75) = \$743.75$

### 3. Special Minimum Early Retirement Benefit for Prior Plan Participants

If you were a Participant on June 30, 1979, your benefit will not be less than the benefit obtained by multiplying 2.5% of your highest average monthly Salary during your highest four years of Salary by your years of Benefit Service. However, the Benefit Service used to compute the minimum benefit cannot be more than a maximum calculated by subtracting from 20 years the number of years and months (if any) between the date your early age retirement payments start and the first date your normal age retirement payments could have started.

### EXAMPLE

Assume the same Participant as described in Example 1 was a Participant on June 30, 1979. The minimum benefit would be \$1,275, calculated as follows: (Since the early age retirement benefits are calculated by the regular formula to be \$1,041.25 per month, the minimum of \$1,275 would be what is actually paid.)

- a.  $2.5\%$  of average monthly Salary  $(.025 \times \$3,400) = \$85.00$
- b. The period between his early retirement age (50) and the age at which he would have received normal age retirement benefits (55) = 5 years
- c. Subtract the difference between the early and normal age retirement date from 20  $(20 - 5) =$  maximum Service credited: 15 years
- d. Actual Benefit Service = 17.5 years
- e. Service used in computation: item (c) or item (d), whichever is smaller 15 years
- f. Multiply  $2.5\%$  of average monthly Salary by the difference  $(\$85 \times 15)$  to get the minimum benefit \$1,275

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#### 4. Social Security Level Income Option

The Social Security Level Income Option available in the case of normal age retirement payments also is available for early age retirement payments.

### C. Disability Retirement Payments

#### 1. Qualifications

To be eligible for disability retirement payments you must have:

- been a Participant for four years or more;
- have five or more years of Vesting Service;
- ceased to receive any Salary; and
- become permanently disabled while you are in Eligible Employment.

You are permanently disabled if you are entitled to disability income benefits under United States Social Security law, the Canada Pension Plan, or the Quebec Pension Plan, or if, based on medical evidence satisfactory to the Executive Committee, and in their sole discretion, you are found to be permanently unable, as a result of injury or illness, to perform the duties you had at the time of the disability or a job with comparable responsibility.

The Executive Committee may periodically require you to be medically examined, at the expense of the Plan, to confirm continuance of the permanent disability. If you refuse to permit an examination, your disability benefit payments will cease.

If a disability continues beyond the age at which you are first eligible to receive unreduced Early Retirement Age Benefits, you no longer will have to submit evidence of your continuing disability. NOTE: If you meet the rules for both a disability payment and an unreduced normal age retirement payment starting at age 55 or at age 60 (depending on your date of hire), your benefit is considered a retirement benefit and not a disability benefit. If you start receiving disability payments before you reach the age for an unreduced normal age retirement payments, once you reach that age, your disability benefit will “convert” to a normal age retirement benefit.

#### 2. Amount

Monthly disability retirement payments are calculated according to the same formula as the normal age retirement payments. For purposes of taxation only, the disability benefits are treated as provided with employer contributions.

#### 3. Minimum Benefit

Monthly disability payments will not be less than \$200.

#### 4. Recovery

If you recover and again become a Participant within 90 days, your disability retirement payments will cease, payment of required Employee contributions will resume, and your period of disability will be included as Vesting Service. In the event of your subsequent retirement, your retirement payments will be determined without considering the amount of your previous disability retirement payments. However, if you recover and do not become a Participant again within 90 days, you will be eligible for vested deferred age retirement payments. If you recover, do not become a Participant again within 90 days, and you later begin receiving normal or early age retirement payments but die before receiving payments equal to your Accumulated Contributions, your Beneficiary will receive a refund of your Accumulated Contributions as of your disability date, less the amount of disability payments you received. Disability retirement payments will be converted to normal age retirement payments on the first of the month following the attainment of the earliest age you would otherwise be eligible to receive normal age retirement payments (age 55 or 60, depending on date of hire).

### D. Vested Deferred Age Retirement Payments

#### 1. Qualifications

You have a right to vested deferred age retirement payments if:

- (a) you are a Former Participant as of June 30, 1979, under the AMC&BW Plan; or

- (b) you were a former Participant with deferred vested benefit under the RCIU Plan; or
- (c) after June 30, 1979, you cease to be an officer or employee on the regular payroll of the International Union, a Local or District Union, an Intermediate Chartered Body (as described in the International Constitution), or an Affiliated Fund, or otherwise cease participation in the Plan, such as, for example, by stopping required Employee Contributions to the Plan, after completing five years of Vesting Service (10 years of Vesting Service before May 1, 1989).

## 2. Time of Payment

If you are a Former Participant eligible for vested deferred age retirement payments, you can begin receiving benefits when you meet each of the following conditions:

- (a) you have been a Participant for four or more years (nine years if you do not complete an Hour of Service on or after May 1, 1989); and
- (b) you have reached age 55 or more (or age 60 if you were either (i) hired on or after, and first earned an Hour of Service on or after, July 1, 1999, or (ii) entered into an employment agreement with an Employer prior to July 1, 1999, but did not begin Eligible Employment until after July 1, 1999, and did not become a Participant effective with your first Hour of Service, or (iii) were working in Eligible Employment prior to July 1, 1999, but did become a Participant by November 1, 1999), or have met the requirements for early age retirement payments; and
- (c) you have left Eligible Employment.

## 3. Amount

Your monthly amount of vested deferred age retirement payments is calculated according to the same formula as the normal age retirement payments, and is subject to the same reduction for early age retirement payments. (See pages 7-14.) Consequently, if you (a) are a Partici-

pant on or before July 1, 1999, (b) entered into an employment agreement with an Employer prior to July 1, 1999, but did not begin Eligible Employment until after July 1, 1999, and became a Participant effective with your first Hour of Service, or (c) were working in Eligible Employment prior to July 1, 1999, and became a Participant by November 1, 1999, your vested deferred age retirement monthly benefit amount is the amount of the normal age retirement payments to which you would be entitled (taking into account the minimum benefit) reduced by 0.5 percent for each month between the date you elect to begin receiving payments and the first day of the month that coincides with or follows your 55th birthday.

If you are a Participant who (a) is hired on or after July 1, 1999, and who first has an Hour of Service on or after July 1, 1999, (b) entered into an employment agreement with an Employer prior to July 1, 1999, but did not begin Eligible Employment until after July 1, 1999, and did not become a Participant effective with your first Hour of Service, or (c) was working in Eligible Employment prior to July 1, 1999, but did not become a Participant by November 1, 1999, the reduction for early age retirement payments will be five-twelfths of one percent (5/12%) for each month between the date you elect to begin receiving payments and the first day of the month that coincides with or follows your 60th birthday.

## E. Spouse Payments

### 1. Qualifications

If you die either:

- (a) after having been a Participant for four years and after completing five years of Vesting Service (10 years of Vesting Service if death occurs before December 1, 1988), or
- (b) while receiving age retirement payments, or
- (c) at the time of your death, you were a Former Participant with a right to a vested deferred age retirement payment with four years of participation, or



- 
- (d) while receiving disability retirement payments and had met the above participation and Vesting Service requirements, your surviving spouse will receive a pension for life if married to you for at least one year at the time of your death. Payments start on the first day of the month following your death even if you have not reached the age upon which normal age retirement payment would otherwise begin at the time of your death.

Effective May 1, 2013, spouse includes a person who is the same sex as the Participant if the spouse and Participant reside in a state that recognizes same-sex marriages. Effective June 26, 2013, a spouse includes an individual who legally married the Participant in a state that recognizes same-sex marriage, regardless of the state in which the Participant and spouse currently reside. Effective for retirements on and after January 1, 2016, in order for a person to be treated as the Participant's spouse, including a person of the same sex as the Participant, that person must be married to the Participant. (For Participants who retired before January 1, 2016, spouse benefits will continue to be provided to domestic partners, if the Participant and the domestic partner previously were not permitted to marry under the laws of the state in which the couple resided based solely on the sex of the Participant).

## 2. Amounts

If you were receiving age retirement payments at the time of your death, your eligible surviving spouse will generally receive 50% of the monthly amount you were receiving. If you were in Eligible Employment on or after December 31, 2013, and retire on or after January 1, 2014, the 50% amount is increased to 60% of the monthly amount you were receiving. However, you can elect, at the time of your retirement, to receive an "optional" spouse payment, whereby the benefit payable to you during your lifetime is actuarially reduced so that a larger percentage of the reduced pension will be paid to your surviving spouse after

your death. The larger percentage can be either 75% or 100% of your benefit, whichever you elect. The amount of the reduction will depend on your age and your spouse's age, so that benefits payable to you during your lifetime alone are the Actuarial Equivalent of the benefit paid over your lifetime and your surviving spouse's lifetime together. Actuarial Equivalent means adjusting benefits that differ in time, period, or manner of payment so that they have the same value. The Plan explains the specific interest rate and mortality assumptions used in determining Actuarial Equivalent.

Effective for retirements commencing on or after January 1, 1994, if you elect this optional benefit, and the spouse you had at retirement dies before you, your benefit will be restored to the higher amount you would have received without the reduction for this optional benefit. Effective for retirements commencing on or after January 1, 1999, if you elect this optional spouse benefit, you and the spouse you had at retirement are divorced, and your spouse at retirement subsequently waives all rights to receive any portion of the optional spouse benefit in a Qualified Domestic Relations Order (QDRO), your benefit will be restored to the higher amount you would have received without the reduction for this optional benefit. In either case, if you then remarry, your subsequent spouse will receive the regular spouse benefit at 50% (60% if you were in Eligible Employment on or after December 31, 2013, and retired on or after January 1, 2014) and not the optional benefit of 75% or 100% under your earlier election.

If your death occurs before you receive retirement payments, your eligible surviving spouse will receive the pension that would have been payable had you retired and begun to receive unreduced retirement benefits immediately before your death, based on your actual age as of the first of the month following your date of death (or based on the earliest age at which you could have received an unreduced retirement benefit, if you were not old enough to receive an unreduced retirement benefit at your death) and had made the



100% election described above. Payments will generally commence to your surviving spouse effective as of the first day of the month following your death.

### 3. Minimum Spouse's Benefit for Prior Plan Participants

If you were a Participant on June 30, 1979, the benefit payable to your spouse will not be less than the normal age retirement payment computed by assuming an average monthly Salary of \$800 and the amount of Benefit Service you had earned as of June 30, 1979, provided, however, that this doesn't exceed the pension you were receiving (or would have received if you had retired on your date of death). If it does, then your surviving spouse will receive the same amount you were (or could have been) receiving.

## F. Pensions Payable to Survivors of Unmarried Participants

### 1. Overview

If you are unmarried and are eligible to start receiving a pension—whether or not you choose to retire—you can elect to have a pension paid to any survivor you choose, called a “Contingent Annuitant,” in the event of your death. You can elect to provide a survivor's benefit upon your death while you are still actively employed or after you retire, or both. Elections must be made at least 30 days before the option becomes effective. If you choose the post-retirement option, you must do so at least 30 days before your pension starts.

You pay for this coverage through a permanent reduction in your pension. If you elect the pre-retirement option, the reduction will be made at the end of the coverage period—i.e., at the time of your death or retirement, whichever is first. If you elect the post-retirement option, the charge is made in advance—i.e., by reducing your pension at the time of your retirement.

If you get married, any option you have elected under this Section F will be canceled automatically as of the first anniversary of the marriage

if you and your spouse are alive, at which time your spouse will be covered under the spouse benefit provisions of the Plan. You will not be charged for any further coverage, and any reduction made in advance will be adjusted to eliminate the portion that applies to coverage after the first anniversary of your marriage.

### 2. Pre-Retirement Option

If you are still in active employment, you can elect to have a pension paid to your Contingent Annuitant if you die before you retire. You can change the Contingent Annuitant at any time, subject to 30 days advance notice. If the person you have chosen dies before you do, the option is automatically canceled and you have the right to name a new Contingent Annuitant. The 30 days notice is waived if that happens. You pay for the cost of this pre-retirement coverage during the time it is in effect through a permanent reduction in your pension once you retire. The reduction for each month of coverage depends on your age while covered and on the difference between your age and your Contingent Annuitant's age, as shown in the following table:

#### IF YOUR CONTINGENT ANNUITANT IS:

Your Age	More Than 10 Years Younger	Within 10 Years of Participant's Age	More Than 10 Years Older
50 - 54	1/12%	1/24%	1/48%
55 - 59	1/10%	1/20%	1/40%
60 - 64	1/8%	1/16%	1/32%
65 - 69	1/6%	1/12%	1/24%
70 & Over	1/4%	1/8%	1/16%

The benefit payable to your Contingent Annuitant is calculated by first reducing your benefit by a percentage determined on the basis of this table, and then calculating the benefit your Contingent Annuitant would have received if you had retired on your date of death after having elected the post-retirement option described below with 100% of your benefit payable to the survivor.

### 3. Post-Retirement Option

When you retire, you can choose to have 100%, 75% or 50% (if you were in Eligible Employment on or after December 31, 2013, and retire on or after January 1, 2014, a 60% option replaces the 50% option) of your pension, after it is reduced to cover the cost, paid to a Contingent Annuitant. You can do this whether or not you elected the pre-retirement survivor benefit, and the person you name need not be the same one who was chosen to receive the pre-retirement benefit. The reduction in your pension will be in addition to any reduction for pre-retirement coverage. It is based on your age and your Contingent Annuitant's age at the time of your retirement.

If your Contingent Annuitant dies before you do, you can make another election naming a new Contingent Annuitant. The 30-day notice requirement is waived under these circumstances. However, there is no adjustment in the reduction made for coverage of the Contingent Annuitant who died. That is because, unlike the pre-retirement option charge, which is made retroactively, the post-retirement survivor reduction takes into account the life expectancy of the Contingent Annuitant. Also, it is important for you to understand that there will be a further reduction in your benefit if you elect a new Contingent Annuitant.

After your benefit payments have begun, you may not change your Contingent Annuitant, except in case of his or her death as described above, or to designate a trust whose sole beneficiary is the Contingent Annuitant, and only to the extent such trust satisfies the requirements of the Internal Revenue Code, does not alter the duration of payments, and you satisfy such other conditions that the Executive Committee requires.

Further, if your election of the post-retirement option is canceled because of your marriage, your benefit will be increased under an actuarial computation. The UFCW Benefits Office will notify you if this computation applies to your benefit.

#### EXAMPLE

Here is an example to show how the pre- and post-retirement options work:

Refer to the example under Section IV.A. covering Normal Age Retirement Payments. In this case, you first would have been eligible to receive a pension starting at age 55, and therefore eligible to elect the Pre-Retirement Option at that age. Let's assume that you did, in fact, elect it a year later at age 56 in 2016. Also, assume you did so at least 30 days in advance and that the Contingent Annuitant you named was age 51 when you were age 56. Then assume that you died at age 58. From the example, your monthly benefit would have been \$1,487.50. Here is how the benefit payable to your Contingent Annuitant, age 53 at the time of your death, is determined:

- (a) The first step is to calculate the benefit to which you would have been entitled during your lifetime only if you had retired on your date of death. You were covered for 2 years and 6 months, a total of 30 months; all your coverage was while you were in the age 54-59 group, and your Contingent Annuitant's age was within 10 years of your age. From the table, your benefit is reduced by 1/20% for each month of coverage in order to pay the cost. This comes to 30/20% or 1.5% and 1.5% of \$1,487.50 is \$22.31, leaving a net benefit of \$1,465.19.
- (b) Since you died before you retired, your survivor gets what would have been payable if you had elected the post-retirement option with 100% of your benefit payable. Based on your age 58 and your survivor's age 53 when you died, 80.73% of your benefit would have been payable, so the survivor gets that percentage of \$1,465.19 (see (a) above), or \$1,182.85 a month.

Now consider the circumstance under which you didn't die but retired at age 58 in 2016. What benefit is payable? Here are some of the more common illustrations:

- (c) You elected the pre-retirement coverage

described above, but decline any post-retirement coverage. You get the \$1,465.19 determined under Step (a) each month for your life.

- (d) You elected the pre-retirement coverage and the 100% post-retirement option. You get the \$1,182.85 determined under Step (b) for your life and your Contingent Annuitant gets the same amount for his or her life if you die first.
- (e) You elected the pre-retirement coverage and the 75% post-retirement option. You get  $\$1,465.19 \times 84.81\% = \$1,242.63$  per month for your life and your survivor gets 75% of that amount, or \$931.97 for his or her lifetime.
- (f) You elected the pre-retirement coverage and the 60% post-retirement option. You get  $\$1,465.19 \times 89.34\% = \$1,309.00$  per month for life and your survivor gets 60% of that amount, or \$785.40 for life.
- (g) You didn't elect any pre-retirement coverage, but you elected the 100% (or 75% or 50%) post-retirement option. Your benefit and your survivor's are calculated as in (d) or (e) or (f), but substituting your unreduced benefit of \$1,487.50 for \$1,465.19.

We have included these examples to show you how this provision of the Plan works, but please note that they are based on eligibility, benefit and age conditions that do not apply to you personally. By referring to the above table and doing the necessary arithmetic, you can get an idea of the percentage by which the pre-retirement option will reduce your pension, but the tables required to calculate the reduction for the post-retirement option are much too extensive to be included here. You should also be aware that if your Contingent Annuitant is more than ten years younger than you, under federal law additional reductions to your Contingent Annuitant's benefit may be applicable. You should contact the Benefits Office for illustrations to fit your own situation if you are interested in electing the pre- or post-retirement option, or both.

## G. Refund of Accumulated Contributions

If you stop participating in the Plan after November 30, 1988, leave Eligible Employment, and have less than five years of Vesting Service, you can receive a refund of your Employee Contributions. The Employee Contributions refunded include interest compounded annually from January 1, 1976, or, if later, from the January 1 following the date the contribution was made. The annual interest rate for periods before May 1, 1988, is 5%. For periods after April 30, 1988, the rate is determined by the federal government, and changes each Plan Year on May 1.

If the total Accumulated Contributions to be refunded to you is equal to \$1,000 or less, a lump sum cash payment will be made to you when you apply for your benefit following your termination of employment. If the amount to be refunded to you is greater than \$1,000, you must obtain the consent of your spouse, if applicable, to receive a lump sum distribution.

If the amount to be refunded to you is greater than \$1,000, you can receive your refund in the form of monthly payments for your lifetime or, if you are married, in the form of a 50% Joint and Survivor Annuity with monthly payments continuing to your spouse upon your death. Those monthly payments may be immediate, commencing at your date of termination, or deferred to your Normal Retirement Age. Under either option, the benefit you will receive is not based upon the Plan's benefit formula. It is determined by taking your Accumulated Contributions, plus interest, and converting this amount into an annuity on the date payments are to start.

The interest payable on your Employee Contributions is taxable. Consequently, unless you transfer this interest directly to an IRA or another qualified plan that accepts rollover payments, we are required by the IRS to withhold 20% of this taxable distribution for federal income taxes. There may be other excise taxes that apply to an early distribution.

When you apply for a distribution, if your benefit is affected by these rules, the UFCW Benefits Office will provide you with information regarding your "roll-over" options. For more specific details concerning whether the excise tax applies to your distribution, you should consult your tax advisor or accountant.

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## H. Lump Sum Refund to Beneficiary

For the purposes of this SPD, a Beneficiary means a person entitled to benefits under the Pension Plan rules upon your death. If you are married at the time of retirement, your spouse is your Beneficiary unless he or she consents to your designation of another Beneficiary. Any change in Beneficiary must be completed on forms designated by the Administrator.

If you die, your Beneficiary may be eligible to receive a lump sum refund of Accumulated Contributions if one of the following conditions applies:

1. If, as a Participant or Former Participant, you die before starting to receive disability or age payments, without leaving a spouse or other Contingent Annuitant eligible to receive payments, your Beneficiary receives the lump sum refund computed under Section G above as if your participation had stopped as of the date of death. If you received any benefits from the Plan before your death, these would be deducted from the refund.
2. If, as a Pensioner receiving age payments, you die without leaving a spouse or other Contingent Annuitant eligible to receive payments, your Beneficiary receives the lump sum refund, computed under Section G above as of the date of your retirement, less the total of the payments made to you.
3. If, as a Pensioner receiving disability payments, you die without leaving a spouse eligible to receive spouse payments, your Beneficiary receives the lump sum refund, computed under Section G above as of the date of your retirement, less the total of the payments made to you.
4. Upon the death of your surviving spouse or other Contingent Annuitant who is receiving payments as the result of your death (whether before or after your retirement), your Beneficiary will receive the lump sum refund, computed under Section G as of the date of your death, less the total of the payments made to you and your spouse or Contingent Annuitant.

Note that, except under Condition 3 above, no refund is payable if the total benefits received by you and/or your spouse or Contingent Annuitant exceeds the amount of your Accumulated Contributions. Also note that if there is no surviving spouse, Contingent Annuitant, or designated Beneficiary, the

Plan pays the refund, if any, to your survivors in the following order:

- to your surviving biological or adopted children;
- to your surviving parents;
- to your estate.

If you die before becoming a Pensioner, any refund of Accumulated Contributions payable to a non-spouse Beneficiary under this Section must be made by December 31st of the calendar year containing the fifth anniversary of your death. Any refund of Accumulated Contributions payable to a spouse Beneficiary under this section or Section G must commence by December 31st of the calendar year in which you would have reached age 70½.

## I. Lump Sum Death Benefit

In addition to the other benefits just described, if you die while a Participant, your Beneficiary receives a lump sum payment of \$5,000. If you die while receiving age or disability payments and were an active Participant at the time of retirement, your Beneficiary receives \$3,000. You can name anyone you choose as your Beneficiary for this death benefit on forms designated by the Administrator. If your Beneficiary is your spouse, these payments can be rolled over to an IRA or another qualified plan. Effective May 1, 2008, if you have designated a person other than your spouse to receive your benefit in case of your death, your non-spouse Beneficiary may roll over a lump sum distribution only directly to an “inherited” IRA.

## V. LIMITATIONS ON BENEFITS

Even if you are eligible for one of the benefits described in Part IV, certain limitations may apply that will reduce or postpone payments. These limitations are outlined below.

### A. Suspension at Normal Retirement Age

If you attain Normal Retirement Age – age 65 – and do not retire from Eligible Employment, your benefit is not payable to you (i.e., “suspended”) for any month in which you are credited with at least an hour of service. Your benefit payments will not begin until you retire and must begin by April 1st of the calendar year following the later of the calendar year in which you reach age 70 ½ or the calendar year in which you retire. See page 22.



## B. Reemployment After Retirement

If you are receiving normal or early age retirement payments and then return to Eligible Employment, your payments will stop for each month during your period of reemployment in which you are credited with at least one hour of service (or 40 or more hours of service if you have attained at least Normal Retirement Age). If you return to Eligible Employment but do not become a Participant, payments of the same amount will resume when you retire again.

If you return to Eligible Employment and become a Participant, when you retire again, your payments will be adjusted to reflect additional Benefit Service and additional Salary you may have earned. The increase is calculated by taking the average monthly Salary you received during reemployment, applying to that the difference between the percentage applicable at the time of your retirement and the percentage from the table on page 11 for normal age retirement payments obtained by adding all of your Benefit Service, and adding that amount to the amount of the payments you were previously receiving. The following example shows how it is done:

### EXAMPLE

Assume that the same Participant described in the example under normal age retirement payments on page 8 returned to work and earned  $3\frac{1}{2}$  years of Benefit Service, with an average monthly Salary of \$3,600. Instead of receiving \$1,987.50 per month upon returning to retirement, he would receive \$2,239.50 per month, calculated as follows:

- a. New percentage of average monthly Salary, using table on page 11, based on additional Benefit Service ( $3\frac{1}{2}$  years  $\times$  2%) = 7%
- b. Additional Benefit Service Percentage times new average monthly Salary ( $\$3,600 \times 7\%$ ) = \$252.00
- c. Addition of pre-reemployment benefit and post-reemployment benefit ( $\$1,987.50 + \$252.00$ ) = \$2,239.50

## C. Distributions After Age 70½

Effective May 1, 1989, normal age retirement benefits are payable to you on the later of April 1, 1990, or April 1st following the year you reach age 70½ even if you continue in Eligible Employment at that time. (This rule applies to Plan Participants who reach 70½ after January 1, 1988. If you attained age 70½ before January 1, 1988, your benefits will commence when you terminate employment.)

Effective November 1, 1999, if you reach age 70½ on or after October 15, 1999, you will begin to receive your normal age retirement benefits on April 1st following the later of the calendar year you reach age 70½ or the calendar year in which you terminate Eligible Employment. If you reach 70½ on or after October 15, 1999, and you remain in Eligible Employment after April 1st of the calendar year following the calendar year in which you reach age 70½, your payments at your actual retirement will be the greater of (1) your pension benefit recomputed based on increases in Salary and Benefit Service at your retirement, and (2) your pension benefit actuarially increased to reflect your age at retirement.

## D. Late Participation Penalty

### 1. Individuals Who Became Participants on or Before December 1, 1988

If you fail to become a Participant within one year after starting Eligible Employment, but then become a Participant on or before December 1, 1988, and remain a Participant throughout the remainder of your career, you are eligible to receive Vesting Service and Benefit Service for any prior period of Eligible Employment by:

- continuing to make required Employee Contributions from December 1, 1988, until the earlier of separation from service or the completion of 240 months of contributory service, in which case no reduction will apply; or
- making the required Employee Contributions for the entire previous period of Eligible Employment. However, you will be subject to a reduction to your monthly retirement pay of 1/12% for each month beyond 12 in the period in



which you could have been a Participant but were not. This late participation reduction penalty will not apply if you pay interest as determined by the Benefits Office on the required Employee Contributions accrued from the date of the prior period of Eligible Employment for which the contributions were not made through the date of actual payment to the Plan.

If either of the two conditions described above are satisfied, your original service and participation date will be reinstated. However, Service that has been cancelled as a result of a Loss of Service will not be reinstated under this provision.

#### EXAMPLE

Assume that a Participant with a normal age retirement benefit of \$1,500.00 retires with 19 years of service, 17 years in which contributions were made after commencing participation, and 2 years representing a purchase of service for periods of Eligible Employment prior to the first date he became a Participant. His benefit would be \$1,485.00 calculated as follows:

- a. Normal age retirement payments = \$1,500.00
- b. Number of months of non-covered Eligible Employment in excess of 12 — (1 years x 12) = 12 months
- c.  $24 \times 1/12$  of 1% = 1%
- d. Reduction factor times normal age retirement benefit (1% x \$1,500.00) = \$15.00
- e. Normal Retirement Benefit minus reduction: \$1,485.00

This reduction does not apply to periods before June 30, 1979, if you were a Participant in the RCIU Plan on June 30, 1979, and you made the special payments described in Subsection (1)2(c) of the RCIU Plan. If you were a Participant in the AMC&BW Plan on June 30, 1979, and the late participation penalty in Article H, Section 2 of that Plan applied to you, the penalty still applies unless you took advantage of the opportunity offered to you to remove it.

However, the penalty can be removed at any time before retirement if you pay the “actuarial equivalent” of the penalty in a lump sum. (The actuarial equivalent is the lump sum amount calculated to be of equal value to that of the penalty.) If you die and your surviving spouse is eligible for spouse payments, the payment can be made by your spouse.

There are several circumstances in which the late participation penalty can be either completely eliminated, or reduced depending on the number of years in which a Participant has made contributions. For any Participant retiring on or after January 1, 2005, who has made employee contributions for at least twenty years, excluding prior years of Eligible Employment in which he purchased service, the late participation penalty of 1/2% per month will not apply. The late participation penalty will only apply to that service that was purchased that is needed to reach 240 months of contributions.

#### EXAMPLE

Assume that a Participant with a normal age retirement benefit of \$2,000.00 retires with 22 years of service, 17 years of service in which contributions were made after commencing participation, and five years representing a purchase of service for periods of Eligible Employment prior to the first date he became a Participant. His benefit would be: \$19,42.40 calculated as follows:

- a. Normal age retirement payments - \$2,000.00
- b. Number of months of non-covered Eligible Employment needed to reach 240 months of Employee Contributions —  $240 - 204$  (3 years x 12) = 36 months
- c.  $36 \times 1/12$  of 1% = 3%
- d. Reduction factor times normal retirement benefit (3% x \$2,000.00) = \$60.00
- e. Normal retirement benefit minus reductions (\$2,000.00 - \$60.00) = \$1,940.00

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## **2. Individuals Who Become Participants After December 1, 1988**

If you fail to become a Participant within one year after starting Eligible Employment, but then become a Participant after December 1, 1988, the period of pre-participation employment cannot be counted for Benefit or Vesting Service.

## **E. Penalty For Leaving and Returning to Participant Status**

### **1. Original Participation Date On or Before December 1, 1988**

If you were a Participant on or before December 1, 1988, and ceased being a Participant while continuing in Eligible Employment, you were required to become a Participant again on or before December 1, 1988. If you return any refund of Accumulated Contributions and make the contributions required for that employment period before you retire, you will have Vesting and Benefit Service reinstated. However, Service that has been cancelled as a result of a Loss of Service will not be reinstated under this provision. Any monthly retirement payment for such a Participant will be reduced by 1/12th of one percent multiplied by the number of months you are buying back up to the amount needed to reach 240 months of total employee contributions. As noted above, if you retire on or after January 1, 2005, and have 240 months of employee contributions without any purchase of prior service of Eligible Employment, the late participation penalty of 1/12 of one percent will not apply.

### **2. Original Participation Date after December 1, 1988**

If you first become a Participant after December 1, 1988, and cease being a Participant while continuing in Eligible Employment, but then become a Participant again, the period in which you were not a Participant will not be counted for Benefit or Vesting Service.

### **3. Reemployment**

If you skip a period of participation because you leave Eligible Employment, and then

become a Participant again (returning any refund of Accumulated Contributions with interest), your original Vesting and Participation date will be reinstated, whether or not you first became a Participant on or before December 1, 1988, as long as:

- you were vested before you left Eligible Employment; or
- you were not vested but returned to Eligible Employment before a loss of Vesting Service, and repay any refund of Accumulated Contributions with interest within five years of reemployment.

If, however, you become a Participant more than one year after returning to Eligible Employment, you cannot receive Vesting or Benefit Service for your period of pre-participation.

## **F. Maximum Limitations on Benefits**

Your annual benefit payable under the Pension Plan and all other defined benefit plans maintained by the International Union or UFCW Chartered Bodies generally cannot exceed a dollar amount, set by the IRS, which is actuarially reduced if you are at or above age 55 and below age 62, or actuarially increased if you are older than age 65, as applicable. The limit for 2015 is \$210,000, and the limit may be adjusted annually by the IRS.

Separate limits may apply if you have fewer than ten years of Benefit Service. The Benefits Office will contact you if you are affected by those limits.

The law also requires that if the Plan should become “top heavy,” a more liberal vesting schedule and an additional minimum benefit formula would apply to all or part of your pension. However, Participants with five years of Vesting Service remain fully vested in the Plan. The Executive Committee will notify you if you will be affected by these rules.

## **G. Lump Sum Payment**

If the present value of your total benefit is \$1,000 or less, you will receive a lump sum distribution of your entire benefit rather than a monthly lifetime pension and you will not have the option of electing a different form of benefit.

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## VI. BENEFIT INCREASES FOR RETIREES

Two groups are entitled to limited increases under conditions specified in the Plan:

- former Participants (and their surviving spouses) of the RCIU or AMC&BW Plan, who, in the case of the AMC&BW Plan, retired directly from covered employment, or in the case of the RCIU Plan, retired as an Active Participant, if they were receiving either age or disability retirement payments on June 30, 1979; and
- if such Participants or active Participants died prior to June 30, 1979, their surviving spouses will receive this benefit increase if the spouse was receiving payments on June 30, 1979.

This increase only applies under the conditions specified in the Plan. Briefly, the monthly pension is increased each July by \$5 for each full 1% increase in the Consumer Price Index over the previous calendar year, but each increase is limited to a maximum of \$25.

In addition, Pensioners described above (or their surviving spouses) who are living on May 1, 1996, will have their monthly pension increased by the lesser of 20% of their monthly pension payable as of July 1, 1999, or \$150.00. In order to receive this increase, the Pensioner or the deceased Pensioner who was married to the surviving spouse must have completed 15 years of participation in the RCIU or AMC&BW Plans.

## SECTION THREE - PLAN OPERATION AND ERISA INFORMATION

### I. MISCELLANEOUS

This has been a general summary of the most important provisions of the Pension Plan. No general statement such as this can adequately express all the details of the Pension Plan. Nothing in this statement is meant to interpret, extend or change in any way the rules and regulations expressed in the Plan.

Accordingly, if you are covered by the Pension Plan, your benefits can be determined only by consulting the Pension Plan itself. For a complete copy of the Plan document that covers you, contact the UFCW Benefits Office at International Union headquarters.

## II. RECORD KEEPING FOR THE PLAN

The International Union maintains the necessary records of Participants and is prepared to answer questions that Participants may have about the Plan. Questions may be directed to:

UFCW International Union Pension Plan for  
Employees  
c/o UFCW Benefits Office  
1775 K Street, N.W.  
Washington D.C. 20006-1598  
(202) 223-3111

Service of process may be made on the administrator of the Pension Plan or a member of the Executive Committee.

## III. FUTURE OF THE PLAN

The International Union intends to continue the Pension Plan indefinitely. However, it reserves the right to amend or terminate the Plan, or to reduce, suspend, or discontinue contributions at any time in its sole discretion, if that should ever be necessary. In the event of termination or partial termination of the Plan, your interests under the Plan are nonforfeitable to the extent funded, and the assets of the Fund will be allocated in accordance with the Executive Committee's decision and applicable law. The Plan is also subject to the continuing approval of the Internal Revenue Service and may be modified as needed to keep the Plan qualified under the Internal Revenue Code.

## IV. HOW TO APPLY FOR BENEFITS

About three months before you would like to retire, you should call the UFCW Benefits Office to advise of the approximate date you would like to retire. If you would like a current estimate of your pension benefit, the UFCW Benefits Office will send you one. To get your pension, you or your duly authorized representative must file an application for benefits under the Plan. To name an authorized representative to act on your behalf, you must notify the Executive Committee in writing of the representative's name, address, and telephone number and authorize the Executive Committee to release information to your representative. The UFCW Benefits Office will supply you with all the forms and assistance necessary for the proper filing of an application. You will be

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required to submit a birth certificate or other acceptable proof of age and other information necessary to process your application. Benefits will not begin until a completed application is filed and it is determined that you are eligible to receive the benefits. Once your benefit has commenced, the form of your benefit cannot be changed, except as otherwise expressly allowed under the Plan.

If you make a claim for benefits under the Plan, and all or part of it is denied, the Executive Committee will notify you of the reasons for the denial with specific reference to the appropriate Plan provisions, and a description of any additional information needed for reconsideration. The Committee will also tell you how you can appeal this decision. Claim denials will be sent to you in writing within ninety (90) days of the date we receive the claim (45 days for disability claims) unless special circumstances require an extension, in which case the Executive Committee will have up to ninety (90) additional days to decide your claim (up to two 30 day extensions to decide disability claims).

The appeal procedure is stated below for your information.

1. If you wish to appeal, within 90 days of receiving the Committee's determination letter, (180 days for denial of a disability claim) you must send a written application to the Committee indicating your desire to appeal. As part of the appeal process, you or your representative may review pertinent Plan documents and receive, upon request and free of charge, reasonable access to and copies of all documents and records relevant to the claim. You must include the reasons for the appeal and any additional information you may have available to support your claim for benefits.
2. The Executive Committee will decide your case at the next meeting after receiving your request for review, unless the appeal is filed within thirty (30) days of that meeting, in which case it will be reviewed at the following meeting. If special circumstances (as determined by the Committee) require more time for a decision, you will be notified. If there are special circumstances that require more time, your appeal will be decided at the third meet-

ing after the Executive Committee receives your appeal.

3. The decision of the Committee will be in writing and sent to you within five days of the decision, and it will explain the reasons for the decision. If the Executive Committee denies your appeal, you will be notified of the specific reasons for the denial, specific references to the Plan provisions upon which the denial is based, notice that you may receive upon request and free of charge reasonable access to and copies of all documents and records relevant to the claim, and a statement that you have the right to bring an action under ERISA.

The Executive Committee has the power to interpret, apply, construe, and amend the provisions of the Pension Plan and make factual determinations regarding its construction, interpretation and application, and any decision made by the Executive Committee in good faith is final and binding upon Employers, Employees, Participants, Beneficiaries, and all other persons who may be involved or affected by the Pension Plan.

If your claim is denied, in whole or in part, you are not required to appeal the decision. You have a right to file suit in federal or state court under Section 502(a) of the Employee Retirement Income Security Act ("ERISA") on your claim for benefits. However, you must exhaust your administrative remedies by appealing the denial to the Executive Committee before you have the right to file suit in state or federal court. Failure to exhaust these administrative remedies will result in the loss of your right to file suit, as described in the ERISA Rights statement of this Summary Plan Description.

If your claim for benefits and appeal has been denied and you wish to bring suit, you must do so within three (3) years from the date on which the Executive Committee makes its final decision on your appeal. For all other actions, you must file suit within three (3) years of the date on which the violation of Plan terms is alleged to have occurred. For any action to enforce the terms of the Plan, including but not limited to benefit claims denied on appeal, you must bring that litigation in the United States District Court for the District of Columbia. These rules apply to all litigation against the Plan, including



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litigation in which the Plan is named as a third party defendant.

## V. FINANCIAL OPERATIONS

The financial records of the Plan and Trust are maintained on a fiscal year and a Plan Year ending April 30. The Executive Committee meets regularly with the Plan's Actuary and other advisors to review the anticipated contributions, investment income, benefit payments and Plan expenses. These reviews are carried out consistent with the Executive Committee's intent to run the Pension Plan on a sound financial basis in accordance with the funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA). In addition, the financial operations are audited annually by an independent firm of certified public accountants.

For the protection of your interests and those of your dependents, your benefits under the Plan cannot be assigned and are not subject to garnishment or attachment, except to the extent permitted by a QDRO and to the extent applicable law and the Plan allows Participants and Beneficiaries to direct a portion of their monthly benefit payment to the International Union to be used by the UFCW International Active Ballot Club, or to pay for any applicable monthly premiums required for coverage under the UFCW Health Insurance Plan for Retirees.

## VI. QUALIFIED DOMESTIC RELATIONS ORDERS

When the UFCW Benefits Office receives any judgment, decree, or order (including approval of a property settlement agreement) that requires the Plan to pay benefits to an Alternate Payee, as defined below, pursuant to a state domestic relations law, the Plan will notify the Participant and the Alternate Payee of the receipt of that judgment and the procedures for determining whether it is a QDRO.

An Alternate Payee means any spouse, former spouse, child, or other dependent of a Participant recognized by a domestic relations order as having a right to receive all, or a portion of, the benefits payable under the Plan. To the extent provided in any QDRO, the former spouse of a Participant can be treated as the surviving spouse for purposes of the survivor annuity and pre-retirement surviving spouse annuity if the former spouse and Participant were married for at least one year as of the date of divorce.

The Plan will honor the judgment as a QDRO if it meets the following requirements:

1. It must relate to the provision of child support, alimony, or marital property rights to a spouse, former spouse, child, or other dependent of a Participant, and must be made pursuant to a state domestic relations law.
2. It must clearly specify the name and last known address of the Participant and the mailing address of each Alternate Payee covered by the order. (An order will not be treated as failing to be a qualified order merely because it does not specify the current mailing address of the Participant only if the Plan has reason to know the address independent of the order.)
3. It must specify the amount or percentage of the Participant's benefits to be paid by the Plan to the Alternate Payee, or the manner in which the amount is to be determined.
4. It must specify the number of payments or period to which the order applies, and each Plan to which the order

You may obtain a copy of the Plan's QDRO procedures by contacting the Benefits Office. If a court enters a QDRO that affects your benefit under the Plan, it is important that you provide a copy to the Benefits Office immediately.

## VII. ERISA RIGHTS

As a Participant in the United Food and Commercial Workers International Union Pension Plan for Employees, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). The Executive Committee complies fully with this law and encourages you to first seek assistance from the UFCW Benefits Office when you have questions or problems that involve the Plan.

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 work sites, all Plan documents, including insurance contracts, collective bargaining



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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 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 upon written request to the Plan administrator. The administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan administrator is required by law to furnish each Participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and if so, what your benefits would be if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

### ***Prudent Actions by Plan Fiduciaries***

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people responsible for the operation of the Plan. The people who operate your Plan, called fiduciaries, have a duty to do so prudently and in the interest of you and other Plan Participants and Beneficiaries. The Plan does not give you any right to continue in Employment. However, no one may fire you or discriminate against you in any way for the purpose of preventing you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit is denied or not responded to, in whole or in part, you have the 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.

### ***Enforce Your Rights***

If your claim for a 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 the 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 case, the court may require the Executive Committee to provide the materials and pay you a fine of up to \$110 per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Executive Committee. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If you have a claim for benefits which is denied or not responded to, in whole or in part, you may file suit in a state or federal court. If Plan fiduciaries ever 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 the 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 – if it finds your claim is frivolous, for example.

### ***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 area office of the Employee Benefits Security Administration, Department of Labor, listed in the phone directory or the Division of Technical Assistance and Inquiries,

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Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration.

Nothing contained in this booklet gives you the right to be retained in the service of your Employer; or interfere with the rights of your Employer to discharge you at any time without regard to the effect such discharge has upon your rights, if any, under the Plan.

## **VIII. PENSION BENEFIT GUARANTY CORPORATION INSURANCE**

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 collective 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. For example, the maximum guaranteed benefit for a retiree with 30 years of service and a \$23 per month accrual rate would be \$7,200 per year.

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 5 years at the earlier of (i) The date the plan terminates or (ii) 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) nonpension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTT/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

## **IX. SUPPLEMENT FOR PARTICIPANT RESIDENTS OF PUERTO RICO**

This Supplement applies to participants who are residents of Puerto Rico so that these participants may receive favorable tax treatment for their Plan benefits.

**Limitation on Annual Benefits.** Effective January 1, 2012, the annual benefit of a Participant in Puerto Rico, when expressed as a life annuity, may not exceed the lesser of 100% of the Participant's average annual salary over a period not to exceed three years during which the Participant's compensation was highest, or \$205,000 (as adjusted from time to time for cost-of-living increases).

**Rollovers.** Participants in Puerto Rico may only roll over a lump sum distribution to a Puerto Rico eligible retirement plan in order to preserve the tax-deferred status of the benefit. When you apply for a distribution, if your benefit is affected by these rules, the UFCW Benefits Office will provide you with information regarding your "rollover" options.

**Mergers.** Assets and liabilities attributable to Puerto Rico participants may only be merged with or transferred to a retirement plan that is qualified under the Puerto Rico tax code.

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**United Food & Commercial Workers International Union**  
**1775 K Street NW**  
**Washington DC 20006-1598**