

**PENSION PLAN FOR THE I.B.E.W. LOCAL NO. 640 AND
ARIZONA CHAPTER N.E.C.A.
PENSION TRUST FUND**

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The Internal Revenue Service has assigned
to this Plan the number 86-0323980.

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September 2020

**PENSION PLAN FOR THE
I.B.E.W. LOCAL NO. 640 AND ARIZONA CHAPTER N.E.C.A.
PENSION TRUST FUND**

To all covered employees:

We are happy to provide you with this new booklet explaining your updated Pension Plan. The Internal Revenue Service determined that the Plan continued to meet the requirements for tax-qualified status in a letter dated March 12, 2015.

All changes adopted since the last booklet was printed have been incorporated into the following plan summary and plan rules and regulations. Some of these changes may affect your eligibility to receive benefits. We believe that you will want to read these rules and their explanation very carefully.

While we have tried to explain all sections of the Plan as clearly as possible, it is a complicated document. The Plan must operate under very precise and detailed rules, since it provides very important protection for a great many people and must take into account a great variety of conditions affecting participants in the Plan and the industry.

Please remember when reading the Plan, that if the facts and circumstances of a particular situation occurred before September 2020, the provisions of the Plan in effect at the particular date may be applied. Those provisions may be different from the Plan currently in effect and contained in this booklet.

Since the Plan started, the Trustees have had numerous editions of the summary booklet printed and distributed, as well as booklet supplements. It is likely that you will have questions after reading this booklet. You can call or write the Administrative Office of the Pension Trust for answers to any questions you may have about the Plan, and how any rule affects you and your beneficiaries.

Please keep in mind that, for your protection, only the full Board of Trustees is authorized to interpret the Plan. Information you receive from the Union or individual employers or their representatives should be regarded as unofficial. Any information or opinion concerning your rights under the Plan, to be official, must be communicated to you in writing, signed on behalf of the full Board of Trustees.

Please also be sure to inform the Administrative Office of the Pension Trust of any change in your mailing address, to ensure that you receive all communications.

We hope that you will find this booklet helpful and that you and your family will enjoy the protection of the Plan for many years to come.

Sincerely,

BOARD OF TRUSTEES

TABLE OF CONTENTS

	Page
Trustees' Message to Covered Employees	
Some Pension Plan Terms	1
Participation	2
Pension Credit	2
What is My Contribution Date?	2
How Pension Credits Are Earned	2
Past Service Credit	3
Future Service Credit	3
Hours Bank.....	3
Credit for Periods of Qualified Military Service.....	4
Vesting	5
Break in Covered Employment	6
Separation from Covered Employment	8
Types of Pension.....	9
Regular Pension	9
Delayed Retirement.....	9
Service Pension	10
Early Retirement Pension.....	11
Disability Pension	12
Vested Service Pension	13
Special Normal Retirement Age Vested Pension.....	15
Pro Rata Pension	15
Reciprocal Pension - Transfer of Contributions.....	16
Provisions Affecting Beneficiaries	18
Husband-and-Wife Pension	18
75% Qualified Optional Survivor Annuity	19
Joint and Survivor Options.....	21
Lump Sum Option.....	23
Automatic Lump Sum Payment of Monthly Pension	23
Death Benefits	23
Domestic Relations Orders/ Divorce Decrees.....	24
Retirement and Suspension of Pension for Certain Employment After Retirement.....	25
How to Obtain Benefits and Secure Review of Adverse Benefit Determinations	27
Trustee Authority	35
Some Questions and Answers	36
Checklist: Things For You To Do	38
ERISA Statutory Data.....	39

WORKING COPY OF THE FIFTH RESTATEMENT OF THE PLAN DOCUMENT

ARTICLE I. DEFINITIONS 46

ARTICLE II. PARTICIPATION..... 53

ARTICLE III. PENSION ELIGIBILITY AND AMOUNTS..... 54

ARTICLE III-A. PRO RATA PENSIONS 59

ARTICLE III-B. RECIPROCAL PENSION..... 61

ARTICLE IV. HUSBAND-AND-WIFE PENSION..... 64

ARTICLE V. DEATH BENEFITS 68

ARTICLE VI. PENSION CREDIT AND YEARS OF VESTING SERVICE 70

ARTICLE VII. OPTIONAL FORM OF PENSION PAYMENTS 77

ARTICLE VIII. APPLICATION, BENEFIT PAYMENT AND RETIREMENT 79

ARTICLE IX. MISCELLANEOUS 92

ARTICLE X. AMENDMENT AND TERMINATION 94

ARTICLE XI. MINIMUM DISTRIBUTION REQUIREMENTS 95

SOME PENSION PLAN TERMS

The Pension Plan provides retirement benefits for eligible Employees who work for Employers who contribute to the Pension Plan for the I.B.E.W. Local No. 640 and Arizona Chapter NECA Pension Trust Fund. Contributions by these Employers are required under the Collective Bargaining Agreement. The following explains some basic terms used in this booklet:

Administrative Office of the Pension Trust: This is the office to which you should send **all** communications about your pension, especially anything for the attention of the Board of Trustees. This includes questions about your rights, benefits and responsibilities, and any notice you may be required to give to the Plan. The address and phone number are:

I.B.E.W. Local No. 640 and Arizona Chapter NECA
Pension Trust Fund
2001 Camelback Road, Suite B-350
Phoenix, AZ 85015
(602) 248-8434

Calendar Year: The period from January 1 to the next December 31. The Calendar Year shall serve as the vesting computation period, benefit accrual computation period, and after the initial period of employment or of reemployment following a break in Covered Employment, the computation period for eligibility to participate in the Plan.

Covered Employment: Work by an Employee for which an Employer is required to contribute to this Pension Fund.

Employee: An individual who performs work covered by a collective bargaining agreement, and subject to the agreement of the Trustees, a regularly employed and salaried officer, representative or employee of the Union or of the PEJATC, or a job or shop superintendent, estimator or working member of the firm employed by a contributing employer, if previously an employee who worked under a collective bargaining agreement.

In no event will a sole proprietor or partner be considered an Employee. For purposes of the preceding paragraph, “regularly employed” means service of 1,000 hours or more in a calendar year or service of 1,000 hours or more in the 12-month period following the start of the employment.

Pension Trust Fund: The terms “Pension Fund”, “Trust” and “Fund” as used in this booklet have the same meaning — the fund created by the Trust Agreement to finance this Pension Plan.

Pension Credits: Units that measure the years of service an Employee has worked in Covered Employment, which are used to determine when an Employee qualifies for a pension and the amount of pension. As explained later in this book, there are two types of Pension Credits: Past Service Pension Credit for periods before your Contribution Date, and Future Service Credit for periods after that date.

Vesting Service: Years of service earned after an Employee’s Contribution Date which are used to determine if an Employee is vested.

Break in Covered Employment: A failure to earn a required minimum of Vesting Service Credits over specific periods of time can result in a break in Covered Employment. Unless certain conditions are met, a break in Covered Employment can cause the loss of an Employee's previously earned Pension Credits and Vesting Service. This is known as a Permanent Break in Covered Employment. There are, however, provisions for curing breaks in Covered Employment before they become a Permanent Break.

Detailed explanations of what causes a break in Covered Employment, what can make it permanent and how breaks can be repaired are in the section on "Breaks in Covered Employment".

Required Beginning Date. The April 1 following the year you attain age 72 (or 70½ if you were born prior to July 1, 1949). The IRS requires that retirement benefits commence by this date or benefits may be subject to tax penalties. The Trustees are still reviewing the impact of this SECURE Act change and will be updating the Plan Document to reflect this in the near future.

PARTICIPATION

You will become an Active Participant in this Plan on either the January 1 or July 1 immediately following a consecutive 12-month period during which you complete at least 300 hours of work in Covered Employment. Hours of work with an Employer in non-covered employment also may count toward this requirement if that non-covered employment is continuous with your Covered Employment.

If you have a Permanent Break in Covered Employment, you will no longer be a Participant unless you are "vested", which is explained in more detail starting on page 5. You will be reinstated in the Plan as an Active Participant as of your reemployment date, once you complete 300 hours of work in Covered Employment in a Calendar Year.

PENSION CREDIT

Pension Credit is generally required to qualify for any type of pension provided by the Plan, and is used in all events to figure the amount of your pension. Your Pension Credit is based on your years of work *in Covered Employment*. There are two types of Pension Credit - Past Service Credit earned for periods before your Contribution Date, and Future Service Credit for periods after your Contribution Date.

What is my Contribution Date?

Your Contribution Date is determined as follows:

- (1) For Employees whose first contributions were made to the Fund according to a Collective Bargaining Agreement with Local Union 2148 of the I.B.E.W., and elected officers or regularly employed or salaried officers or agents of Local Union 2148 of the I.B.E.W., the Contribution Date is December 1, 1971.
- (2) For the unit of "Sound Employees" whose first contributions were made according to a Collective Bargaining Agreement with Arizona Chapter, Phoenix Sound Division, N.E.C.A., the Contribution Date is December 1, 1976.
- (3) For all other Employees, the Contribution Date is January 1, 1971.

How Pension Credits Are Earned: One (1) Pension Credit represents roughly one (1) Calendar Year of work in Covered Employment. If you work fewer than the number of hours required within a Calendar

Year for one full Pension Credit, you can be credited with a fraction of a Pension Credit. The number of hours you must work in Covered Employment within a Calendar Year to earn one Pension Credit or a fraction of one Credit is specified in the Plan Document. The following summarizes the rules for determining Pension Credit:

Past Service Credit (for Work before your Contribution Date)

In order to receive any Past Service Credit, you must have worked at least 600 hours in Covered Employment during the 18-month period immediately following your Contribution Date.

If you qualify to receive Past Service Credit, you will receive one (1) year of Past Service Credit for each Calendar Year before your Contribution Date in which you worked 8 hours or more at a job of the kind now included in the Collective Bargaining Agreement in the area covered by the Plan, and for periods of military service if that service falls immediately between jobs which qualify for Past Service Credit.

Since it may be difficult for you to establish your past years of service because of employment patterns in those years, the Board of Trustees may, in its discretion, consider certain evidence to establish Past Service Credit, including proof of union membership or bona fide covered employment, pay records of an Employer, or withholding and coverage records of the Social Security Administration.

Future Service Credit (for Work on and after your Contribution Date)

Pension Credit after your Contribution Date is calculated as follows:

Hours Worked in a Calendar Year in Covered Employment	Pension Credit
Fewer than 300 hours	See Below
300 - 399	3/12
400 - 499	4/12
500 - 599	5/12
600 - 699	6/12
700 - 799	7/12
800 - 899	8/12
900 - 999	9/12
1,000 - 1,099	10/12
1,100 - 1,199	11/12
1,200 & over	One Year

If you work fewer than 300 hours in Covered Employment in a Calendar Year, but earn a Year of Vesting Service (see page 5), you will receive partial Future Service Credit equal to the number of hours worked in Covered Employment divided by 2,000.

Hours Bank

On or after January 1, 2015, if you work more than 1,200 hours in Covered Employment in a given Calendar Year, the excess of your hours above 1,200 will accumulate in an hours bank. Your hours bank may never have more than 600 hours in it. The hours may be transferred to a subsequent [Calendar Year in which you work fewer than 1,200 hours in Covered Employment, if the addition of those hours allows you to receive additional increments of benefit accrual,

A transfer of hours is only for the purpose of determining Future Service Credit and will not add to your Vesting Service.

Apprentices do not accrue an hours bank.

Credit for Periods of Qualified Military Service

Participants who satisfy conditions imposed by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) will be entitled to have their period of military service treated the same as Covered Employment for vesting and benefit accrual purposes. To receive credit, you must have left employment for an Employer in a job classification covered by a Collective Bargaining Agreement to join the military.

Your entitlement to benefits for time spent in military service also depends on your compliance with other legal requirements of USERRA, including the following:

- Your separation from military service must be other than disqualifying under USERRA, such as where you have a dishonorable or bad conduct discharge.
- The total length of your absence due to military service may not exceed five years.
- You report or submit an application for re-employment following military service within the time allowed by law.

Each full week of Qualified Military Service is equal to the average weekly hours of Service in Covered Employment earned during the 12 months preceding the start of Qualified Military Service. Future Service Credit is pro-rated on 40 hours if the period of Qualified Military Service is less than a full week. Until you or your employer notifies the Fund Office that you have met the foregoing conditions you will not receive credit for your military service.

As the rules for crediting military service are complex, we recommend that you contact the Administrative Office before you leave and after you return from military service. If you think you may be eligible for contributions for a period of military service, please provide the Administrative Office with accurate records of your service.

VESTING

What happens when I become Vested? Once you are fully vested, you cannot lose your accumulated Pension Credit or Vesting Service through a Permanent Break in Covered Employment. You also will be entitled to receive a pension beginning at the permitted retirement age, even if you leave Covered Employment or earn no additional Pension Credit or Vesting Service; this is explained in the “Vested Service Pension” section starting on page 13.

What is Vesting Service? Vesting Service is a measure of the years of service you earned after your Contribution Date. Vesting Service determines your right to certain benefits and can protect your benefits once you become vested as described above.

You earn one (1) year of Vesting Service for each Calendar Year following your Contribution Date in which you complete 1,000 or more Hours of Service in that year. An Hour Of Service is (1) hours of work in Covered Employment, (2) hours for which an Employee is paid by the Employer for vacation, holiday, illness, incapacity, layoff, jury duty, military duty, leave of absence, or time spent while on disability and covered by certain disability benefits, and (3) hours for which back-pay is awarded or agreed to. See Article I, Section 19 of the Plan.

If you have fewer than 1,000 Hours of Service in a Calendar Year, you will not earn any Vesting Service for that year.

You also will be entitled to Vesting Service (but not Pension Credit):

- (1) for a period of employment which occurs after December 31, 1975 but is not covered by this Plan, if that employment immediately precedes or follows your Covered Employment with the same Employer; and
- (2) for employment after June 20, 1980 which is not covered by this Plan, but for which your Employer is required to contribute to the companion I.B.E.W. Local No. 640 and Arizona Chapter N.E.C.A. Defined Contribution Plan, and only if that employment occurs **after** the date you begin to participate in this Plan, and
- (3) for periods of Qualified Military Service.

When Am I Vested? You will be fully vested once you have accumulated at least 10 years of Pension Credit or 5 years of Vesting Service, not interrupted by a Permanent Break in Covered Employment. No matter how many Years of Vesting Service or Pension Credits you have earned, if you are an Active Participant when you reach the Plan’s Normal Retirement Age, or on a date thereafter, if it precedes any Permanent Break in Covered Employment (see pages 6 and 7 of this Summary and Article VI of the Plan Document), you will be fully vested in whatever Future Service Pension Credit you have accumulated during those years.

BREAKS IN COVERED EMPLOYMENT

The Pension Plan was created to provide security for Employees who earn their living over a major portion of their working years through work in the industry. To make sure the Plan can fulfill its responsibilities to these Employees and their beneficiaries, numerous safeguards had to be established, among these are the provisions which concern breaks in Covered Employment.

If you do not complete 300 Hours of Service in a Calendar Year (see pages 6 and 7), you will incur a One Year Break in Covered Employment. A series of One Year Breaks can become a Permanent Break in Covered Employment and — unless you already have met the requirements for vesting - can result in the loss of previously earned Pension Credit and Vesting Service. There also is, however, a Plan rule for repairing a One Year Break in Covered Employment.

The loss of Pension Credit and Vesting Service due to a Permanent Break in Covered Employment can be a costly and painful loss to any Employee. It is important, therefore, for you to understand the break in Covered Employment rules, particularly how One Year Breaks can become permanent and how to prevent this from happening. As explained further in this section, breaks in Covered Employment are determined *in sequence* according to the particular rules in effect at the time the Break occurs.

Permanent Break in Covered Employment Before January 1, 1976: Before January 1, 1976, you had a Permanent Break in Covered Employment, and your previously accumulated Pension Credits were cancelled, if you did not earn at least one-quarter of Pension Credit in a period of three (3) consecutive calendar years. There were exceptions to this rule called “grace periods”, time in which an Employee was absent from Covered Employment that was not counted towards a Break in Covered Employment, but also did not add to the Pension Credit of an Employee. There were time limits for applying to the Trustees for recognition of grace periods, but these time limits have now expired.

Breaks in Covered Employment Between January 1, 1976 and January 1, 1987: Between January 1, 1976 and January 1, 1987, you had a One Year break in Covered Employment if you did not complete 300 Hours of Service in a Calendar Year. This Break can be temporary or permanent, depending on how many years of Pension Credit or Vesting Service you accumulated. In counting Hours of Service, you count not only hours you have performed work covered by the Collective Bargaining Agreement, but all hours paid for, including vacations, holidays, and employment with an Employer in work not covered by the Plan if Vesting Service is granted for such employment. Beginning January 1, 1985, you may be credited with Hours of Service if you are on maternity or paternity leave as defined in the Rules and Regulations. You don't earn Pension Credit, however, for any Hours of Service which are not actual work in Covered Employment.

During this period, a break becomes permanent if you have at least three (3) consecutive One Year Breaks in Covered Employment and the number of these consecutive One Year Breaks equals or exceeds the number of years of Pension Credit or Vesting Service you had previously accumulated.

For example: If during the period from January 1, 1976 through January 1, 1980, you had worked for four (4) calendar years and earned four years of Pension Credit or Vesting Service, you would not lose those years unless you then had four consecutive calendar years (1980-1983) with fewer than 300 hours in each year.

Break in Covered Employment After January 1, 1987: For periods after January 1, 1987, you have a One Year Break in Covered Employment the same way you did for the period between January 1, 1976

and January 1, 1987 — that is, a Calendar Year in which you did not complete 300 Hours of Service. The same kind of hours are used after January 1, 1987 as before. Beginning January 1, 1987, you incur a Permanent Break if you have at least five (5) consecutive One Year Breaks and the number of your consecutive One Year Breaks equals or exceeds your previously earned years of Pension Credit or Vesting Service. Hours credited for Qualified Military Service count for avoiding a One Year Break.

For example: If you have only four (4) years of Pension Credit or Vesting Service you will not have a Permanent Break in Covered Employment until you have at least five (5) consecutive One Year Breaks.

“Curing” a One Year Break in Covered Employment: If you earn 300 or more Hours in a Calendar Year immediately after a Calendar Year in which you have a One Year Break in Covered Employment — or immediately following a number of consecutive One Year Breaks before you have a Permanent Break — the previous One Year Break is (or consecutive One Year Breaks are) “cured”, or cancelled.

A Calendar Year in which you work fewer than 300 Hours of Service does not repair any preceding One Year Break, and is itself another One Year Break in Covered Employment. Previous breaks can be “cured” only before a Permanent Break has occurred, and when you complete 300 or more Hours of Service within the Calendar Year immediately after the One Year Break.

To sum up the provisions on breaks in Covered Employment:

- You will have a One Year Break in Covered Employment if you do not have at least 300 Hours of Service within a calendar year.
- Any One Year Break in Covered Employment can be repaired, so long as you don’t accumulate so many consecutive One Year Breaks that you create a Permanent Break.
- A break becomes permanent between January 1, 1976 and January 1, 1987 when you have had three (3) or more consecutive One Year Breaks, and the number of consecutive One Year Breaks equals or exceeds your number of years of Pension Credit or Vesting Service.
- A Permanent Break is incurred after January 1, 1987 when you have had five (5) consecutive one-year Breaks, and the number of consecutive One Year Breaks equals or exceeds your number of years of Pension Credit or Vesting Service.
- At any time before you incur a Permanent Break, you can “cure” or eliminate your One Year Breaks in Covered Employment with just one Calendar Year in which you have 300 or more Hours of Service.

SEPARATION FROM COVERED EMPLOYMENT

Pension benefits under this Plan are subject to the rule for Separation from Covered Employment. You will have a Separation from Covered Employment if you have three (3) consecutive One Year Breaks in Covered Employment (as explained earlier). You will be considered to be “separated” as of the January 1 of the Calendar Year at the beginning of that three-year period.

If you have a Separation from Covered Employment, your benefit amount is “frozen” at the rate in effect on the January 1 of your Separation. If you later return to work in Covered Employment and earn additional Pension Credit, your benefit for those additional credits will be figured based on the rate in effect at the time of your actual retirement or a later Separation, if any.

The following shows past pension multiplier rates and the periods they were in effect, *for retirements during each period*:

Period in effect	Pension Multiplier Rate	
	Past Service Credit	Future Service Credit
1/1/02 and after	\$51.50	\$51.50
1/1/01 – 12/31/01	\$50.00	\$50.00
12/1/98 – 12/31/00	\$49.00	\$49.00
12/1/97 – 11/30/98	\$45.00	\$45.00
1/1/97 – 11/30/97	\$43.00	\$43.00
1/1/96 – 12/31/96	\$41.00	\$41.00
1/1/95 – 12/31/95	\$40.00	\$40.00
1/1/94 – 12/31/94	\$39.00	\$39.00
1/1/92 – 12/31/93	\$38.50	\$38.50
1/1/91 – 12/31/91	\$36.00	\$36.00
1/1/90 – 12/31/90	\$35.00	\$35.00
11/1/89 – 12/31/89	\$33.00	\$33.00
1/1/87 – 10/31/89	\$31.00	\$31.00
1/1/86 – 12/31/86	\$27.50	\$27.50
1/1/85 - 12/31/85	\$21.00 for Pension Credit before Contribution Date. \$21.50 for Pension Credit from Contribution Date to 12/31/82. \$23.00 for Pension Credit after 1/1/83	

For pensions effective before January 1, 1986, only the most recent 35 years of Pension Credit will be used to determine the monthly amount of Regular Pension. For pensions effective after January 1, 1986, only the most recent 40 years of Pension Credit shall be used to determine the monthly amount of Regular Pension.

Unlike a break in Covered Employment, a Separation from Covered Employment cannot be cured. Once you incur a Separation, the credit earned prior to the Separation will be frozen even if you return to work in Covered Employment.

TYPES OF PENSIONS

There are several types of pensions available to eligible Employees under this Plan. Eligibility requirements as to Pension Credits, age and other factors vary for different types of pensions. The Administrative Office can advise you about your eligibility, and explain various factors to consider when you are ready to think about retirement.

This section describes the types of pension and the service, age and other requirements for each type. The amount of monthly pension payment with each type will vary according to a number of factors, including when your Pension Credits were earned, when you apply for a pension, the options you select, etc. Information which affects the amount of payment will be found in the section on “Provisions Affecting Beneficiaries” as well as in this section.

NOTE: The monthly pension payable to a married Employee, no matter which type of pension, will be reduced as explained under the Husband-and-Wife Pension, unless the Employee and spouse decide they want the Pension paid as a single-life pension (as explained on page 18). If you are married at retirement but do not want the Husband-and-Wife Pension, you and your spouse must reject this form of payment in writing with the Administrative Office when you apply for a pension.

REGULAR PENSION

Eligibility: Upon application, you will be eligible for a Regular Pension if you meet all the following requirements:

- (1) You are at least 62 years of age.
- (2) You have at least ten (10) years of Pension Credit without a Permanent Break in Covered Employment.
- (3) You have received credit for at least two quarters of Pension Credit since your Contribution Date.

Pension Amount: The monthly amount of a Regular Pension is equal to \$51.50 for each full Pension Credit earned, both Past Service and Future Service for retirements on or after January 1, 2002. This amount is for single-life protection, and will be reduced for Husband-and-Wife Pension protection, if applicable, as explained starting on page 18. Only the most recent 40 years of Pension Credit will be used to determine the monthly amount of the Regular Pension.

DELAYED RETIREMENT

If the effective date of your pension is after your Normal Retirement Age (generally, age 65, but see page 15), and you do not work at least 40 hours in prohibited employment (see page 25) each month between Normal Retirement Age and your pension effective date, your benefit may be calculated differently.

You will receive the greater of:

- (1) the benefit calculated on the basis of your total years of Pension Credit as of your Annuity Starting Date; or

- (2) the benefit you would have received if you had retired at Normal Retirement Age, calculated using your Pension Credit as of that date and the multiplier rate then in effect, actuarially increased for each month after your Normal Retirement Age in which you work fewer than 40 hours in prohibited employment (see page 25). The actuarial increase will be 1% per month for the first 60 months after Normal Retirement Age, and 1.5% per month for each month thereafter.

For Example: You have 25 years of Past and Future Service Pension Credit earned when you reach Normal Retirement Age on October 1, 2018. Instead of retiring, you continue to work sporadically. During the next two years, you earn an additional two (2) Pension Credits, but had 9 months in which you worked fewer than 40 hours. Your benefit (without taking into account payment options or a Separation) would be:

- (1) Total years of Pension Credit on October 1, 2020:

$$27 \text{ years} \times \$51.50 = \$1,390.50$$

- (2) Benefit payable at Normal Retirement Age (October 1, 2018):

$$(25 \text{ years} \times \$51.50) = \$1,287.50$$

actuarial increase for 9 months in which you work fewer than 40 hours = 9%

$$\$1,287.50 \times 1.09 = \$1,403.38$$

Since the benefit is greater under method 2, the benefit for delayed retirement in this case would be \$1,403.38.

SERVICE PENSION

Eligibility: If you wish to retire before you reach age 62, upon application you are eligible for a Service Pension as early as age 55 without a benefit reduction, if you meet all the following service requirements.

- (1) You are at least 55.
- (2) You have at least 35 years of Pension Credit, including at least one (1) Hour of Service in Covered Employment on or after January 1, 1991.

Pension Amount: The monthly amount of the Service Pension is the same as the monthly Regular Pension you earn up to the date of your actual retirement, without any reduction for your receiving payment before age 62, the usual retirement age for an unreduced pension. If you are married at retirement, however, your benefit will be reduced for Husband-and-Wife Pension protection as explained starting on page 18, unless you and your spouse reject that form of payment in writing.

EARLY RETIREMENT PENSION

Eligibility: If you wish to retire before age 62, you will be eligible for an Early Retirement Pension upon application as early as age 55 if you meet the following service requirements.

- (1) You are at least age 55.
- (2) You have at least ten (10) years of Pension Credit without a Permanent Break in Covered Employment.
- (3) You have received credit for at least two (2) quarters of Pension Credit since your Contribution Date.

Pension Amount: Monthly payments for an Early Retirement Pension will be lower, depending on your age when you retire and the amount of Pension Credit you have at that time. To determine what the monthly payments will be with an Early Retirement Pension, you first need to figure what the amount would be if you were age 62, and were retiring on a Regular Pension with the same amount of Pension Credit you now have.

With an Early Retirement Pension, you will receive less than 100% of the Regular Pension payment because you are retiring at an early age, and chances are you will be paid a pension for a longer period of time. The amount of the reduction is equal to 1/4 of 1% for each month you are younger than age 62 when you retire.

The percentage adjustment to your Regular Pension amount, based upon your age at retirement, is shown in the following table :

Age on Effective Date of Pension	Percentage of Regular Pension
55	79%
56	82%
57	85%
58	88%
59	91%
60	94%
61	97%

If you are between exact yearly ages on your pension effective date, the percentage will be adjusted according to the number of months since your last birthday, including the month in which your birthday occurred. To determine what your monthly payment will be, multiply the amount you would receive as a Regular Pension by the percentage for your age when you retire.

For example: You are an unmarried Employee, and decide to retire on October 1, 2020, at age 59 having 25 Years of Past and Future Service Pension Credit. You would be eligible for a Regular Pension of \$1,250.00 per month at age 62, but since you've decided to retire at age 59, your monthly payment will be

91% of that amount (see table). If you multiply \$1,250.00 by 91%, the result equals \$1,137.50, which is your lifetime monthly pension payment.

This is for single-life protection. If you are married at retirement, your benefit will be reduced for the Husband-and-Wife Pension provision as explained starting on page 18, unless you and your spouse reject that form of payment in writing.

DISABILITY PENSION

Eligibility: Upon application, you will be eligible for a Disability Pension if you meet all these conditions:

- (1) You are totally disabled before you reach age 65; and
- (2) You have at least five (5) years of Pension Credit without a Permanent Break in Covered Employment; and
- (3) You have received credit for at least two (2) quarters of Pension Credit since your Contribution Date; and
- (4) You earned at least one quarter (1/4) of Future Service Credit in the 2 consecutive calendar year periods immediately prior to the calendar year in which you became disabled.

Proof of Disability: A Participant will be considered disabled if the Board of Trustees, in its sole and absolute judgment finds that:

- (1) On the basis of competent medical evidence as the Board of Trustees may require to be shown, the Employee is unable to engage in any substantial gainful activity by reason of any medical determinable physical or mental impairment which can be expected to result in death or to be at least twelve (12) months duration.
- (2) The bodily injury or disease is not due to the Participant committing or attempting to commit a felony, engaging in felonious activity, self-inflicting any injury, habitual drunkenness or use of narcotics (other than as prescribed by a licensed physician).

In exercising its judgment, the Board of Trustees may obtain and act upon this competent medical evidence as it may require to be shown to it, and may accept as proof of disability a determination by the federal Social Security Administration of a Disability Benefit Award, or the determination by the International Brotherhood of Electrical Workers of entitlement to an I.B.E.W. Disability Award.

Pension Amount: The monthly amount of the Disability Pension is the same as the monthly Regular Pension you earned to the date of your disability, without any reduction for your age even if you are younger than age 62. If you are married at the time payments begin, however, the amount of payment will be reduced for Husband-and-Wife Pension protection as explained starting on page 18, unless you and your spouse reject that form of payment in writing.

Disability Payments: A Disability Pension will become payable on the first day of the month after you apply for and are determined to be eligible for a Disability Pension. Payments will continue for as long as you remain totally disabled, except that when you reach age 65, the Disability Pension will be continued even if you recover from your disability.

Auxiliary Disability Benefit for Social Security Disability Awards

If the Administrative office receives your application for a Disability Pension after the first day of the sixth month of disability, your benefits will become effective as of the first of the month following the onset of your disability if your disability is determined by Social Security and **provided** you file your application along with a copy of your Social Security Disability Award *within ninety (90) days after* you receive the Award.

Your Disability Pension is effective on your Annuity Starting Date: the first day of the month after your application is filed. Payments for months before your application is received by the Plan are called “*auxiliary disability benefits*” and are equal to the payment you would have received if your Disability Pension is determined by Social Security and had been in effect beginning on the first day of the month following onset of your disability. If your application and/or the copy of your Social Security Disability Award is not filed timely or you don’t have a Social Security Disability Award, your Disability Pension will be effective with the first of the month following the date you have filed both your application and proof of disability.

In order to ensure that your disability benefits start as soon as possible, you should file your application for a Disability Pension with the Administrative Office as soon as possible after you are disabled and then send proof of your disability (medical evidence or a Social Security Disability Award) as soon as you receive it.

Conversion of Early Retirement Pension to Disability Pension: Pending the Board’s determination that you are eligible for a Disability Pension, if you also are eligible for an Early Retirement Pension, you may apply for and receive an Early Retirement Pension. When the determination is made that Disability Pension benefits are payable, these will begin according to the Plan Document, and your Early Retirement Pension benefits will stop. This right to convert from an Early Retirement Pension to a Disability Pension is permitted only in those instances when a Participant is totally disabled at the time of application for an Early Retirement Pension.

Recovery of a Disability Pensioner: If you lose your entitlement to Social Security or I.B.E.W Disability Benefits while you are on a Disability Pension from this Plan, or if you recover from disability before reaching age 65, you must report this to the Administrative Office. This must be done within 21 days after the date of the notice of discontinuance of Social Security or I.B.E.W. Disability Benefits, or the date of your recovery. If you don’t notify the Administrative Office, it may cause a delay in your pension when you retire again later.

If you return to work in Covered Employment after you recover from your disability, you may earn additional Pension Credit and Vesting Service, both of which will be added to what you earned before you became disabled.

VESTED SERVICE PENSION

Eligibility: A Vested Service Pension is one in which your right to benefits is guaranteed even if you leave the industry before retirement age. Once you have met the requirements for a Vested Service Pension and upon application, you will be eligible for pension benefits when you meet certain age and other requirements, despite any Break in Covered Employment you may have after becoming vested - even if you do no more work in Covered Employment after that point.

NOTE: You should keep the Fund Office regularly informed of your whereabouts during any extended absence from the industry.

As explained earlier, you can attain Vested Service Pension rights, at or after age 62, in two ways:

- (1) Active Employees may become eligible for a Vested Service Pension by earning five (5) years of Vesting Service including credit for at least one hour of service on or after January 1, 1998. Before 1998, an Active Employee could attain vested status by earning at least ten (10) years of Vesting Service credit without a permanent Break in Covered Employment. Vesting Service credit is earned only for work after your Contribution Date. Employees who are not covered by a collective bargaining agreement may become eligible for a Vested Service Pension by earning at least five (5) years of Vesting Service credit, so long as this includes credit for at least one hour of service after January 1, 1989.
- (2) By earning, without a Permanent Break in Covered Employment, at least ten (10) years of Pension Credit. Pension Credit - unlike Vesting Service credit - is earned both for Past Service and Future Service Credit. The ten years of Pension Credit earns you the right to a pension at any time after reaching age 55.

Pension Amount and Time of Payment

If you qualify for a Vested Pension based on your Vesting Service, payment may start at age 62 upon application for your benefit. The Vested Service Pension will be calculated in the same way as the Regular Pension, based on the number of years of Pension Credit you have at that time. Vesting Service establishes your vested right to a pension; your pension amount will be based on your accumulated years of Pension Credit.

If you qualify for a Vested Pension based on your Pension Credits, and are at least age 55, payment of the Vested Service Pension can start as an Early Retirement Pension, with the amount calculated in the same way as the Early Retirement Pension.

Please remember that calculation of the amount of your Vested Service Pension is subject to the Plan's rules for Separation from Covered Employment, if you are applying for a Vested Service Pension after an absence from Covered Employment. To summarize the Separation rules (which are explained in more detail starting on page 8), if you have left Covered Employment, then have at least three consecutive one-year Breaks in Covered Employment and do not return to Covered Employment before you apply for your benefit, your monthly pension amount is determined based on the multiplier amount in effect at the beginning of the break period.

If you are married at the time payments start, the amount of payment will be reduced for Husband-and-Wife pension protection, if applicable, as explained starting on page 18, unless you and your spouse reject that form of payment in writing.

SPECIAL NORMAL RETIREMENT AGE VESTED SERVICE PENSION

Eligibility: Upon application, you will be eligible for a Special Normal Retirement Age Vested Service Pension if you meet the following requirements:

- (1) You have reached age 65, or if later, the Plan's "Normal Retirement Age" (see below)
- (2) You were considered an "Active Participant" in the Plan on the date you attained Normal Retirement Age or so considered after that date if such later date is before a Permanent Break in Covered Employment.

Your Normal Retirement Age is the later of (a) your age 65 or (b) the earlier of your age on the 5th anniversary of the date you became a Participant in this Plan, counting years after January 1, 1988, or the tenth anniversary of the date you became a participant, counting all years of participation. Years before a Permanent Break in Covered Employment will not be counted in determining your anniversary of participation.

Once you become a Participant in the Plan, you are considered an "Active Participant" in this Plan until you incur a one-year Break in Covered Employment (earn fewer than 300 Hours of Service in a calendar year). After a One year Break, you will again become an Active Participant if you return to Covered Employment (before incurring a Permanent Break in Covered Employment) and earn at least 300 Hours of Service in a year. Once you have suffered a Permanent Break in Covered Employment, you must start all over to accumulate credit for this or any other type of pension under the Plan.

Pension Amount: The amount of Special Normal Retirement Age Vested Service Pension is calculated in the same way as a Regular Pension, except that it is only based on your Future Service Pension credit at actual retirement. Past Service Credit is not recognized for this purpose.

PRO RATA PENSION

The Plan provides a Pro Rata Pension for Employees who would not otherwise qualify for a pension, or whose pensions would be less than the full amount because their years of employment are divided between periods covered under this Plan and periods covered under another pension plan which the Trustees recognize as a **related plan** (currently, only the IBEW Local Union Nos. 570 and 518 and Saguaro Chapter NECA Pension Plan).

Eligibility: Upon application, you will be eligible for a Pro Rata Pension if you meet these requirements:

- (1) You would be eligible for any type of pension under this Plan if your Combined Pension Credit (service earned under this Plan added to service earned under a related plan), were treated completely as Pension Credit under this Plan.
- (2) You have earned at least one (1) Year of Pension Credit under this Plan and under each related Plan under which Pension Credit is being recognized.
- (3) If you are applying for a Disability Pro Rata Pension, you meet the criteria for disability under each of the related plans under which Pension Credit is being recognized.

- (4) If you are applying for a Pro Rata Pension with an age requirement, you meet the respective age requirement for that type of pension under each of the related plans under which Pension Credit is being recognized.

Pension Amount: A Pro Rata Pension is determined in the same way as the Regular, Early Retirement, Disability, Vested or Service Pension - depending on the type of Pro Rata Pension you may be eligible for, and based on your Combined Pension Credits under all plans (each Plan will pay its respective share of your total pension). If you are married, the amount of payment will be reduced for Husband-and-Wife Pension protection, if applicable, as explained beginning on page 18, unless you and your spouse reject that form of payment in writing.

RECIPROCAL PENSIONS - TRANSFER OF CONTRIBUTIONS

In addition to the Pro-Rata Pension explained above, this Plan has entered into the International Pension Reciprocal Agreement with certain other IBEW local union pension plans. The Agreement provides for “money-follows-the-man” reciprocity, which means that if you work temporarily in employment within the jurisdiction of another IBEW local union and outside of your “Home Pension Fund” (see below), you can have contributions made on your behalf forwarded to your Home Pension Fund.

To understand how the Agreement works, you should first become familiar with a few technical terms which are used frequently in the Agreement. These include:

- (1) **Home Pension Fund.** The pension fund jointly sponsored by the local union to which you belong, which has adopted the Electrical Industry Pension Reciprocal Agreement, or, if you are not a member, the Participating Fund in which you are currently participating at the time you file an authorization form requesting reciprocity.
- (2) **Participating Fund.** A pension fund jointly sponsored by a local IBEW union which has signed the Electrical Industry Pension Reciprocal Agreement and covers employment within the jurisdiction of an IBEW local union.
- (3) **Temporary Employee.** An Employee who is temporarily employed outside the jurisdiction of his Home Pension Fund, and within the jurisdiction of a Participating Fund.

Eligibility: Under the terms of the Agreement, you are eligible to have the contributions made on your behalf transferred to your Home Pension Fund if:

- (1) you are temporarily employed outside the jurisdiction of your Home Pension Fund and within the jurisdiction of a Participating Fund; AND,
- (2) you file a proper authorization by registering on the Electronic Reciprocal Transfer System (ERTS), and agree to authorization and release both in writing and electronically to have contributions made on your behalf transferred to your Home Pension Fund.

On receiving these contributions, the Home Pension Fund credits the Employer contributions and hours received according to the Home Pension Fund’s Plan provisions. In addition, the following guidelines must be met:

Type of Plan: An Employee may have more than one type of Home Pension Fund, that is, one Home Pension Fund may be a “defined benefit” pension plan and the other may be a “defined contribution”

account-based retirement plan. If there are two such Funds, the Participating Fund will transfer contributions to whichever of the two is the same type as the Participating Fund. If there is only one Home Pension Fund, the Participating Fund will transfer all contributions to that Fund no matter which type it is.

Vesting Service: Each hour for which a contribution is received by the Home Pension Fund from a Participating Fund on an Employee's behalf will be credited as Vesting Service Credit by the Home Pension Fund on an hour-for-hour basis as required by ERISA (the federal law which governs private pension plans, such as this Plan). However, if the same hours are reported by more than one Participating Fund, the Home Pension Fund will only be required to credit the hours once. A year of Vesting Service will be whatever each Home Pension Fund decides, so long as the requirements of ERISA are met.

Benefit Accrual: Each hour for which a contribution is received by the Home Pension Fund from a Participating Fund on an Employee's behalf will be credited for benefit accrual purposes according to the rules of the Home Pension Fund. Where benefit accrual is not based on hours, but rather on actual contributions, all Employer Contributions so transferred will be credited to the Employee's account. Based on the current contribution rate, in cases where this Plan is the Home Pension Fund, each hour for which a contribution is received from a Participating Fund on an Employee's behalf will be credited as follows:

- (1) If the contribution rate in the Participating Fund is less than or equal to the contribution rate in this Plan, an Employee will receive one hour of Pension Credit for each hour worked.
- (2) If the contribution rate in the Participating Fund is more than the contribution rate but less than two times the contribution rate in this Plan an Employee will receive hours of Pension Credit based on a ratio of the contribution rate in the Participating Fund to the contribution rate in this Plan.
- (3) If the contribution rate is greater than two times the rate of this Plan, the excess will be applied to an Employee's account under the I.B.E.W. Local No. 640 and Arizona Chapter N.E.C.A. Defined Contribution Retirement Plan.

For more information about Reciprocal Pensions, please refer to the Rules and Regulations. If you would like to find out if a particular IBEW local union is party to the Reciprocal Agreement, please contact the Administrative Office.

PROVISIONS AFFECTING BENEFICIARIES

The monthly pension amounts given in the preceding section are for “single-life” pension protection. This means the benefit level is based on payment of benefits only for your lifetime (as a pensioner), with a minimum of 36 monthly payments for all types of pensions except the Special Normal Retirement Age Vested Pension.

With “single-life” protection, if you as a Pensioner (other than as a Special Normal Retirement Age Vested Pensioner) should die before you have received 36 monthly pension payments, the payments would be continued to your beneficiary until a total of 36 payments have been made. Otherwise, all benefit payments cease after your death.

The Plan provides payment methods which make it possible for you to ensure that your spouse or your beneficiary will continue to receive benefits for the rest of his or her lifetime, in the event you die first. For married participants there is the Husband-and-Wife Pension, which is the Plan’s Qualified Joint and Survivor Annuity (QJSA), and the 75% Qualified Optional Survivor Annuity (QOSA); for unmarried participants, there are Joint and Survivor options.

The Husband-and-Wife Pension is the automatic form for married Participants. If you do not want this form of payment, you may elect, *with your spouse’s consent*, a 75% survivor annuity or single-life protection. For unmarried participants, single-life protection is the automatic form, with the 66 2/3% or 100% Joint and Survivor Pensions as options. These and other provisions which may affect beneficiaries on the death of a Pensioner or of an Employee who was eligible for pension but not yet retired, are explained in this section.

HUSBAND-AND-WIFE PENSION – AUTOMATIC FORM FOR MARRIED PARTICIPANTS

If you are married, unless you reject this option, your benefit will be paid as a Husband-and-Wife Pension. The Husband-and-Wife Pension provides that after your death, your surviving spouse will receive monthly benefits for the rest of his or her lifetime equal to 50% of the monthly amount you were receiving. Your spouse is the person to whom you are legally married.

For example: You were receiving a monthly amount of \$1,000 on a Husband-and-Wife Pension. Following your death, your surviving spouse would receive a monthly benefit of \$500 for life.

Since the Husband-and-Wife Pension extends protection over two lifetimes, benefit levels are adjusted accordingly. During your lifetime, you will receive monthly benefits at a lower amount than you would have received with single-life protection; after your death, monthly benefits to your surviving spouse for life will be 50% of your reduced benefit.

The amount your benefit is reduced for Husband-and-Wife Pension protection depends on the difference in age between you and your spouse. If your spouse is younger than you, benefits will be reduced more than if you are the same age or if your spouse is older than you. The reason for this is that, statistically speaking, a younger spouse is likely to receive benefits for a longer period of time.

These are the formulas for determining the adjustment:

Non-Disability Pensions. If you are eligible for any type of pension other than a Disability Pension, your “single-life” pension amount will be reduced for the Husband-and-Wife Pension by multiplying your single-life pension amount by 89%, minus .4% for each year your spouse is younger than you, or plus .4% for each year your spouse is older than you. The maximum percentage is 100%.

For Example: You are eligible for a monthly Regular Pension of \$1,000.00, you are 62 years old and your spouse is 57 years old.

1. To calculate the monthly amount you would receive under the Husband- and-Wife Pension, you first determine how many years younger or older your spouse is than you, and multiply that number of years by .4%. In this case, your spouse is 5 years younger than you, so you would multiply 5 years by .4% which equals 2%.
2. Since your spouse is younger than you, you must subtract the 2% from 89%, which equals 87%. You then multiply your monthly Regular Pension of \$1,000.00 by 87%, which equals \$870.00. This is the monthly pension you would receive for the rest of your life under the Husband-and-Wife Pension. Following your death, your surviving spouse will receive 50 percent of that amount for life, or \$435.00.

Disability Pensions. If you are eligible for a Disability Pension, your “single-life” pension amount will be reduced for the Husband-and-Wife Pension by multiplying your single-life pension amount by 79%, minus .4% for each year your spouse is younger than you, or plus .4% for each year your spouse is older than you. The maximum percentage is 100%.

75% QUALIFIED OPTIONAL SURVIVOR ANNUITY

If you are legally married when you retire, you may elect to receive your benefit in the form of a 75% Qualified Optional Survivor Annuity. Like the Husband-and-Wife Pension, the 75% Qualified Optional Survivor Annuity gives you monthly payments for your lifetime. After your death, your surviving spouse will receive monthly benefits for the rest of his or her lifetime equal to 75% of the monthly amount you were receiving.

Since the 75% Qualified Optional Survivor Annuity extends protection over two lifetimes, benefit levels are adjusted accordingly. During your lifetime, you will receive monthly benefits at a lower amount than you would have received with single-life protection; after your death, monthly benefits to your surviving spouse for life will be 75% of your reduced benefit.

The amount your benefit is reduced for the 75% Qualified Optional Survivor Annuity depends on the difference in age between you and your spouse. If your spouse is younger than you, benefits will be reduced more than if you are the same age or if your spouse is older than you. The reason for this is that, statistically speaking, a younger spouse is likely to receive benefits for a longer period of time.

These are the formulas for determining the adjustment:

Non-Disability Pensions. If you are eligible for any type of pension other than a Disability Pension, your “single-life” pension amount will be reduced for the 75% Qualified Optional Survivor Annuity by multiplying your single-life pension amount by 84%, minus .5% for each year your spouse is younger than you, or plus .5% for each year your spouse is older than you. The maximum percentage is 100%.

For Example: You are eligible for a monthly Regular Pension of \$1,000.00, you are 62 years old and your spouse is 57 years old.

1. To calculate the monthly amount you would receive under the 75% Qualified Optional Survivor Annuity, you first determine how many years younger or older your spouse is than you, and multiply that number of years by .5%. In this case, your spouse is 5 years younger than you, so you would multiply 5 years by .5% which equals 2.5%.

2. Since your spouse is younger than you, you must subtract the 2.5% from 84%, which equals 81.5%. You then multiply your monthly Regular Pension of \$1,000 by 81.5%, which equals \$815.00. This is the monthly pension you would receive for the rest of your life under the 75% Qualified Optional Survivor Annuity. Following your death, your surviving spouse will receive 75% of that amount for life, or \$611.25.

Disability Pensions. If you are eligible for a Disability Pension, your “single-life” pension amount will be reduced for the 75% Qualified Optional Survivor Annuity by multiplying your single-life pension amount by 71%, minus .5% for each year your spouse is younger than you, or plus .5% for each year your spouse is older than you. The maximum percentage is 100%.

If you have difficulty in figuring out the amount of your Husband-and-Wife Pension or the 75% Qualified Optional Survivor Annuity, you can write the Administrative Office. They will be happy to help you with the calculation.

How do I elect the Single Life Annuity, the Husband-and-Wife Pension or the 75% Qualified Optional Survivor Annuity?

You must file an application with the Administrative Office and make a written election of your benefit option on the election form provided by the Plan.

If you are married and you want your pension on the basis of single-life protection or paid as a 75% Qualified Optional Survivor Annuity, you must reject the automatic Husband-and-Wife option in writing before your pension payments start. A rejection of the Husband-and-Wife Pension must be signed by you and your spouse in front of a notary public. If you do not notify the Administrative Office, your payments will be made under the Husband-and-Wife Pension if you are married.

Once monthly benefits have started to you under a Husband-and-Wife Pension, payments must continue in that form, even if your marriage is dissolved or if your spouse should die before you.

The Husband-and-Wife Pension and 75% Qualified Optional Survivor Annuity provide a Pop-Up to the Pensioner if the spouse predeceases the Pensioner. Under the Pop-Up, the monthly amount payable to the Pensioner will be increased so as to equal the monthly pension which would have been payable had the Pensioner’s benefit been paid in the form of a single-life annuity. Such increased monthly amount shall be payable for the lifetime of the Pensioner, and shall cease upon the Pensioner’s death.

Within a period of no more than 90 days and no less than 30 days before the effective date of your pension, the Administrative Office will provide you and your spouse, if any, with a written explanation of:

- (1) The terms and conditions of the 50% Husband-and-Wife Pension (Qualified Joint and Survivor Annuity), the Optional 75% Husband-and-Wife Pension (Qualified Optional Survivor Annuity), 100% Joint and Survivor Annuity and 66 2/3% Joint and Survivor Annuity;
- (2) Your right to make and the effect of an election to waive the 50% Husband-and-Wife Pension;
- (3) The right of the your spouse to consent to any election to waive the 50% Husband-and-Wife Pension;
- (4) Your right to revoke such election during the election period that ends on the Annuity Starting Date, and the effect of such revocation;

- (5) The relative values of the various optional forms of benefit under the Plan; and
- (6) The right to defer any distribution and the consequences of failing to defer distribution of benefits including a description of how benefits may be larger if the commencement of distributions is deferred.

Rules for Payment of Husband-and-Wife Pension and 75% Qualified Optional Survivor Annuity

- If you are married, you will automatically receive a Husband-and-Wife Pension at retirement, unless you and your spouse file a notarized statement with the Administrative Office indicating you both want the pension in another form.
- The Husband-and-Wife Pension and 75% Qualified Optional Survivor Annuity protects only the spouse to whom you are legally married when pension payments began.
- If you die before retirement, you and your spouse must be legally married at the time of your death and for at least one year before your death in order for pre-retirement death benefits to be payable to your spouse under the Husband-and-Wife Pension at death.
- Once Husband-and-Wife Pension or 75% Qualified Optional Survivor Annuity payments begin, they will continue at the same level even if your marriage is legally dissolved.
- Payments to a surviving spouse continue for life; they do not stop even if he or she remarries.
- If your spouse dies before you, all pension payments stop with your death.

JOINT AND SURVIVOR OPTIONS

If you are not married, you may elect an optional method of payment to provide a monthly income for a *beneficiary* if, after your pension has started, you die before the beneficiary.

This option is available to you only if you are eligible for a *Regular or Early Retirement Pension*. By electing this option, you receive a lower monthly pension than you would with “single-life” protection, and either 100% or 66 2/3% of your benefit (whichever percentage you elect) is payable after your death to your designated beneficiary for life.

By electing this option, you automatically waive the 36-month guaranteed pension payments described in the “Death Benefits” section on page 23. Due to the added income protection provided by a Joint and Survivor Option — protection over *two* lifetimes rather than one — your monthly pension payments will be lower than they would be with “single-life” protection. The amount of the reduction depends on the relative ages of you and your beneficiary.

If you are eligible and wish to elect a Joint and Survivor Option, you must do so in writing. The option does not take effect until *24 months* after the Administrative Office has received your election. If you file your pension application with an election of a Joint and Survivor Option within 24 months of the date your first payment will be made, your benefit will be paid with “single life” protection until the 24-month period has expired. The Joint and Survivor Option will not take effect unless you and your beneficiary are both alive on the date it is to take effect, and unless the resulting monthly benefit payable to you or your beneficiary is at least \$20.00.

Once you elect a Joint and Survivor Option, you cannot revoke it unless you do so in writing no later than the end of the first month after payments start. If you revoke the option timely, your revocation takes effect 24 months after it has been filed, and your benefit will be paid in the Joint and Survivor form until the revocation takes effect.

The Joint and Survivor Option will be *automatically* revoked if your beneficiary dies before the option has become effective. If this occurs, you may continue the Joint and Survivor Option if you choose another beneficiary and advise the Trustees in writing within 90 days.

With a Joint and Survivor Option, you can elect to have payments to your surviving beneficiary equal to either 100% or 66 2/3% of the amount you were receiving. If you elect payments to the beneficiary at 100%, the reduction in your benefit during your lifetime will be greater. Please note, there may be some restrictions on the actual percent payable to your beneficiary if the individual is more than 10 years younger than you are.

Here are the formulas:

100% Joint and Survivor Option: If you elect the 100% Joint and Survivor Option, the amount of your single-life pension will be reduced by the 80.0% minus .6% for each year your beneficiary is younger than you or plus .6% for each year your beneficiary is older than you; up to a maximum of 100%.

66-2/3% Joint and Survivor Option: If you elect the 66-2/3% Joint and Survivor Option, the amount of your single-life pension under will be reduced by 86.0% minus .5% for each year your beneficiary is younger than you or plus .5% for each year your beneficiary is older than you; up to a maximum of 100%.

Example 1: You are eligible for a Regular Pension of \$1,000.00 per month which you wish paid as a 100% Joint-and-Survivor Option, you are 62 years old and your beneficiary is 57 years old.

1. To calculate the monthly amount you would receive under the 100% Joint-and-Survivor Option, you first determine how many years younger or older your beneficiary is than you, and multiply that number of years by .6%. In this case, your beneficiary is 5 years younger than you, so you would multiply 5 years by .6% which equals 3%.
2. Since your beneficiary is younger than you, you must subtract the 3% from 80%, which equals 77%. You then multiply your Regular Pension of \$1,000.00 by 77%, which equals \$770.00. This is the monthly amount you would receive for the rest of your life under the 100% Joint and Survivor Option. Following your death, your beneficiary will receive that same amount for life.

Example 2: You are eligible for an Early Retirement Pension of \$972.00 per month which you wish paid as a 66-2/3% Joint-and-Survivor pension, you are age 56 and your beneficiary is age 51.

1. You first multiply your age difference of 5 years times .5%, which equals 2.5%. Since your beneficiary is younger than you, this amount is subtracted from 86%, which equals 83.5%.
2. You then multiply your Early Retirement Pension of \$972.00 by 83.5%, which equals \$811.62. This is the monthly amount you will receive for the rest of your life. Following your death, your beneficiary will receive 66-2/3% of that amount for life, or \$541.03.

If you have difficulty in figuring out the amount of a Joint-and-Survivor Option, you can write the Administrative Office. They will be happy to help you with the calculation.

LUMP SUM OPTION

If at the time your benefit becomes payable to you and the actuarial present value of your benefit is greater than \$5,000 but less than \$10,000, you may elect to receive your pension in a single lump sum. This option would replace a monthly pension otherwise payable. If the value is \$5,000 or less, the benefit will be paid in a lump sum as described below.

AUTOMATIC LUMP SUM PAYMENT OF MONTHLY PENSION

If at the time a monthly benefit becomes payable to you, your spouse or a beneficiary, the actuarial present value of the monthly benefit is \$5,000 or less, the Board of Trustees will pay the lump sum amount of that actuarial present value, instead of the monthly benefit which otherwise would be payable.

DEATH BENEFITS

If you designate your spouse as your beneficiary and subsequently obtain a divorce or an annulment, your designation automatically becomes void. If you still want to designate your former spouse as your beneficiary, you must complete a new beneficiary designation card after your dissolution or annulment is complete.

The following describes payments which may be made by the Plan to spouses or beneficiaries on the death of a Participant.

Death Before Retirement (Qualified Pre-retirement Survivor Annuity): If you are vested (based on your Pension Credit or Vesting Service without a Permanent Break) and die before you retire, your surviving spouse will be protected by the Qualified Pre-retirement Survivor Annuity (QPSA). The amount payable to your surviving spouse is equal to one-half of the monthly benefit that would have been payable to you under the Husband-and-Wife Pension, as if you had retired on the day before you died. If you are younger than age 55 on the date of death, your assumed monthly benefit will be calculated as if you were age 55 on that date.

Your surviving spouse must apply for the QPSA and it must commence no later than the December 1 of the year you would have attained age 72.

Death Before Retirement (Lump-Sum Payment): If you die before you become vested and without qualifying for any pension from the Plan, your designated beneficiary may receive a lump-sum payment equal to the total amount of contributions made to the Pension Fund on your behalf, up to a maximum of \$5,000. For this lump-sum benefit to be payable, you must have earned at least two quarters of Future Service Credit in the three (3) consecutive calendar years preceding your death, including the calendar year in which you died. Contributions taken into account in figuring the lump-sum payment will only include those made since your last Permanent Break in Covered Employment, if any.

Death Before Retirement (36-Month Guarantee): If you die after you are vested (based on your Pension Credit or Vesting Service without a Permanent Break), your designated beneficiary or surviving spouse may be entitled to 36 monthly payments, equal to the monthly pension you would have received had you been age 62 and retired on the date of your death. Upon application, the monthly payments due will begin with the first month following the date of your death.

Payments to your eligible Designated non-spouse beneficiary must commence by December 31 of the Calendar Year following the year of your death and must be distributed completely by the December 31 of the year that contains the fifth anniversary of your death. Payments to your surviving spouse must begin by December 31 of the calendar year immediately following the calendar year in which you die, or by December 31 of the calendar year in which you would have attained age 72.

If payments are due under the Husband-and-Wife Pension, this monthly benefit to the beneficiary or to your surviving spouse will be reduced by the amount payable under the QPSA.

Death After Retirement: If you have retired on a single life annuity with any Pension *other than a Special Normal Retirement Age Vested Service Pension*, and you die before you have received 36 monthly payments, your designated beneficiary will receive the remainder of the 36 monthly payments. If you have received 36 payments or more at the time of your death, no payment is due to your beneficiary under this guarantee provision.

DOMESTIC RELATIONS ORDERS/DIVORCE DECREES

The Retirement Equity Act of 1984 provides that the Plan must recognize any Qualified Domestic Relations Order and make payments as directed by the Order to any spouse, former spouse, child or other dependent (called an “alternate payee”) of a Plan participant specified by the Order. A Qualified Domestic Relations Order (QDRO) is a state domestic relations order such as a divorce decree which creates or recognizes an alternate payee’s right to receive all or a portion of the benefits payable to a participant under the Plan. Any lawful judgment, decree, order or property settlement agreement which has been entered into may be a QDRO if it relates to the provision of child support, alimony payments, or marital property of a spouse, former spouse, child or other dependent of a Plan Participant and is made pursuant to State domestic relations law.

The Trustees cannot recognize or honor a domestic relations order, such as a divorce decree which attempts to divide a pension, unless the order or decree contains certain information and otherwise complies with federal law. If you are contemplating a divorce or are a party to any other domestic relations action which may involve the Trust Fund, you should contact the Administrative Office for additional information before any such domestic relations order or decree is signed by the judge.

The Trustees have adopted formal procedures for the treatment of domestic relations orders received by the Plan. A copy of these procedures is available without charge from the Administrative Office.

RETIREMENT AND SUSPENSION OF PENSION FOR CERTAIN EMPLOYMENT AFTER RETIREMENT

To receive monthly pension payments from this Plan, you must stop working according to the rules of the Plan. If you are a Pensioner and take work that is prohibited by Plan regulations, you must notify the Plan *in writing* within 21 days after you start work. Your monthly pension will be suspended while you are in prohibited employment and possibly longer, as explained later in this section.

Prohibited Employment for Pensioners Before Normal Retirement Age: While you are younger than your Normal Retirement Age (usually age 65 — but see page 15), you cannot work, anywhere, either for wages or profit, in the electrical industry. This includes:

1. The performance or supervision of work within the jurisdiction of any of the general branches of the IBEW:
 - (i) Outside and Utility Workers
 - (ii) Inside Electrical Workers
 - (iii) Communications Workers
 - (iv) Railroad Electrical Workers
 - (v) Electrical Manufacturing Workers; and

2. Support occupations for employers performing work within the jurisdiction of the following branches of the IBEW:
 - (i) Outside and utility Workers
 - (ii) Inside Electrical Workers
 - (iii) Communications Workers

Prohibited Employment for Retirees After Normal Retirement Age and before April 1 following age 70½: Between your Normal Retirement Age and April 1 immediately following the calendar year in which you reach age 70½, you cannot work for wages or for profit, over 40 hours in a calendar month, in the same industry, in the same trade or craft, in Arizona.

The “same industry” means any industry that included any employment covered by the Plan when you retired. The “same trade or craft” means an occupation in which you were employed at any time under the coverage of the Plan, any occupation utilizing the same skill(s), and any self-employment or supervisory employment related to the same skill(s) as were involved in that occupation(s).

This means that a Pensioner who is between Normal Retirement Age and the April 1 date may work in the industry for up to 40 hours in a calendar month while receiving his pension.

Prohibited Employment After Required Beginning Date: Beginning with the April 1 immediately following the calendar year in which you reach age 70½, there are no restrictions on the type of work you may perform while receiving pension payments from this Plan.

Suspension of Pension Payments: If you are retired Pensioner, have not reached the April 1 following age 70½, and take work which is prohibited by the Plan regulations, you must notify the Administrative Office, in writing, within 21 days after you start work. If you do not notify the Administrative Office, this may increase the period of time your benefit payments are suspended.

If you are younger than Normal Retirement Age, the first time you take work prohibited by the Plan, your benefit will be suspended for any calendar month in which you are so employed. Thereafter, each time you return to prohibited employment, your payments will be suspended for each month you work **plus** six calendar months after you cease this employment. If you also have not notified the Administrative Office of your prohibited employment, your payments will be suspended for an additional six calendar months. In any event, the total suspension period will not extend beyond your Normal Retirement Age.

If you are older than Normal Retirement Age (and prior to April 1 following age 70½), and take work prohibited by the Plan, your benefit will be suspended for any calendar month in which you are so employed. If you also have not notified the Administrative Office of your prohibited employment, it will be assumed until you prove otherwise that your employment is always in excess of the 40 hours per month required for suspension. If you are employed at a construction site, it also will be assumed that you have worked for your Employer at that site for as long as the Employer has been engaged on the project.

You will receive notice from the Plan when your benefit has been suspended, including the reasons for the suspension. You have the right to appeal to the Trustees in writing, which must be filed with the Trustees within 60 days of the date on your notice of suspension. The appeal will be considered by the Trustees, and their decision will be furnished to you in writing, including the reasons for the decision and reference to governing Plan provisions.

If your pension is suspended, you must file a claim to resume payments before your pension can start again. To meet this notice requirement, you can simply advise the Trustees, in writing, as to when you stopped or will stop working in prohibited employment. The Administrative Office will then review your file and advise you about the date payments will resume, and recovery of any overpayment.

Your pension will be recalculated according to the Plan's rules to determine any additional benefits you may have earned. Additional benefits, if any, will be payable as of the first of the month following your subsequent retirement unless benefits are suspendible for that month. Additional benefits earned after Required Beginning Date (see page 2) will be payable as of January 1 following the calendar year in which they were earned. If you have received pension payments which should have been suspended, the Trustees can offset the amount of the overpayment from future monthly pension payments, or recover by other means available.

If you have any questions as to whether a job you plan to take will cause a suspension, please write the Administrative Office, name the employer for whom you intend to work, describe the job you propose to perform, and you will be advised if the job will cause a suspension of your pension payments.

Prohibited Employment for Purposes of Delayed Retirement Increase: Working in Employment that would cause a suspension of benefits for a Pensioner may also prevent your benefit from having an actuarial increase after Normal Retirement Age as described on pages 9 and 10 of this summary.

HOW TO OBTAIN BENEFITS AND SECURE REVIEW OF ADVERSE BENEFIT DETERMINATIONS

Preface

This Section, “How to Obtain Benefits and Secure Review”, sets forth the Fund’s rules that apply to pension benefit determinations and the review of adverse benefit determinations.

The process set forth in this Section will allow the prompt initial determination of your pension benefit claims and the full and fair review of adverse pension claim determinations for which you request review.

Authorized Representatives

The Regulations contemplate that you may pursue pension benefit claims through authorized representatives. They also contemplate that a benefit plan may establish procedures for determining whether an individual has been authorized to act on your behalf.

This Fund will recognize the following individuals as representatives for claims and claim review requests:

1. If you are an adult participant or beneficiary, you may speak on your own behalf
2. If you are a parent (natural or adoptive) you may speak on behalf of a child – beneficiary.

All other purported representatives must supply evidence that they are authorized to speak on your behalf. For the Fund to recognize such a representative, the representative must present to the Administrative Office a court order, a “Power of Attorney” or a similar document expressing the representative capacity.

Claim Determination Consistency

Like claims should receive like treatment. The Administrative Office of the Fund will take steps to ensure and to verify that your benefit claim determinations are made in accordance with governing plan documents and that these plan provisions have been applied consistently with respect to you and other similarly-situated claimants.

To ensure that all claims and appeals for disability benefits are adjudicated in a manner designed to ensure the independence and impartiality of the persons involved in making the decision, decisions regarding hiring, compensation, termination, promotion, or other similar matters with respect to any individual involved in the decision (such as a claims adjudicator or medical or vocational expert) will not be made based upon the likelihood that the individual will support the denial of benefits.

Benefits Available

The Pension Plan provides benefits to a number of different individuals who qualify for those benefits. The benefits are summarized on pages 9 to 17 of the Summary Plan Description (SPD) booklet.

Filing of Pension Claims/Issues

If you believe that you are eligible for benefits under the Pension Plan, you should contact the administrative office of the Fund (Administrative Office) and request the appropriate benefit application forms. The Administrative Office will mail the appropriate application forms to you. A claim is filed, or

“received”, for purposes of these rules, when the signed benefit application form is received by the Administrative Office, although additional information, including election forms, tax forms, retirement declarations, etc. may be required before an initial determination can be made on the application. The Administrative Office will specify what additional information may be needed.

If you wish to pose any other issue to the Fund for determination, you should put the issue in writing and submit it to the Administrative Office. An issue other than a benefit application is filed, or “received”, for purposes of these rules, when the writing posing the issue is received by the Administrative Office.

Application for a Disability Pension

If you are applying for a Disability Pension, you must provide proof of disability in addition to the foregoing. This would be the notice of entitlement to Social Security disability benefits which you may have received from the U.S. Social Security Administration. If you do not have this notice, you will have to present medical evidence required by the Trustees.

Application for a Partial Pension

If your application is for a Partial Pension, you may also need to apply to the Related Plan (or Plans) for a pension under their regulations.

If you are age 65 and do not apply for a pension

According to federal law, your benefits will be suspended if you continue to work in prohibited employment (see pages 27 to 28 of the SPD) after age 65 (or your Normal Retirement Age, if later). This means that if you do not apply for benefits when you reach age 65, pension payments will be suspended for every month after then in which you work more than 40 hours. You will continue to accrue Pension Credit based on the hours you work in Covered Employment. When you retire, your pension will be calculated as a delayed retirement as described on SPD pages 9 and 10.

Pension Effective Dates

Usually, pensions are effective on the first day of the month after the completed pension application is received by the Administrative Office. Payments can be delayed, however, by processing time; for example the need to get proof of employment from the Social Security Administration for Past Service Credit. This can cause a delay as long as 60 to 90 days; once processing is completed and eligibility is verified, pension payments will be made retroactive to the month after the application was received.

If you are eligible for pension benefits from this Plan, payments must begin no later than April 1st of the calendar year which immediately follows the calendar year in which the individual reached age 72. Payments which are required under this rule, but are not made timely, are subject to a 50% federal excise tax.

Disability Pension payments can begin no earlier than the sixth month of disability. As with other types of pensions, an application for a Disability Pension must be filed with the Administrative Office. As explained earlier under “Disability Pension” starting on page 12, an individual may be entitled to an additional benefit if you file your application and Social Security Disability Award Notice with the Administrative Office within 60 days of the Notice date.

To ensure that a Disability pension will become payable as early as possible:

1. Send the application to the Administrative Office as soon as possible, and, if applicable, at the same time as the application for Social Security benefits; and
2. Send the Social Security notice of entitlement to the Administrative Office as soon as it is received.

Section 1. Benefit Claims

Initial Determination – Notice

Pension claims/issues are required to be initially determined by the Fund and notice of any decision given to you, within a reasonable period of time, not later than 90 days after receipt of the claim. This period may be extended one time by the Fund for up to 90 days, provided that the Fund both: (1) determines that special circumstances require the extension; and (2) notifies you, prior to the expiration of the initial 90-day period, of the circumstances requiring the extension of time and the date by which the Fund expects to make the determination.

If the special circumstance requiring the extension of time under this provision is your failure to supply information needed to perfect the claim, and such information is not received by the Administrative Office within the 180 day time period specified by this provision, the claim will be denied, and a new application must be filed with the Administrative Office under the Filing paragraph of these rules.

Form of Notice of Initial Determination

If an adverse determination is made by the Fund with respect to a benefit claim/issue, the Fund is required to provide to you written notification setting forth, in a manner suited to your understanding:

1. The specific reason(s) for the determination;
2. Reference to the specific plan provision(s) on which the determination is based;
3. A description of any additional material or information necessary to perfect the claim and any explanation of why the additional material or information is necessary; and
4. A description of the Fund's review procedures and the time limits applicable to such procedures, including a statement of your right to sue under Section 502(a) of ERISA after exhaustion of the review procedures.

Time Frame to Request Review

You have 60 days following receipt of notification of an adverse determination to file a request for review. Any request for review received by the Fund after this time frame is untimely and subject to denial on review on that basis alone.

Request for Review

You may request review of an adverse determination by filing a written review request with the Board of Trustees at the Administrative Office.

Full and Fair Review

You will be given the opportunity to submit written comments, documents, records and other information relating to the claim. The Fund will provide you, free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim. The review of the claim will take into account all comments, documents, records and other information you submit relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

Determination on Review – Notice

A determination on review is required to be made by the Board of Trustees no later than the date of the meeting of the Board of Trustees that immediately follows receipt of the request for review, unless the request for review was filed within 30 days preceding the date of such meeting. In such a case, a benefit determination on review may be made no later than the date of the second meeting following the receipt of the request for review. If special circumstances require a further extension of time for processing, a benefit determination on review shall be rendered not later than the third meeting of the Board of Trustees following the receipt of the request for review. If special circumstances require such an extension, the Fund will notify you in writing of the extension, describing the special circumstances and the date on which the benefit determination on review will be made. If an extension is due to your failure to submit information necessary to decide the claim, the period for making the determination on review will be tolled from the date on which the notification or extension is sent to you until the date on which you respond to the request for additional information. Notice of the benefit determination on review will be given not later than 5 days after such a determination is made.

Form of Notice of Determination on Review

The Fund will provide you with written notification of the determination on review. If the determination is adverse, the Fund is required to provide written notice to you setting forth, in a manner calculated for your understanding:

1. The specific reason(s) for the determination;
2. Reference to the specific plan provision(s) on which the determination is based;
3. A statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information related to the claim; and
4. A statement of your right to sue under Section 502(a) of ERISA.

Section 2. Disability Benefit Claims

Initial Determination – Notice

Disability Benefit Claims are required to be initially determined by the Fund, and notice of the determination given to you within a reasonable period of time appropriate to the circumstances, but not later than 45 days after the receipt of the claim. This period may be extended two times by the Fund for up to 30 days, provided that the Fund decision-maker both: (1) determines that such an extension is necessary due to matters outside the control of the Fund; and (2) notifies you, prior to the expiration of the initial 45-day period, of the circumstances requiring the extension of time and the date by which the Fund expects to make the determination. Any notice of extension shall explain the standard on which the entitlement to benefits is based, the unresolved issues that prevent a

decision on the claim, and any additional information needed to resolve those issues.

If the special circumstance requiring the extension of time under this provision is your failure to supply information needed to perfect the claim, the notice of extension is required to describe the missing information, and you will have at least 45 days from receipt of the notice to provide the information. The time periods for making determinations under this provision are tolled from the date you are notified of missing information until the date you respond to the notice.

Form of Notice of Initial Determination

If an adverse determination is made by the Fund with respect to a disability benefit claim, the Fund is required to provide written notification to you setting forth, in a manner suited to your understanding:

1. The specific reason(s) for the determination;
2. Reference to the specific plan provision(s) on which the determination is based;
3. A description of any additional material or information necessary to perfect the claim and any explanation of why the additional material or information is necessary; and
4. A description of the Fund's review procedures and the time limits applicable to such procedures, including a statement of your right to sue under Section 502(a) of ERISA after exhaustion of the review procedures.
5. (a) If the determination was based on an internal rule, guideline, protocol or similar criterion, notification that the rule, guideline, protocol or similar criterion will be provided to you free of charge upon request.

(b) If the determination was based on a finding that the service was not medically necessary, was experimental, or was subject to some similar exclusion or limit, notification that an explanation of the scientific or clinical judgment for the determination, taking into account the terms of the plan and the claimant's medical circumstances, will be provided to you free of charge.

Notification of Denial of Disability Benefits for Claims Filed on and after April 1, 2018

In addition to the required information described in 1 through 5 above, the written notification of the benefit denial of a disability benefit will set forth, in a manner calculated to be understood by the applicant, the following:

1. A discussion of the decision, including an explanation of the basis for disagreeing with or not following:
 - (a) The views presented by the applicant to the Plan of health care professionals treating the applicant and vocational professionals who evaluated the applicant;
 - (b) The views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with an applicant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and
 - (c) A disability determination regarding the applicant presented by the applicant to the Plan made by the Social Security Administration;

2. If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the applicant's medical circumstances, or a statement that such explanation will be provided free of charge upon request;
3. Either the specific internal rules, guidelines, protocols, standards or other similar criteria of the plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; and
4. A statement that the applicant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the applicant's claim for benefits.

The notification shall be provided in a culturally and linguistically appropriate manner in accordance with the requirements described in DOL Reg. §2560.503-1(o).

Under this Section for Claims Filed on and after April 1, 2018," and under the last two paragraphs of the "Formal Review (Appeal)," Section below, the term "adverse benefit determination" shall mean a denial, reduction, or termination of, or a failure to provide or make payment (in whole or in part) for a benefit provided under the Plan.

Time Frame to Request Review

You have 180 days following receipt of notification of an adverse benefit determination on a disability benefits claim to file a request for review. Any request for review received by the Fund after this time frame is untimely and subject to denial on review on that basis alone.

Request for Formal Review

You may request review of an adverse determination on a disability benefit claim by filing a written review request with the Board of Trustees at the Administrative Office.

Formal Review (Appeal)

You will be given the opportunity to submit written comments, documents, records and other information relating to the claim. The Fund will provide you, free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim. The named fiduciary's review of the claim will take into account all comments, documents, records and other information you submit relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. Any expert whose advice was obtained in connection with the initial determination will be identified, whether or not such advice was used in making the determination.

The review process will not afford deference to the initial determination. The named fiduciary conducting the review will not be the same individual who made the initial determination nor the subordinate of such individual. The named fiduciary conducting the review will consult with a health care professional who has appropriate training and expertise with respect to any review involving a medical judgment, and such health care professional will not be an individual who was consulted with respect to the initial determination nor the subordinate of such individual.

For disability claims filed on and after April 1, 2018, before the Board of Trustees can issue an adverse benefit determination on an appeal of a disability benefit claim, the Board of Trustees must provide the petitioner, free of charge, any new or additional evidence considered, relied upon, or generated by the Board of Trustees, or other person making the benefit determination (or at the direction of the Board of Trustees, or such other person) in connection with the claim. Such evidence will be provided as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided to give the petitioner a reasonable opportunity to respond prior to that date.

For disability claims filed on and after April 1, 2018, before the Board of Trustees can issue an adverse benefit determination on an appeal of a disability benefit claim, based on a new or additional rationale, the Board of Trustees shall provide the petitioner, free of charge, with the rationale. Such rationale must be provided as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided to give the petitioner a reasonable opportunity to respond prior to that date.

Determination on Review – Notice

A determination on formal review of a disability benefits claims is required to be made by the Board of Trustees no later than the date of the meeting of the Board of Trustees that immediately follows receipt of the request for review, unless the request for review was filed within 30 days preceding the date of such meeting. In such a case, a benefit determination may be made no later than the date of the second meeting following the receipt of the request for review. If special circumstances require a further extension of time for processing, a benefit determination shall be rendered not later than the third meeting of the Board of Trustees following the receipt of the request for formal review. If special circumstances require such an extension, the Fund will notify you in writing of the extension, describing the special circumstances and the date on which the benefit determination will be made. If an extension is due to your failure to submit information necessary to decide the claim, the period for making the determination on review will be tolled from the date on which the notice of extension is sent to you until the date on which you respond to the request for additional information. Notice of the benefit determination on formal review will be given not later than 5 days after such a determination is made.

Form of Notice of Determination on Review

The Fund will provide you with written notification of the determination on review. If the determination is adverse, the Fund is required to provide written notice to you setting forth, in a manner calculated for your understanding:

1. The specific reason(s) for the determination;
2. Reference to the specific plan provision(s) on which the determination is based;
3. A statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information related to the claim;
4. (a) If the determination was based on an internal rule, guideline, protocol or similar criterion, notification that the rule, guideline, protocol or similar criterion will be provided to you free of charge upon request;

(b) If the determination was based on a finding that the service was not medically necessary, was

experimental, or was subject to some similar exclusion or limit, notification that an explanation of the scientific or clinical judgment for the determination, taking into account the terms of the plan and the claimant's medical circumstances, will be provided to you free of charge.

5. A statement of your right to sue under Section 502(a) of ERISA.

Notification of Denial of Disability Benefits for Claims Filed on and after April 1, 2018.

In addition to the information described above in this Section “Form of Notice of on Determination on Review” above, the written notification of the denial of a disability benefit appeal will set forth, in a manner calculated to be understood by the applicant, the following:

1. A discussion of the decision, including an explanation of the basis for disagreeing with or not following:
 - (a) The views presented by the applicant to the Plan of health care professionals treating the applicant and vocational professionals who evaluated the applicant;
 - (b) The views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with an applicant’s adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and
 - (c) A disability determination regarding the applicant presented by the applicant to the Plan made by the Social Security Administration;
2. If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the applicant’s medical circumstances, or a statement that such explanation will be provided free of charge upon request;
3. Either the specific internal rules, guidelines, protocols, standards or other similar criteria of the plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist;

The notification shall be provided in a culturally and linguistically appropriate manner in accordance with the requirements described in DOL Reg. §2560.503-1(o).

Generally, if the Plan fails to establish or follow claims procedures consistent with the requirements of these procedures, a claimant will be deemed to have exhausted the administrative remedies available under the Plan and shall be entitled to pursue any available remedies under ERISA §502(a).

In addition, if the Plan fails to strictly adhere to all the requirements of these procedures with respect to disability benefit claims, the claimant is deemed to have exhausted the administrative remedies available under the Plan (unless the violations are “de minimis” in accordance with DOL Reg. §2560.503-1(l)(2)(ii)). Accordingly, the claimant is entitled to pursue any available remedies under ERISA §502(a). If a claimant chooses to pursue remedies under ERISA §502 in these circumstances, the claim or appeal is deemed denied on review without the exercise of discretion by an appropriate fiduciary.

If at any time while a claim or other issue is pending, you feel that the rules expressed in this booklet are not being honored, you should contact the Board of Trustees, which is authorized, but is not required, to suspend these rules and move the pending claim or issue directly to their attention for final determination. The Trustees may be contacted c/o the Fund Office.

TRUSTEE AUTHORITY

Except as otherwise specified herein, the Trustees shall have sole and exclusive discretionary authority and responsibility for administering, construing, and interpreting the provisions of the Plan, determining eligibility for benefits, and making all determinations, including factual determinations, hereunder. Any interpretation or determination made under this discretionary authority will be given full force and effect, unless it can be shown that the interpretation or determination was arbitrary and capricious.

SOME QUESTIONS, ANSWERS AND BASIC FACTS ABOUT THE PLAN

Must I retire when I reach age 65 (or Normal Retirement Age, if later)?

No. Retirement under this Plan is voluntary, however tax law requires that your retirement benefits commence by your Required Beginning Date (April 1 immediately following the calendar year in which you reach age 72).

May my pension benefits be assigned?

No. This is prohibited by the Plan, however, the Plan is required by law to pay benefits according to a Qualified Domestic Relations Order.

Are pensions provided by this Plan affected by my Social Security benefits?

No. The benefits under this Plan are in addition to any benefits paid under Social Security.

Who is the Plan Administrator?

The Pension Plan is administered by a Board of Trustees made up of representatives of the Union and of the Employers. The Trustees govern the Pension Trust Fund according to an Agreement and Declaration of Trust. This provides that all money paid into the Pension Trust Fund or earned by the Pension Trust Fund can be used only for the purpose of providing pensions, according to the Rules and Regulations of the Trust Fund, for the Employees covered by the Pension Plan and for paying expenses incurred in the operation of the Plan.

The full text of the Plan Document is part of this booklet (starting on page 46). The Trustees may, from time to time, amend or interpret the Plan Document.

An Employee's right to pension benefits, and the right of a beneficiary to survivor's benefits, are governed by the actual Plan Document. The explanatory material in this booklet is designed to inform you about the Plan and what it provides, and great care was taken to make it accurate. If there is a question or conflict about the Plan, however, it is the Plan Document, and not this explanatory material, which would govern the payment of benefits from the Fund.

If you have any questions about the material in this booklet or any Plan provision, please direct your questions to the Administrative Office. The Board of Trustees is the only official source of information about the Plan and your status as a participant.

Who is covered by the Plan?

The Plan covers only Employees of contributing Employers.

Can an Employee or beneficiary appeal if benefits are denied?

Yes. Any Employee or beneficiary who is denied a benefit or disagrees with the type or amount of benefits allowed has the right to appeal to the Board of Trustees. This must be done within 60 days of the date an Employee or beneficiary receives a letter notifying them of the decision. The rules and

procedures for filing an appeal are in Article VIII, Section 4 of the Pension Plan. Please see pages 29 through 34 of this summary as well.

Are Plan Documents Available to Employees and Beneficiaries?

Yes. Copies of the Plan, summary descriptions and a summary of the annual report are available for inspection at the Administrative Office during regular business hours. On written request copies will be supplied by mail. Copies of the Trust Agreement, Collective Bargaining Agreements and the full annual report also are available for inspection at the Administrative Office during those hours.

These documents can be furnished as well by mail, on written request, but reasonable charges will be made for copying. You should find out what the charge will be before sending your request.

The preceding material has been prepared to explain as clearly as possible your rights and benefits, and other important features of your Pension Plan. Some of the regulations have been summarized, but every effort has been made to ensure the accuracy of the summary. Nothing in this explanation is intended to change in any way the Plan Document itself.

For any question that may arise, your rights under this Plan will be determined only according to the Plan Document and the procedures prescribed in that document. The full text of the Plan Document is in the following section of this booklet.

Only the full Board of Trustees is authorized to interpret the Plan. Information from other sources is **not** official and may not be correct. No Union or Employer nor any of their representatives are authorized to interpret the Plan or to act as an agent of the Board of Trustees.

If you have any questions about the Pension Plan, contact the Administrative Office. The staff has up-to-date information on the operation of the Plan and on your rights and responsibilities under it. The staff is available to help you with any questions.

Official communications concerning the Plan must be in writing signed on behalf of the full Board of Trustees or, if expressly authorized by the full Board of Trustees, may be signed by the individual or entity designated as the Fund Administrator.

Please address your questions and inquiries to:

I.B.E.W. LOCAL NO. 640 AND
ARIZONA CHAPTER NECA
PENSION TRUST FUND
2001 Camelback Road, Suite B-350
Phoenix, AZ 85015
(602) 248-8434

CHECKLIST: THINGS FOR YOU TO DO

- **Let us know where you are.** Keep the Administrative Office informed of any change in your mailing address to make sure you get all our communications. Our address and phone are:

I.B.E.W. LOCAL NO. 640 AND
ARIZONA CHAPTER NECA
PENSION TRUST FUND
2001 Camelback Road, Suite B-350
Phoenix, AZ 85015
(602) 248-8434

- **If you leave Covered Employment.** Review the section on “Break in Covered Employment”. Please remember that if you do not earn sufficient Pension Credits over a number of years, it may result in the loss of all your previously accrued credits and benefits. If you are uncertain about your status, request an accounting from the Administrative Office. They also can tell you if a Break in Covered Employment can be repaired and how to do it. Even if you are vested (when you CANNOT lose your rights to a Vested Service Pension), you should keep the Administrative Office informed of any change in address.
- **If your marital status changes.** Inform the Administrative Office. See the sections on the Husband-and-Wife Pension and other options affected by your marital status.
- **If you are thinking about retirement.** Get the information you need and file your application in plenty of time. You will have to have copies of certain documents such as birth certificate, marriage certificate, etc. The Administrative Office can tell you what you need to file.
- **Check your options.** There may be waiting periods and deadlines in connection with various pension options provided by the Plan. You should check your options from time to time, especially whenever there is a change in your family status. If you are in doubt, contact the Administrative Office.
- **Keep your records.** The accuracy and completeness of the records of your work in Covered Employment is an important factor in determining eligibility. You can protect yourself against possible future difficulty by checking the work records you receive. If you disagree with them, notify the Administrative Office as soon as possible. Be sure to keep pay vouchers, payroll check stubs and other evidence of employment you may receive. This applies to work under this Plan and Related Plans.
- **Designate a Beneficiary.** To protect the person or persons you want to receive the Plan’s death benefits, be sure that you have made your designated Beneficiary known to the Administrative Office. If your beneficiary dies before you, or if for any other reason you want to change your beneficiary, you should inform the Administrative Office as soon as possible.

**EMPLOYEE RETIREMENT INCOME
SECURITY ACT OF 1974**
**Information required by the Act specified
in Section 102(b).**

1. *The name and type of administration of the Plan:*

Pension Plan for the I.B.E.W. Local No. 640 and Arizona Chapter NECA Pension Trust Fund (defined benefit plan) a Collectively Bargained, Jointly-Trusteed Labor-Management Trust.

2. *Internal Revenue Service plan identification number and plan number:* The Employer Identification Number (EIN) issued to the Board of Trustees is 86-0323980. The Plan number is 001.

3. *Name and address of the person designated as agent for the service of legal process:*

Kenny Kelley, Esq.
Law Offices
Ryan Rapp Underwood & Pacheco, PLC
3200 North Central Avenue, Suite 2250
Phoenix, AZ 85012

Service of legal process may also be made upon the Board of Trustees at the Administrative Office shown below.

4. *Name and address of the administrator/plan sponsor:*

Board of Trustees
I.B.E.W. Local No. 640 and
Arizona Chapter NECA Pension Trust Fund
2001 Camelback Road, Suite B-350
Phoenix, AZ 85015
(602) 248-8434

The Trustees have engaged the independent contractor, Zenith American Solutions, Inc, at the same address as the Trustees above, to perform the routine administration of the Trust.

5. *Names and addresses of Trustees:*

Management Trustees

Chuck Dougherty
Sturgeon Electric Co.
2317 West Huntington Drive
Tempe, AZ 85282

Shane Snyder
Cannon & Wendt Electric Co.
4020 N. 16th St.
Phoenix, AZ 85014

Joe Graham
Commonwealth Electric Co.
3901 E. Winslow Ave.
Phoenix, AZ 85020

Debra Margraf
AZ Chapter NECA
4315 North 12th Street, Suite 100
Phoenix, AZ 85014

Labor Trustees

Demarrice Green
1654 E. Darrell Rd.
Phoenix, AZ 85042

Shawn Hutchinson
1520 E Indianola Ave.
Phoenix, AZ 85014

Delbert Hawk
I.B.E.W. Local No. 640
5808 North 7th Street
Phoenix, AZ 85014

Dean Wine
I.B.E.W. Local No. 640
5808 North 7th Street
Phoenix, AZ 85014

6. *Collective Bargaining Agreement Information.* The Plan is maintained pursuant to a Collective Bargaining Agreement. Copies of the Collective Bargaining Agreement may be obtained by participants or beneficiaries upon written request to the plan administrator and are available for examination by participants and beneficiaries in the principal office of the employee organization and at each employer establishment in which at least 50 participants are customarily working. Additionally, the Collective Bargaining Agreement is available for inspection at the N.E.C.A. and Local Union offices.
7. The Plan's requirements respecting eligibility for participation and benefits are shown on pages 3 through 25, and in Articles II, III, IV, V, VI, and VII of the Pension Plan.
8. *Description of provisions for non-forfeitable pension benefits.* A Participant achieves vested status according to the provisions of Article VI, Section 4 of the Plan. See page 5 of this summary.
9. The Normal Retirement Age under the Pension Plan is the later of (i) age 65 or (ii) the earlier of the Participant's tenth anniversary of participation in the Plan counting all participation, or the fifth anniversary of participation in the Plan only after January 1, 1988.
10. The provisions of the Husband-and-Wife Pension and 75% Qualified Optional Survivor Annuity, each of which provides a life-time benefit for a surviving spouse, are set forth in Article IV of the Plan. See page 18 of this summary.
11. The following is a description of circumstances which may result in disqualification, ineligibility, denial or loss of benefits.

- a. If a Participant incurs a “Permanent Break in Covered Employment”. This occurs if he has at least five (three before January 1, 1987) consecutive Calendar Years in which he has fewer than 300 hours of Service and the number of consecutive Calendar Years in which he did not complete 300 hours of Service equals or exceeds the number of years of Vesting Service which he had previously accumulated. Refer to Article VI, Section 5 of the Plan.
- b. If a Pensioner receiving a Disability Pension recovers from his disability or loses entitlement to his Social Security Disability Benefit or I.B.E.W. Disability Benefit before attaining age 65, he must inform the Board of Trustees in writing within 21 days of the date he recovers or receives notice from the Social Security Administration. If he does not provide such notice, upon his subsequent retirement he may not be eligible for benefits for six months following the date of his retirement, plus any additional months during which he received Disability Pension payments to which he was not entitled. Refer to Article III, Section 11 of the Plan.
- c. If a Pensioner returns to employment prohibited by the Plan, he must inform the Board of Trustees in writing within 21 days of his return. Upon his subsequent retirement, he will not be eligible for benefits for six months following the date of his retirement.

If a Pensioner does not provide such notice of employment, he may be disqualified for benefits for an additional period of six months over and above the suspension period explained in the preceding paragraph. Refer to Article VIII, Section 9 of the Plan.

- d. A Pensioner is not eligible to receive a pension until he has ceased work and until the first day of the month following the date on which he filed an application for a pension. The procedure for filing an application for benefits is outlined on pages 20, 27 and 30 of this summary and in Article VIII, Section 1 of the Plan.
- e. Participants are ineligible for a Regular or Early Retirement Pension unless they have 10 years of Pension Credit without a Permanent Break in Covered Employment.
- f. In addition to the description set forth elsewhere in this Summary Plan Description, your benefits may be reduced if they exceed the maximum amount allowed by Section 415 of the Internal Revenue Code.

If the annual retirement benefit exceeds the maximum benefit permitted, the Retired Employee’s benefit will be reduced to the limit then in effect. In following years, as cost of living increases raise the limits on benefits, payments may be increased.

If a Retired Employee’s benefit must be reduced due to aggregation with a nonmultiemployer plan, the reduction applies to the benefit from the nonmultiemployer plan unless the benefit from that plan has been paid.

- 12. *Remedies available under the Plan for the redress of claims which are denied in whole or in part, including provisions required by Section 503 of Employee Retirement Income Security Act.* The Procedure for applying for pensions is described on pages 20, 27 and 30. If a person wishes to appeal a denial of a benefit in whole or in part, he should file a request for a review within 60 days after receiving the denial. For a complete description see Article VIII, Section 4 and pages 27 through 34 for more detail on the processing of claims and appeals.
- 13. *Recordkeeping period.* The period used for computing Pension Credit and Vesting Service is the Calendar Year.

14. *Source of financing of the Plan.* All contributions to the plan are made by Employers in accordance with Collective Bargaining Agreements or Participation Agreements approved by the Trustees. Contributions are based on hourly rates contained in the Collective Bargaining Agreements. Benefits are provided directly from the Fund's assets which are accumulated under the provisions of the Trust Agreement. Contributions are based on hourly rates contained in the collective bargaining Agreements. Participation of alumni is based on a monthly contribution rate.
15. *The identity of any organization used for the accumulation of assets through which benefits are provided.* Benefits are provided from the Fund's assets which are accumulated under the provisions of the Collective Bargaining Agreements and the Trust Agreement and held in a Trust Fund for the purpose of providing benefits to participants and defraying reasonable covered administrative expenses. **The Fund's assets and reserves are invested by investment managers in various types of pooled investments, including mutual funds, collective investment trusts and other private placements. For more specific information regarding the Fund's investments contact the administrative office.**
16. *Plan Documents and Reports.*

You may examine the following documents at the Administrative Office during regular business hours, Monday through Friday, except holidays:

- a. Trust Agreement and Plan Rules and Regulations.
- b. Collective Bargaining Agreements.
- c. Insurance contracts, if any.
- d. Form 5500 (Annual Return/Report) filed with the Internal Revenue Service and Department of Labor.
- e. A list of contributing Employers.

You may also obtain copies of the documents by writing for them and paying the reasonable cost of duplication. You should find out what the charges will be before requesting copies. If you prefer, you can arrange to examine these reports, during business hours, at your union office. To make such arrangements, call or write the Administrative Office. The Annual Funding Notice, which gives details of the financial information about the Fund's operation, is furnished annually to all participants free of charge.

17. *PBGC Guarantee of Plan Benefits Upon Termination.*

The collective bargaining parties intend that this Plan continue indefinitely. However, the collective bargaining parties reserve the right, subject to the provisions of the Trust Agreement, to terminate the Plan. See Article X, Section 3 of the Plan.

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

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

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

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

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 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) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

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

18. *Summary of Plan provisions governing the allocation and disposition of assets of the Plan upon termination.*

The Plan provides that benefits accrued to the date of the termination, partial termination or discontinuance will be vested to the extent they are funded by Plan assets. If the Plan assets are sufficient to fully fund all benefits, your benefits will be paid to you in the normal way except that they may come from an annuity policy issued by an insurance company.

The Plan also provides that the Trustees shall take steps needed to comply with ERISA Sections 4041A and 4281. Thus, if assets are not sufficient to fully fund all benefits accrued to the date of termination, the Plan may not pay death benefits for deaths after the termination date or new disability Pension awards. In addition, Pension awards might have to be reduced or suspended if the Plan terminates by a mass withdrawal of all employers and assets are not sufficient to fund all accrued benefits.

Examples of benefits that are subject to reduction or elimination include benefits that were not vested under the Plan on the date of termination, and benefits and benefit increases in effect for fewer than 60 months.

If the Plan terminates and becomes insolvent, the PBGC will pay the benefits at the level provided by law. The PBGC guarantee of monthly benefits is currently limited to \$35.75 multiplied by years of Pension credit.

19. *Summary of Plan provisions governing the authority of the Trustees to terminate and amend the Plan.*

Some Trustee decisions are made in the settlor capacity of the Trustees and accordingly are not fiduciary acts under ERISA.

The terms of the Plan give the Trustees authority to discontinue or terminate the Plan in whole or in part. However, no amendment may decrease the benefit of any Participant except:

- (a) To the extent required to comply with the Internal Revenue Code or ERISA; or
- (b) To the extent the amendment meets the hardship exception of ERISA § 302(c)(8) and Internal Revenue Code § 412(c)(8).

20. *Statement of ERISA Rights.*

As a Participant in the Pension Plan for the I.B.E.W. Local No. 640 and Arizona Chapter N.E.C.A.. Pension Trust Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974. ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits.

Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive a copy of the plan's annual funding notice. The plan administrator is required by law to furnish each participant with a copy of this copy annual funding notice.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65, or, if later, an applicable anniversary date – see page 15) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other

person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

IMPORTANT: No Local Union, Local Union Officer, Business Agent, Local Union Employee, Employer or Employer Representative or Administrative Office personnel, consultant or attorney is authorized to speak for, or on behalf of, or to commit the Trustees of this Plan on any matter relating to the Plan without the express authority of the Board of Trustees.

**FIFTH RESTATEMENT OF THE PENSION PLAN FOR THE
I.B.E.W. LOCAL NO. 640 AND ARIZONA CHAPTER N.E.C.A
PENSION TRUST FUND**

This is a working copy of the Pension Plan Document for the IBEW Local Number 640 and Arizona Chapter NECA Pension Trust Fund. It reflects the Fifth Restatement of the Pension Plan together with subsequently adopted Amendments 1 through 8 which were effective on various dates and are incorporated herein. The original preamble of the Fifth Restatement of the Plan Document is stated below.

The Fifth Restatement of the Plan is effective January 1, 2015. It reflects the Fourth Restatement with subsequent Amendments 1 through 6 thereto, which was approved by the IRS in a determination letter dated March 12, 2015.

ARTICLE I. DEFINITIONS

Unless the context or subject matter otherwise requires, the following definitions shall govern in the Plan:

Section 1. The term “Active Participant” means an Employee who meets the requirements for participation in the Plan, and excludes a Pensioner, Beneficiary or Vested Participant who is not employed by an Individual Employer.

Section 2. The term “Association” means the Phoenix Division, Arizona Chapter of the National Electrical Contractors Association.

Section 3. The term “Beneficiary” means a person (other than a Pensioner) (a) who is legally entitled to receive benefits under this Plan because of his or her designation for such benefits by an Active Participant, a Vested Participant, or a Pensioner (b) who is legally entitled to and receiving or is entitled to receive benefits by operation of law.

Section 4. “Calendar Year” means the period from January 1, to the next December 31. For purposes of ERISA and ERISA regulations, the Calendar Year shall serve as the vesting computation period and benefit accrual computation period and after the initial period of employment or of reemployment following a break in Covered Employment, the computation period for eligibility to participate in the Plan.

Section 5. “Collective Bargaining Agreement” means:

- (a) The Collective Bargaining Agreement dated June 20, 1970, between the Association and Local 640 of the I.B.E.W.
- (b) Any other Collective Bargaining Agreement between said Local Union 640 and any Individual Employer or Association (other than the Employer Trustor) who is also a covered Employer within the meaning of Employees Benefit Agreement, provided, however, that any such Collective Bargaining Agreement (1) shall provide for the making of contributions to the Trust

Fund herein established only on behalf of Employees of a class within the definition of those eligible to participate in the National Electrical Benefit Fund, and (2) shall provide that such contributions shall at all times be in the same amount as is required to be made by Employers bound by the Collective Bargaining Agreement described in paragraph (a) above or by the successor to, renewal or extension of the agreement described in paragraph (a) above, negotiated by the Employer Trustor.

- (c) Any successor to, extension or renewal of the agreement described in paragraph (a) above, which continues to provide for the making of contributions to the Trust Fund; and any successor to, extension or renewal of the agreement described in paragraph (b) above, provided all conditions stated in said paragraph (b) are carried forward to said successor, renewal or extension.
- (d) The 1971-1972 Inside Agreement dated May 20, 1971 between Electrical Contractors of Flagstaff and Northern Arizona and Local No. 2148 of I.B.E.W., as amended, and any other Collective Bargaining Agreement between Local 2148 and any Individual Employer or Association who is also a covered Employer within the meaning of the Employees Benefit Agreement, and any successor to, extension of, or renewal of said agreements thereafter negotiated, provided all such agreements comply at all times with the conditions described in paragraph (b) above.
- (e) Any other collective bargaining agreement that calls for contributions to the Plan and is approved by the Board of Trustees.

Section 6. The term “Contribution Date” shall mean:

- (a) January 1, 1971; or
- (b) December 1, 1971 for those Employees whose initial contributions were made pursuant to any Collective Bargaining Agreement to which Local Union No. 2148 of the I.B.E.W. was a party, including any elected officers or regularly employed or salaried officer or agent of Local Union No. 2148 of the I.B.E.W.; or
- (c) December 1, 1976 for those Employees whose initial contributions were made solely as a result of Work covered by the Collective Bargaining Agreement for Arizona Chapter, Phoenix Sound Division, N.E.C.A. Employees.

Section 7. “Continuous Employment.” Two periods of employment are continuous if there is no quit, discharge or other termination of employment between periods.

Section 8. The term “Covered Employment” means employment performed by an Employee, as defined in Section 9 of this Article I, for an Individual Employer.

Section 9. The term “Employee” shall mean:

- (a) an individual in the employment of an employer who performs work covered by any collective bargaining agreement;
- (b) a regularly employed and salaried officer, representative or employee of the Union or of the PEJATC, if previously an employee within the meaning of subparagraph (a) of this Section,

and if contributions are made to the Fund on substantially the same basis upon which subparagraph (a) employees participate in the Fund; and

- (c) a job or shop superintendent, estimator or working member of the firm employed by a contributing employer, if previously an employee within the meaning of subparagraph (a) of this Section, and if contributions are made to the Fund on substantially the same basis upon which subparagraph (a) employees participate in the Fund.

Participation of employees described by subparagraphs (b) and (c) of this Section shall be limited to no more than five percent (5%) of the total number of employees participating in the Fund, and shall be subject to the execution of appropriate participation agreements.

In no event will any sole proprietor or partner be considered an employee within the meaning of this Section 9. For purposes of this Section, the term 'regularly employed' means service of 1,000 hours or more in a plan year or service of 1,000 hours or more in the 12-month period following inception of the employment.

Section 10. The term "ERISA" means the Employee Retirement Income Security Act of 1974.

Section 11. The term "Future Service Credit" means periods of employment on and after the Contribution Date credited in accordance with Article VI of this Plan.

Section 12. For purposes of applying the rules on participation, vesting and statutory limits on benefits under the Fund but not for determining Covered Employment, the term 'Employer' includes all corporations, trades or businesses under common control with the Employer within the meaning of Internal Revenue Code Section 414(b) and (c), all members of an affiliated service group with the Employer within the meaning of Internal Revenue Code Section 414(m) and all other businesses aggregated with the Employer under Internal Revenue Code Section 414(o).

Section 13. Effective January 1, 1988, the term Normal Retirement Age shall mean the later of:

- (a) age 65 or
- (b) the earlier of:
 - (1) the 5th anniversary of the time a Plan Participant commenced participation in the Plan, disregarding participation before January 1, 1988, or
 - (2) the 10th anniversary of the time a Plan Participant commenced participation in the Plan.

Participation before a permanent break in Covered Employment, as defined in Article VI of this Plan, shall be disregarded in applying subsection (2) above.

Section 14. The term "Participant" means (a) an Active Participant, (b) a Pensioner, (c) a Beneficiary, or (d) a Vested Participant.

Section 15. The term "Past Service Credit" means periods of employment prior to the Contribution Date to the extent credited in accordance with Article VI of this Plan.

Section 16. The term "Pension Credit" means the years of employment which are accumulated and maintained for Employees in accordance with Article VI of this Plan for benefit accrual purposes.

Section 17. The term “Pensioner” means a person to whom a pension is being paid under this Plan or to whom a pension would be paid but for the time required for administrative processing. A Pensioner who has returned to Covered Employment and is accruing benefits on the same basis as other Employees as of the effective date of a benefit increase shall not be considered a Pensioner for purposes of that benefit increase.

Section 18. The terms “Pension Plan” or “Plan” means this Pension Plan of I.B.E.W. Local No. 640 and Arizona Chapter N.E.C.A. Pension Trust Fund and any modification, amendment, extension, or renewal thereof.

Section 19. The term of “Hour of Service” shall mean:

- (a) Each hour for which an Employee is paid or entitled to payment, directly or indirectly, by an Employer for the performance of duties. Such hours shall be credited to the computation period in which the duties are performed.
- (b) Each hour for which an Employee is paid or entitled to payment, directly or indirectly, by an Employer for a period of time during which no duties are performed, excluding any time compensated under a worker’s compensation or unemployment compensation or disability insurance law. Such hours shall be credited to the computation period in which the period during which no duties are performed occurs. No more than 301 Hours of Service shall be credited under this subsection (b) in any continuous period. Two periods of paid non-work time shall be deemed to be continuous if they are compensated for the same reason and are not separated by at least 90 days.
- (c) Each hour for which back-pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer. Such hours shall be credited to the computation period to which the award or agreement pertains. In no event will hours be credited under this subsection (c) if they are credited under subsection (a) or subsection (b).

Section 20. “Spouse”, when used in this Plan or in any policy or procedure developed for the Plan, shall refer only to the person to whom the Participant is legally married under the laws of any domestic or foreign jurisdiction that has the authority to sanction marriages.

Section 21. The term “Trust Agreement” means the agreement by and between the Phoenix Division, Arizona Chapter - National Electrical Contractors Association and Local Union 640 of the International Brotherhood of Electrical Workers, Phoenix, Arizona dated December 20, 1970.

Section 22. The terms “Trustees” or “Board” or “Board of Trustees” mean those Trustees appointed to administer the Pension Plan under the provisions of the Trust Agreement.

Section 23. The terms “Pension Fund” or “Trust Fund” or “Fund” mean the Trust Fund created and established pursuant to the Trust Agreement.

Section 24. “Union” means Local Union No. 640 of the International Brotherhood of Electrical Workers, Phoenix, Arizona.

Section 25. The term “Vested Participant” means an employee who has qualified for Vested status in accordance with the provisions of Article VI, Section 4.

Section 26. A period of “Work” means a period in which an Employee performed services and for which he was paid or entitled to payment by the Individual Employer.

Section 27. “Year of Participation” means for purposes of compliance with Regulation 2530 of the Department of Labor, a Calendar Year after December 31, 1975 during which a Participant performs 2,000 hours of Work in Covered Employment.

Section 28. Annuity Starting Date.

- (a) Subject to section (b), below, a Participant’s Annuity Starting Date is the first day of the first calendar month starting after the Participant has fulfilled all of the conditions for entitlement to benefits and after the later of the Participant’s submission of a completed application for benefits, or 30 days after the Plan advises the Participant of the available benefit payment options, unless
- (1) the benefit is being paid as a 50% Husband-and-Wife Pension or one of the Joint and Survivor Options at or after the Participant’s Normal Retirement Age,
 - (2) the benefit is being paid out automatically as a lump sum under Article VIII, Section 7, or
 - (3) the Participant and Spouse (if any) consent in writing to the commencement of payments before the end of that 30-day period. Consent of the Participant and Spouse to the commencement of benefits before the end of the 30-day minimum notice period will be valid as long as the following conditions are satisfied:
 - (A) the Participant is informed of the right to take up to 30 days to consider whether to waive the Husband-and-Wife Pension and consent to one of the alternate forms of benefit allowed by the Plan,
 - (B) the Participant is given at least seven days to change his/her mind and cancel an election to waive the Husband-and-Wife Pension,
 - (C) distribution of the benefits begins more than seven days after the written explanation was provided to the Participant and Spouse.
- (b) (1) The Annuity Starting Date will not be later than the Participant’s Required Beginning Date as defined in Article VIII.
- (2) The Annuity Starting Date for a Disability Pension shall never be earlier than the first day of the sixth month following the date the disability began. Such an Annuity Starting Date is the first day of the first period for which the benefit becomes payable unless the disability benefit is an auxiliary benefit under Article III, Section 9(b). Payment of an auxiliary benefit is disregarded in determining the Annuity Starting Date.
- (c) The Annuity Starting Date for a Beneficiary or alternate Payee will be determined under subsections (a) and (b), except that references to the 50% Husband-and-Wife Pension and the Joint and Survivor Options and spousal consent do not apply.

Section 29. Reserved.

Section 30. The term “Non-Bargained Employee” includes and shall mean an Employee, as defined in Article I, Section 9(b) or (c), whose participation is not covered by a Collective Bargaining Agreement.

Section 31. Applicable Interest Rate.

- (a) For Annuity Starting Dates in Plan Years beginning on or after January 1, 2008, the Applicable Interest Rate means the adjusted first, second, and third segment rates applied under rules similar to the rules of Code §430(h)(2)(C) for the month of November (as published in December) immediately preceding the calendar year (which serves as the stability period). For this purpose, the segment rates shall be subject to the conditions set forth in Code §417(e)(3)(D).
- (b) For Annuity Starting Dates on or after January 1, 2008 and before January 1, 2009, any benefit that is calculated using the Applicable Interest Rate and the Applicable Mortality Table shall be the greater of the amount calculated using (i) the Applicable Interest Rate as defined in Section 31(a) of this Article and the Applicable Mortality Table as defined in Section 32 of this Article, (ii) the Applicable Interest Rate and the Applicable Mortality Table as defined prior to January 1, 2008, or (iii) the 7% interest rate and mortality basis specified for lump sums in Article VIII, Section 7, if those factors would provide a greater benefit.

Section 32. Applicable Mortality Table.

- (a) For Annuity Starting Dates in Plan Years beginning on or after January 1, 2008, the Applicable Mortality Table means a mortality table, based on the mortality table specified for the calendar year under subparagraph (A) of Code §430(h)(3) (without regard to subparagraph (C) or (D) of such section). Until revised by guidance published by the Secretary of Treasury, the Applicable Mortality Table is set forth in Rev. Rul. 2007-67.
- (b) For Annuity Starting Dates on or after January 1, 2008 and before January 1, 2009, any benefit that is calculated using the Applicable Interest Rate and the Applicable Mortality Table shall be the greater of the amount calculated using (i) the Applicable Interest Rate as defined in Section 31 and the Applicable Mortality Table as defined in Section 32(a), (ii) the Applicable Interest Rate and the Applicable Mortality Table as defined prior to January 1, 2008, or (iii) the 7% interest rate and mortality basis specified for lump sums in Article VIII, Section 7 if those factors would provide a greater benefit.
- (c) For determinations as of any Annuity Starting Date that is prior to January 1, 2008 and after December 31, 2002, any reference in the Plan to the Applicable Mortality Table or the mortality table prescribed in Revenue Ruling 95-6 shall be construed as a reference to the mortality table prescribed in Revenue Ruling 2001-62 for all purposes under the Plan.

Section 33. Qualified Military Service. Notwithstanding any provision to the contrary, vesting, benefits and service credit with respect to Qualified Military Service will be provided in accordance with the Uniformed Services Employment and Re-employment Rights Act of 1994, as amended, (USERRA) and Section 414(u) of the Internal Revenue Code for individuals who were absent from Covered Employment due to, and who returned to Covered Employment from, Qualified Military Service on or after December 12, 1994. Qualified Military Service will be counted for purposes of earning Future Service Credit, Years of Service for vesting, avoiding a Break in Service, and avoiding a Separation in Service provided the following conditions are satisfied.

- (a) An individual must have re-employment rights under USERRA in order for any period of Qualified Military Service to be recognized.
- (b) The individual must return to Covered Employment within the time period required by USERRA in order for any period of Qualified Military Service to be recognized.
- (c) No more than five years of Qualified Military Service may be recognized for any purpose except as required by law.
- (d) The Board of Trustees determines, in accordance with USERRA, that an individual is enlisted to a period of Qualified Military Service.

ARTICLE II. PARTICIPATION

Section 1. Purpose. This Article contains definitions to meet certain requirements of the Employee Retirement Income Security Act of 1974 (otherwise referred to as ERISA) such as distribution of booklets, notices and disclosure material as well as establishing the basis on which premium payments are made to the Pension Benefit Guaranty Corporation. It should be noted that once an Employee has become a Participant, the provisions of this Plan give him credit in accordance with the rules of the Plan for some or all of his service before he became a Participant.

Section 2. Participation. The initial eligibility computation period for purposes of this Article II only, is the 12 consecutive month period following an Employee's initial date of employment in Covered Employment. For purposes of this Article II only, an Employee who works in Covered Employment shall become an Active Participant in the Plan on the earliest January 1 or July 1 next following a 12 consecutive month period during which he completed at least 300 Hours of Service in Covered Employment. The required hours may also be completed with any Hours of Service in other employment with an Employer if that other employment is continuous with the Employee's Covered Employment with that Employer. After the initial eligibility computation period, the Calendar Year which includes the first anniversary of an Employee's employment commencement date, shall serve as the computation period for eligibility to participate in the Plan.

Section 3. Termination of Participation. For purposes of this Article II only, an Active Participant who incurs a Break in Service (defined in Article VI) shall cease to be an Active Participant as of the last day of the Calendar Year which constituted the Break, unless such individual has become a Pensioner or a Vested Participant.

Section 4. Reinstatement of Participation. For purposes of this Article II only, an individual who has lost his status as an Active Participant in accordance with Section 3 of this Article, and who incurs a Permanent Break in Covered Employment as specified in Article VI, Section 5(b) of this plan, shall again become an Active Participant by meeting the requirements of Section 2 of this Article on the basis of Service after the Calendar Year during which his participation terminated.

ARTICLE III. PENSION ELIGIBILITY AND AMOUNTS

Section 1. General. This Article sets forth the eligibility conditions and amounts for the pensions provided by this Plan. The accumulation and retention of Pension Credits for eligibility are subject to the provisions of Article VI. The benefit amounts are subject to reduction on account of the Husband-and-Wife Pension (Article IV). Entitlement of an eligible Participant to receive pension benefits is subject to his retirement and application for benefits, as provided in Article VIII.

Only Pension Credits or Vesting Service earned subsequent to a permanent break in Covered Employment as defined in Article VI, will apply towards the eligibility for a pension hereunder.

Section 2. Eligibility for Regular Pension. A Participant may, upon retirement, be eligible for a Regular Pension if he meets the following requirements:

- (a) He has attained age 62 (age 65 for retirements prior to January 1, 1983); and
- (b) He has at least 10 years of Pension Credit; and
- (c) He has received credit for at least 2 quarters of Pension Credit since his Contribution Date.

Section 3. Amount of Regular Pension.

- (a) For Annuity Starting Dates on and after January 1, 2002, the monthly amount of the Regular Pension shall, subject to the provisions of Section 17 of this Article, be of the rate of \$51.50 for each full year (and proportionately less for fractional years) of Past Service Credit and Future Service Credit.
- (b) For pensions effective prior to January 1, 1986, only the most recent 35 years of Pension Credit shall be used to determine the monthly amount of Regular Pension. For pensions effective on or after January 1, 1986, only the most recent 40 years of Pension Credit shall be used to determine the monthly amount of Regular Pension.

Section 4. Eligibility for Early Retirement Pension. A Participant, upon retirement, shall be eligible for an Early Retirement Pension if he meets the following requirements:

- (a) He has attained age 55; and
- (b) He has at least 10 years of Pension Credit; and
- (c) He has received credit for 2 quarters of Pension Credit since his Contribution Date.

Section 5. Amount of Early Retirement Pension. The monthly Early Retirement Pension shall be equal to the amount of the Regular Pension to which the individual would be entitled if he were age 62 (65 years of age for retirements prior to January 1, 1983) on the Annuity Starting Date of his Early Retirement Pension, reduced by $\frac{1}{4}$ of 1% for each month that he is younger than 62 (younger than age 65 for retirements prior to January 1, 1983).

Section 6. Eligibility for Disability Pension. An individual shall be entitled to a Disability Pension if he is totally disabled prior to attaining age 65, provided he:

- (a) has at least five years of Pension Credit without an intervening Permanent Break in Covered Employment;
- (b) has received credit for at least two quarters of Pension Credit since his Contribution Date; and
- (c) has, as a result of work in Covered Employment, earned the equivalent of at least one quarter of Future Service Credit in the two consecutive calendar year periods immediately prior to the calendar year in which he became disabled.

Section 7. Total Disability Defined. A Participant shall be deemed totally disabled only if the Board of Trustees, in its sole and absolute discretion, finds that:

- (a) On the basis of such competent medical evidence as the Board of Trustees may require to be shown, the Participant is unable to engage in any substantial gainful activity by reason of any medical determinable physical, or mental impairment which can be expected to result in death or to be at least 12 months duration.
- (b) Such bodily injury or disease is not due to such Participant's commission of or attempt to commit a felony, or the engagement in any felonious activity or occupation, or the self-infliction of any injury, or as a result of habitual drunkenness or the use of narcotics unless the same were administered pursuant to the orders of a licensed physician. The application of the provisions of this Subsection may be waived by the Board of Trustees upon good cause satisfactory to the Board being established.

In exercising such judgment, the Board may obtain and act upon such competent medical evidence as it may require to be shown to it and it may accept as proof of total disability a determination by the Federal Social Security Administration that the participant is entitled to a Social Security Benefit in connection with his Old Age and Survivor's Insurance coverage, or upon determination by the International Brotherhood of Electrical Workers that he is entitled to an I.B.E.W. Disability Award.

The Board of Trustees may at any time, or from time to time, require evidence of continued entitlement to such Social Security Disability Benefit or I.B.E.W. Disability Award, and may at any time, notwithstanding the prior granting of a Disability Pension under the Plan, require that the Participant satisfy the provisions of sub-paragraph (a) and (b), of this Section as a pre-requisite to the continuance of the Disability Pension granted under the Plan.

Section 8. Amount of the Disability Pension. The amount of the Disability Pension shall be determined in the same manner as the Regular Pension. Notwithstanding the foregoing, solely for purposes of determining the benefit payable commencing on the Annuity Starting Date of a Participant's Disability Pension, any period for which an Auxiliary Disability Benefit is payable pursuant to Section 9(b) herein and with respect to the Disability Pension Payable on such Annuity Starting Date, shall not be counted toward a Separation in Service.

Section 9. Disability Pension Payments.

- (a) **Payments Generally.** Payment of the Disability Pension shall commence on the Participant's Annuity Starting Date and shall continue thereafter for as long as such disability continues and, if applicable, the Participant remains entitled to a Social Security Disability Benefit or I.B.E.W. Disability Benefit; except that upon attainment of age 65, a Disability Pensioner shall have his pension continued regardless of whether or not he remains totally disabled.

- (b) Auxiliary Disability Benefit. If the Annuity Starting Date for a Participant's Disability Pension is later than the effective date of his Social Security disability payments and he has met the filing requirements of this subsection (b), he shall be entitled to an Auxiliary Disability Benefit.

For Disability Pension applications on and after January 1, 2010, if the Participant's application (including proof of disability) is received by the Administrative Office within 90 days of the mailing date on the determination by the Federal Social Security Administration of his entitlement to a Social Security Disability award, such application shall be considered timely, and payment of the Auxiliary Disability Benefit shall be as provided below. If the Participant's application for Disability Pension is filed more than 90 days following the determination by Social Security Administration of his entitlement to a Social Security Disability award or his proof of disability is based on medical evidence, no Auxiliary Disability Benefit shall be payable.

The Auxiliary Disability Benefit is an amount, payable as a lump sum, equal to the benefit which would have been payable under the Participant's Disability Pension (in the payment form chosen for that pension) between the entitlement date of his Social Security Disability award and the Annuity Starting Date of the Disability Pension.

Notwithstanding the foregoing, for Disability Pension Annuity Starting Dates on and after January 1, 2019, the Auxiliary Disability Benefit is an amount, payable as a lump sum, equal to the benefit that would have been payable under the Participant's Disability Pension (in the payment form chosen for that pension) between the first day of the month coinciding with or next following the onset date of the Participant's Disability (as determined by the Social Security Administration) and the Annuity Starting Date of the Disability Pension.

Section 10. Conversion from an Early Retirement Pension to a Disability Pension. If a Pensioner receiving an Early Retirement Pension was totally disabled on the date of his application for an Early Retirement Pension, he shall be entitled, should he so elect, to convert his Early Retirement Pension to a Disability Pension provided he is eligible for a Disability Pension in accordance with Sections 6 and 7 of this Article III.

Should an Early Retiree qualify for a Disability Pension, the effective date of his Disability Pension will be determined in accordance with Article III, Section 9.

Section 11. Recovery by a Disability Pensioner. If a Disability Pensioner should recover from his disability or lose entitlement to a Social Security Disability Pension or I.B.E.W. Disability Benefit, such fact shall be reported by him in writing to the Board of Trustees within 21 days after he recovers or receives notice thereof from the Social Security Administration or I.B.E.W. If such written notice is not provided by the Pensioner, the Board upon his subsequent retirement, shall postpone his eligibility for benefits for a period of six months following the date of his retirement, plus the number of months in which he received a Disability Pension under this Plan after he recovered or received notice of termination of the Social Security Disability Pension or I.B.E.W. Disability Benefit. In no event will such six months' postponement extend beyond his Normal Retirement Age.

Section 12. Return to Covered Employment by a Disability Pensioner. A Disability Pensioner who is no longer totally disabled may re-enter Covered Employment and will thereupon resume the accrual of Pension Credit to his account.

Section 13. Basic Pension. A Participant shall be entitled to a Basic Pension if he is not eligible for a Regular, Early Retirement, or Disability Pension under this Plan if he meets the following requirements:

- (a) He had retired before or within 18 months of his Contribution Date, and was at least 65 years of age on his Contribution Date;
- (b) At the time of such retirement, he had at least 20 years of Pension Credit;
- (c) He makes application for a Basic Pension within the eighteen month period following his Contribution Date; or
- (d) He was totally disabled on or before January 1, 1973;
- (e) He had accumulated at least 10 years of service prior to his disability; and
- (f) He made application for a Basic Pension on or before July 1, 1973.
- (g) In the event a Participant fails to comply with the requirements of Subsections (c) or (f) above, but who would otherwise be entitled to Basic Pension, the Board of Trustees may accept a late application from such a Participant, provided:
 - (1) The Board finds there were extenuating circumstances which prevented a timely filing and,
 - (2) He makes application for a Basic Pension on or before January 1, 1976 and,
 - (3) That Basic Pension payments may be made retroactive to no earlier than April 1, 1975.

Section 14. Amount of the Basic Pension. Commencing January 1, 1987, the amount of the Basic Pension shall be \$300.00 per calendar month.

Section 15. Eligibility for a Vested Service Pension. A Participant shall upon retirement be eligible for a Vested Service Pension if he meets the following requirements:

- (a) He has attained age 62 (age 65 prior to January 1, 1998).
- (b) He has credit for at least ten (10) years of Vesting Service or at least ten (10) years of Pension Credit. An Active Participant shall have the right to a Vested Service Pension if he has credit for at least five (5) years of Vesting Service including at least one Hour of Service on or after January 1, 1998. A Participant who incurred a One Year Break in Covered Employment and lost his status as an Active Participant in accordance with Article II, Section 3 before he became a Vested Participant, shall be required to reinstate his participation in order to be eligible for a Vested Service Pension. Notwithstanding the foregoing, a Non-Bargained Employee who has earned at least one Hour of Service after January 1, 1989 shall have the right to a Vested Service Pension after he has accumulated five (5) years of Vesting Service.

Section 16. Amount of the Vested Service Pension. The monthly amount of the Vested Service Pension shall be determined in the same manner as the Regular Pension.

Section 17. Separation from Covered Employment.

- (a) A Participant who after January 1, 1976, incurs three consecutive One Year Breaks in Covered Employment, as defined in Article VI, will be deemed to be separated from Covered Employment at the beginning of such three-year period. However, a Participant shall not incur a Separation from Service because of any period of Qualified Military Service.
- (b) The pension amount to which a Participant is entitled will be determined under the terms of the Plan as in effect at the time of his separation from Covered Employment.
- (c) If a Participant returns to Covered Employment following a Separation from Covered Employment described above and earns additional Pension Credit, his monthly benefit for such additional credits shall be calculated based on the benefit factor in effect under Article III, Section 3 on the date of his retirement or his subsequent Separation from Covered Employment, whichever is earlier.

Section 18. Eligibility for Special Normal Retirement Age Vested Pension. Beginning January 1, 1976, a Participant shall, upon normal retirement, be eligible for a Special Normal Retirement Age Vested Pension if he meets the following requirements:

- (a) He has attained Normal Retirement Age, as defined in Article I of this Plan.
- (b) He was an Active Participant, as defined in Article I of this Plan, in the Plan on the date he attained Normal Retirement Age, or on a date thereafter if such date is before the individual incurs a Permanent Break in Covered Employment.

Section 19. Amount of Special Normal Retirement Age Vested Pension. The monthly amount of the Special Normal Retirement Age Vested Pension shall, subject to the provisions of Section 17 of this Article, be equal to the amount payable for each full year (and proportionately less for fractional years) of Future Service Credit under Section 3 of this Article. No amounts are paid under the Special Normal Retirement Age Vested Pension for Past Service Credit.

Section 20. Service Pension. A Participant shall be entitled to retire on a Service Pension if he meets the following requirements:

- (a) he has attained age 55; and
- (b) he has at least 35 years of Pension Credit including at least one Hour of Service in Covered Employment on or after January 1, 1991.

Section 21. Amount of Service Pension. The monthly amount of the Service Pension is calculated in the same manner as the monthly amount of the Regular Pension.

ARTICLE III-A. PRO RATA PENSIONS

Section 1. Purpose. Pro Rata Pensions are provided under this Plan for Employees, Active Participants and Vested Participants:

- (a) Who would otherwise be ineligible for a pension because their years of employment have been divided between employment creditable under this Plan and employment creditable under another pension plan, or
- (b) Whose pension would otherwise be less than the full amount because of such division of employment.

Section 2. Related Plans. By resolution duly adopted, the Board of Trustees may recognize another pension plan as a Related Plan.

Section 3. Related Hours. The term "Related Hours" means hours of employment which are creditable under a Related Plan.

Section 4. Related Service Credit. The term "Related Service Credit" means service credit accumulated by an Employee, Active Participant or a Vested Participant under a Related Plan. The Trustees shall compute Related Plan Service Credits on the basis on which that credit has been earned under the Related Plan and certified by the Related Plan to this Plan.

Section 5. Combined Service Credit. The term "Combined Service Credit" means the total Related Credit plus Pension Credit accumulated under this Plan by an Employee, Active Participant or Vested Participant.

Section 6. Non-Duplication. An employee shall not receive double credit for the same period of employment. No more than one year of Combined Service Credit shall be given for employment in any Calendar Year.

An Employee, Active Participant or a Vested Participant may, in any Calendar Year, work under this Plan and one or more Related Plans and accumulate fractions of years of Related Credit which together add up to more than one year of Combined Credited Service. In that event, if the benefit level is lower under this Plan than under such other Related Plan or Plans, then the Pension Credit under this Plan will be reduced so that the Employee, or Active Participant or Vested Participant will receive no more than one year of Combined Service Credit during that Calendar Year.

Section 7. Eligibility for a Pro Rata Pension. An Employee or Active Participant or Vested Participant applying for a pension after January 1, 1983 shall be eligible for a Pro Rata Pension if he meets the following requirements:

- (a) He would be eligible for a pension under this Plan were his Combined Service Credit treated as a Pension Credit under this Plan and he has earned at least one year of Pension Credit under this Plan and one year of Related Credit under each of the Related Plans whose Related Credit is needed to qualify him for a Pro Rata Pension and for which employer contributions have been made.
- (b) If he is applying for a Disability Pension under this Plan, he is deemed to be sufficiently disabled so as to meet the disability criterion for a Disability Pension in each of the Related Plans whose Related Credit is needed to qualify him for a Pro Rata Disability Pension.

- (c) If age is a requirement for the type of pension for which the employee is applying, he meets the minimum age requirement for a pension under each of the Related Plans whose Related Credit is needed to qualify him for a Pro Rata Pension.

Section 8. Breaks in Service. Related Hours shall be considered in determining whether an Employee, Active Participant or Vested Participant has incurred a Permanent Break in Service as Defined in Article VI, Section 5.

However, once employer contributions are no longer made to this or a Related Plan with respect to work performed by the Employee, Active Participant or Vested Participant the determination as to whether he has had a Permanent Break in Service under the Plan shall be based solely on the Pension Credit or Vesting Service earned under this Plan and not upon the Combined Service Credit accumulated by the Employee, Active Participant or Vested Participant.

Section 9. Amount of the Pro Rata Pension. The monthly amount of the Pro Rata Pension is determined in the same way as the Regular Pension, Early Retirement, Disability, or Vested Service Pension.

Section 10. Payment. Payment of a Pro Rata Pension shall be subject to all of the conditions applicable to the other types of pensions under this Plan. Pro Rata payments subject to this Article shall be limited to monthly pension payments to a Pensioner and, if applicable, his surviving Spouse or Beneficiary.

Section 11. Suspension of a Pro Rata Pension. A Pro Rata Pensioner's pension will be suspended in accordance with the provisions of Section 9 of Article VIII. In addition, his monthly pension will be suspended by this Plan if his Pro Rata Pension is suspended by a Related Plan.

ARTICLE III-B. RECIPROCAL PENSION

Section 1. Home Pension Fund. An employee's Home Fund shall be determined as follows:

- (a) The Participating Fund in which the employee is a Participant or has credited service and which is operative within the jurisdiction of the IBEW local union of which the employee is a member; or
- (b) If the employee is not a member of an IBEW local union, the employee's IBEW local union does not have a pension fund, or the employee is not a Participant in or have credited service in his local union's fund, then his Home Fund will be the Participating Fund in which he is currently a Participant or has credited service at the time he files an authorization form requesting reciprocity.

Section 2. Participating Fund. A jointly administered pension fund which is a defined contribution plan or a defined benefit plan as those terms are defined in ERISA, which is signatory to The Electrical Industry Pension Reciprocal Agreement and covers employment within the jurisdiction of an IBEW local union.

Section 3. Employer Contributions. The payment which an employer is required by the terms of a collective bargaining agreement to make to a Participating Fund for the purpose of providing a plan of benefits for employees.

Section 4. Permanent Employee. An employee employed within the jurisdiction of the IBEW local union of which he is a member within the jurisdiction of his Home Fund.

Section 5. Temporary Employee. An employee employed temporarily outside the jurisdiction of his Home Fund and within the jurisdiction of another Participating Fund. However, if an employee is a member of an IBEW local union and is a participant or has credited service in the pension fund of the local union, the employee will not be covered by this Article unless such fund is signatory to The Electrical Industry Pension Reciprocal Agreement.

Section 6. Election of Reciprocity by Temporary Employee. If a Temporary Employee is employed within the area of a Participating Fund, he is eligible to request the Participating Fund to have an amount of money equal to the Employer Contributions made on his behalf transferred to his Home Fund. To be eligible for the reciprocal transfers under this Agreement, an Employee:

- (a) Must register on the Electronic Reciprocal Transfer System (ERTS) at his Home Fund, a Participating Fund, or an Assisting IBEW Local Union after presentation of valid photo Identification; and
- (b) Must agree in writing (through a written confirmation, as specified under the Electrical Industry Reciprocal Agreement) and electronically, (via ERTS) to: (i) the legally binding effect of his utilization of an electronic signature on ERTS; and (ii) an approved authorization and release regarding reciprocal transfers under the Agreement.

A proper request under this Section will release the trustees of the Participating Fund from any claim, by the employee or anyone making claim through him, based on the Employer Contributions made after such authorization.

Section 7. Effect of Election on Participating Fund. When a Participating Fund receives a properly completed request in accordance with Section 6 above, it shall keep a separate account of the collections of Employer Contributions due for the work of the Temporary Employee. The Participating Fund shall transfer to the Temporary Employee's Home Fund an amount of money equal to the Employer Contributions received on behalf of the Temporary Employee for work performed from the first day of the month in which the signed authorization form is received by either the administrator of the Participating Fund or by a person designated by the Participating Fund to receive such authorization forms. An earlier effective date for the transfer of Employer Contributions may be established by the trustees of a Participating Fund. There shall be no administrative fee charged by a Participating Fund for the transfer or for any other reason. The initial transfer of Employer Contributions by a Participating Fund to the Temporary Employee's Home Fund shall be made as soon as practicable, but not later than sixty (60) days following receipt of the authorization form. Subsequent transfers of Employer Contributions to the Home Fund shall be made on at least a monthly basis.

Section 8. Identification of Home Fund to Receive Transfers. If the Temporary Employee has two Home Funds, a defined benefit fund and a defined contribution fund, the Participating Fund shall transfer all Employer Contributions to whichever Home Fund is the same type as the Participating Fund. If the Temporary Employee has only one Home Fund, the Participating Fund or Funds shall transfer all Employer Contributions to the Fund.

Section 9. Termination of Transfers by Temporary Employee. If a Temporary Employee desires to stop the transfer of Employer Contributions from a Participating Fund to his Home Fund, he must request such in writing. Such a request shall become effective on the last day of the month in which it is received by the administrator of the Participating Fund. A copy of such request must be sent to the Temporary Employee's Home Fund by the Participating Fund. A Temporary Employee who files a request for a cessation of the transfer of Employer Contributions shall not be eligible to select a new Home Fund and have money transferred pursuant to this Article so long as he works in the area of the Participating Fund to which he requested a cessation of the transfer.

Section 10. When Reciprocity is not in Effect. Where a Participating Fund receives Employer Contributions for a Temporary Employee, such Contributions shall not be transferred, but shall be applied in accordance with the Participating Fund's provisions if:

- (a) The Temporary Employee has not registered on ERTS, has not agreed to the Authorization and Release or has not executed and had filed an Employee Confirmation, as provided under the Electrical Industry Reciprocal Agreement;
- (b) The Temporary Employee has not designated a Home Fund;
- (c) No Home Fund has accepted as valid the designation as such by the Temporary Employee; or
- (d) A proper request for cessation of reciprocal transfers under the Electrical Industry Reciprocal Agreement is in effect.

Section 11. Treatment of Contributions Received by Home Fund. All Employer Contributions forwarded pursuant to The Electrical Industry Pension Reciprocal Agreement to the trustees of the Home Fund of a Temporary Employee shall be treated as the equivalent of Employer Contributions to that Home Fund and shall be applied in accordance with said Home Fund's provisions. Neither the Participating Fund nor its trustees forwarding Employer Contributions to the Home Fund shall have any responsibility for the application of such Contributions by the Home Fund.

Section 12. Crediting Service in Home Fund. The manner of crediting the Employer Contributions and hours received by a Home Fund on behalf of its participants temporarily employed elsewhere shall be as follows:

- (a) Vesting Service. All hours worked in any Participating Fund for which Employer Contributions are transferred pursuant to this Article shall be counted as vesting service by the Home Fund on an hour-for-hour basis, as required by ERISA. However, if the same hours are reported by more than one Participating Fund the Home Fund shall not be required to credit such hours more than once. A year of vesting service shall be whatever each plan decides, so long as it meets the requirements of ERISA.
- (b) Benefit Accrual. For hours worked in any Participating Fund for which, pursuant to this Article, Employer Contributions are transferred to this Fund, and where R_1 equals the prevailing contribution rate under the Collective Bargaining Agreement and R_2 equals the contribution rate on such transferred Employer Contributions, the following shall apply:
 - (1) If R_2 is less than or equal to R_1 , then the Participant shall receive one hour of credit in this Plan for each such hour worked in the other Participating Fund.
 - (2) If R_2 is greater than R_1 but less than or equal to two times R_1 , then the ratio of the number of hours of credit the Participant receives in this Plan to the number of such hours worked in the other Participating Fund shall be the same as the ratio of R_2 to R_1 .
 - (3) If R_2 is greater than two times R_1 , then the Participant shall receive two hours of credit in this Plan for each such hour worked in the other Participating Fund, and the excess of such transferred contributions over two times R_1 shall be applied to the Participant's Individual Account in the I.B.E.W. Local 640 and Arizona Chapter N.E.C.A., Inc. Defined Contribution Retirement Plan.

ARTICLE IV. HUSBAND-AND-WIFE PENSION

Section 1. Effective Date. The provisions of this Article apply only to pensions where the entitlement to benefit payment commences on or after January 1, 1976.

Section 2. Amount of Husband-and-Wife Pension.

- (a) The monthly amount to be paid to the eligible surviving Spouse is one-half (or if elected by the Participant under Article VII, Section 3, 75%) of the monthly amount received by the Pensioner at the time of his death or, if applicable, one-half the amount that would have been paid to the Active Participant or Vested Participant under this Article, had his pension been in effect on the day before he died and as if the Husband-and-Wife Pension had been in effect on such date.
- (b) The monthly amount of the Husband-and-Wife Pension, once it has become payable, shall not be increased if the Spouse is subsequently divorced from the Pensioner. Effective December 31, 1998, the monthly amount of the Husband-and-Wife Pension provides a Pop-Up to the Pensioner if the Spouse predeceases the Pensioner. Under the Husband-and-Wife Pension, the Pensioner will receive a lower monthly amount during his or her lifetime but with 50% (or if elected by the Participant under Article VII, Section 3, 75%) of such monthly amount continuing after his or her death for the lifetime of the Spouse, provided that if the Pop-Up is in effect, and if the Spouse predeceases the Pensioner, the monthly amount payable to the Pensioner will be increased so as to equal the monthly pension which would have been payable had the Pensioner's benefit been paid in the form of a single-life annuity. Such increased monthly amount shall be payable for the lifetime of the Pensioner, and shall cease upon the Pensioner's death.

Section 3. Upon Retirement.

- (a) A pension shall be paid in the form of a Husband-and-Wife Pension to a married Participant and his Spouse immediately upon retirement, subject to the provisions of Article VIII, unless the Participant and his Spouse have filed with the trustees in writing a timely rejection of that form of Pension, subject to all the conditions of this Article.
- (b) Subject to Section 6 of this Article, a married Participant and his Spouse may timely reject the Husband-and-Wife Pension (or revoke a previous rejection) at any time, and any number of times, during the period not more than 90 days prior to the Participant's Annuity Starting Date or less than 30 days after they are provided a detailed explanation of the amount payable under the normal form of payment and a financial comparison of the other payment options. A Participant shall in any event have the right to exercise this choice up to 90 days after he has been advised, by the Trustees, of the effect of such choice on his pension.
- (c) Notice to Participants

Within a period of no more than 90 days and no less than 30 days before the "Annuity Starting Date" (and consistent with Treasury regulations), the Trustees shall provide the Participant and his Spouse, if any, with a written explanation of:

- (1) the terms and conditions of the 50% Husband and Wife Pension (Joint and Survivor Annuity) and the 75% Husband and Wife Pension (Qualified Optional Survivor Annuity);

- (2) the Participant's right to make and the effect of an election to waive the 50% Joint and Survivor Annuity;
- (3) the right of the Participant's Spouse to consent to any election to waive the 50% Joint and Survivor Annuity;
- (4) the right of the Participant to revoke such election during the election period that ends on the Annuity Starting Date, and the effect of such revocation;
- (5) the relative values of the various optional forms of benefit under the Plan; and
 - (6) the right to defer any distribution and the consequences of failing to defer distribution of benefits including a description of how much larger benefits will be if the commencement of distributions is deferred.

Section 4. Before Retirement. If a Vested Participant dies before his Annuity Starting Date, a pension shall be paid in accordance with the provisions of this Article IV to his surviving Spouse, if any.

- (a) Subject to paragraph (b) below, the surviving legal Spouse of a Participant who dies before the Participant's Annuity Starting Date may apply for and receive the pre-retirement surviving spouse benefit to which he or she is entitled at any time after the death of the Participant. Payments shall begin as of the surviving legal Spouse's Annuity Starting Date, determined under Section 28 of Article I.
- (b) Payment of the pre-retirement surviving spouse benefit must begin no later than December 1 of the calendar year in which the Participant would have reached 70½ or, if later, December 1 of the calendar year following the year of the Participant's death. If the Trustees confirm the identity and whereabouts of a surviving legal Spouse who has not applied for benefits by that time, payments to that surviving legal Spouse in the form of a single life annuity (subject to the provisions of Article VIII, Section 7 on small benefit cashouts) shall begin as of that date.
- (c) If a surviving legal Spouse dies before the Annuity Starting Date of the pre-retirement surviving spouse benefit, that benefit shall be forfeited and there shall be no payments to any other party.
- (d) The monthly amount payable to the surviving Spouse shall be equal to one-half of the monthly benefit that would have been payable to the deceased Participant under the Husband-and-Wife Pension had he retired on the day before he died, except that if the Participant is younger than age 55 on the date of his death, the monthly benefit that would have been payable to him shall be calculated based on the assumption that he was 55 on the date of his death. If the surviving Spouse's Annuity Starting Date is after the date the Participant attained (or would have attained) Normal Retirement Age, the benefit shall include any actuarial adjustments to the Participant's accrued benefit which would have applied as of that date.

Section 5. Adjustment of Pension Amount. When a Husband-and-Wife Pension becomes effective, the amount of the Active Participant's or Vested Participant's monthly pension shall be reduced in accordance with the following:

- (a) Non-Disability Pensions. If payment of a pension, other than a Disability Pension, is to be made in the form of a Husband-and-Wife Pension, the pension amount shall be adjusted by

multiplying it by the following percentage: 89.0 percent minus .4 percentage points for each year the Spouse's age is less than the Participant's age or plus .4 percentage points for each year the Spouse's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100 percent.

- (b) Disability Pensions. If payment of a Disability Pension is to be made in the form of a Husband-and-Wife Pension, the pension amount shall be adjusted by multiplying it by the following percentage: 79.0 percent minus .4 percentage points for each year the Spouse's age is less than the Participant's age or plus .4 percentage points for each year the Spouse's age is greater than the Participant's age. In no event shall the resulting percentage be greater than 100 percent.

Section 6. Additional Conditions. A Husband-and-Wife Pension shall not be effective under any of the following circumstances:

- (a) The Participant and Spouse were not lawfully married to each other on the Annuity Starting Date.
- (b) The Participant and Spouse were lawfully married to each other for less than a year before he died, if he died before his Annuity Starting Date.
- (c) The Spouse died before the Participant's Annuity Starting Date or before his death, if he dies before a pension was payable to him.
- (d) The marriage of the Participant and his Spouse was legally dissolved before the Participant's Annuity Starting Date or before his death if he died before a pension was payable to him.
- (e) The Trustees shall be entitled to rely on the written representation last filed by the Participant before his pension payment commenced as to whether he is married. If such representation later proves to be false, the Trustees may adjust for any excess benefits paid as the result of the misrepresentation. Any payment made in good faith pursuant to the statements contained in an election application for pension shall discharge all the obligations of the Board of Trustees to the extent of such payments. A person claiming to be the Spouse of a Pensioner or Participant which relationship is not reflected in the records of the Fund, or which is denied by the Pensioner or the Participant, is entitled to a hearing on the issue as provided in Section 4 of Article VIII.

The Trustees may recoup, offset or recover from any sum due to the Pensioner or Participant the amount of any payments made in reliance on false statements including any legal expenses incurred for such recovery.

- (f) Any written election or revocation (including any change of previous choice) made under this Article shall bear the notarized signatures of both the married Active Participant or Vested Participant and his Spouse. Any written election, rejection or revocation (including any change of a previous choice) made under Article IV, shall not take effect unless (1) the Spouse of the Participant consents in writing to such election, (2) such election designates a beneficiary (or a form of benefits) which may not be changed without spousal consent (or the consent of the Spouse expressly permits designations by the Participant without any requirement of further consent by the Spouse), and (3) the Spouse's consent acknowledges the effect of such election and is witnessed by a plan representative or a notary public. Notwithstanding the preceding sentence, no spousal consent shall be required if it is established to the satisfaction of the Trustees that spousal consent may not be obtained because there is no Spouse, because the

Spouse cannot be located, or because of such other circumstances as the Internal Revenue Service may by regulations prescribe.

- (g) Election or revocation may not be made or altered after payment of the pension has commenced even if at the time of the commencement of the pension the Pensioner was not married and he subsequently marries, or if married, the marriage is later dissolved. Notwithstanding the foregoing, if the Spouse predeceases the Pensioner, the monthly amount payable to the Pensioner will be increased so as to equal the monthly pension which would have been payable had the Pensioner's benefit been paid in the form of a single life annuity. Such increased monthly amount shall be payable for the lifetime of the Pensioner, and shall cease upon the Pensioner's death.

ARTICLE V. DEATH BENEFITS

Section 1. Eligibility for and Amount of Death Benefit.

(a) Death Before Retirement.

- (1) If a non-vested individual dies without a permanent break in Covered Employment, the total amount of contributions credited to his account, up to a maximum of \$5,000 shall be paid in a lump sum to his Designated Beneficiary or the person or persons selected in accordance with Section 3 of this Article, provided the individual has, as a result of Covered Employment, earned at least two quarters of Future Service Credit in the immediately preceding three consecutive Calendar Year periods, including the Calendar Year in which he died. In determining the amount of lump sum payment, only contributions received subsequent to the last permanent break in Covered Employment, as defined in Article VI, Section 5, if any, will be counted.
- (2) If a Vested Participant dies before his Annuity Starting Date, his designated beneficiary or the person or persons selected in accordance with Section 3 of this Article shall, upon application, be entitled to 36 monthly payments in an amount equal to the monthly pension which the deceased Participant would have received had he been age 62 (or age 65 for death prior to January 1, 1983) and retired on the date of his death. The total value of pension payments, if any, received by the deceased Participant during a previous period of retirement shall be deducted from the total value of the 36 monthly payments otherwise due the deceased Participant's beneficiary. The monthly payments described herein will begin with the first month following the death of the Participant.

IF PAYMENTS ARE DUE UNDER THE HUSBAND-AND-WIFE PENSION (ARTICLE IV), THE MONTHLY BENEFIT OTHERWISE PROVIDED BY THIS SUBSECTION SHALL BE REDUCED BY THE AMOUNT PAYABLE TO THE SURVIVING SPOUSE.

- (b) Death After Retirement. If a Pensioner, other than a Basic Pensioner or a Special Normal Retirement Age Vested Pensioner dies before receiving a total of 36 monthly pension payments from the Trust, and the Husband-and-Wife Pension provisions in Article IV or the Joint and Survivor Option provisions in Article VII are not applicable, his monthly pension payments shall be continued until a total of 36 such payments have been made to such Pensioner and his Designated Beneficiary, or the person or persons selected in accordance with Section 3 of this, Article, and shall thereupon cease.

Section 2. Designation of Beneficiary. A Participant may designate a Beneficiary to receive any benefits provided under this Article by filing such designation at the Trust Fund Office on a form prescribed by the Board of Trustees.

A Participant shall have the right to change his designation of Beneficiary without the consent of the Beneficiary, but no such change shall be effective or binding on the Board of Trustees unless it is received by the Board prior to the time any payment is made to the Beneficiary whose designation is on file in the Trust Fund Office.

Effective March 1, 2007, unless otherwise required by a "qualified domestic relations order", as that term is defined by ERISA, a Participant's designation of spouse as Beneficiary hereunder shall be revoked by the annulment or dissolution of the Participant's marriage to that spouse. A Participant may redesignate such former Spouse as Beneficiary subsequent to the annulment or dissolution.

Section 3. Failure to Designate Beneficiary or Death of Beneficiary. If no Beneficiary is designated by a Participant who is not subject to the Husband-and-Wife Pension or the Joint and Survivor Option, or if a Designated Beneficiary predeceases the Participant or survives him but dies prior to receipt of any benefits under this Article, the benefits provided under this Article shall be paid in the order of priority shown: surviving Spouse, surviving children, or if none, to the estate of the deceased. Any such payment shall, to the extent thereof be a complete discharge of all liability under the Plan with respect thereto.

In the event an estate is the recipient of part or all of a 36 month stream of payments described in this Article, the payments may be made, with the consent of the estate's representative, in a lump sum. The lump sum will be determined on the basis of the 1971 Group Annuity Mortality Table (male) for Participants, and the 1971 Group Annuity Mortality Table (female) for Beneficiaries. The interest assumption shall be 7%. However, in no event shall the actuarial present value be less than that determined using the Applicable Mortality Table and the Applicable Interest Rate.

Section 4. Survivor Benefits Following Death During Qualified Military Service

If a Participant dies on or after January 1, 2007 while performing Qualified Military Service (as defined in Code §414(u)(5)), the deceased Participant's beneficiaries shall be entitled to any additional benefits (other than benefit accruals relating to the period of military service) that would have been provided under the Plan if such Participant had resumed Covered Employment and then terminated Covered Employment on account of death. In addition, the period of such Participant's Qualified Military Service shall be treated as vesting service under the Plan.

ARTICLE VI. PENSION CREDIT AND YEARS OF VESTING SERVICE.

Section 1. Credited Service for Periods Prior to the Contribution Date (Past Service Credit).

- (a) A Participant who worked at least 600 hours in Covered Employment in the 18-month period next following his Contribution Date shall be entitled to Past Service Credit for each Calendar Year, or portion thereof, he was (1) regularly employed prior to his Contribution Date as an officer or agent of the Union Trustor, the Employer Trustor, Local Union No. 2148 of I.B.E.W., or the Phoenix Electrical Joint Apprenticeship Training Committee; or (2) regularly employed prior to his Contribution Date in work covered by the inside wireman agreement in the geographical jurisdiction of the Union; or (3) in the military service of the United States of America prior to his Contribution Date, provided his military service was both immediately preceded by and followed by work defined in (1) or (2) above. A Participant shall be entitled to full credit for each Calendar Year he was so employed or so engaged for eight hours or more. No service credit shall be granted for less than eight hours employment, and no more than one year credit shall be given for any Calendar Year in which a Participant was so employed or engaged as noted immediately hereinabove.

Exceptions: For a Participant who during his 18-month qualifying period next following his Contribution Date was promoted to work within the meaning of sub-part (c) of Article I, Section 9, the period of such later employment during his qualifying period shall be deemed credited to such Participant for the purpose of qualifying for Past Service Credit.

Notwithstanding the foregoing, Employees whose Contribution Date is December 1, 1976 may be granted Past Service Credit only for work covered by a sound technician agreement in the geographical jurisdiction of the Union.

- (b) It is recognized that in many cases it may be difficult, because of changing employment, to establish with certainty the Past Service of a Participant in the type of employment referred to in (a) above. In making the necessary determinations as to Past Service Credit, the Board of Trustees may, at its absolute discretion, consider and rely upon such relevant and material evidence including, without limitation, any or all of the following:
- (1) A statement from the secretary or other authorized officers of the Union certifying that the Participant was a member in good standing in such Union during such period, or was employed by such Union during such period in a position included under the Plan pursuant to action taken by the Board. Exceptions will be considered on an individual basis.
 - (2) A statement from an Employer certifying that the Participant performed Work for such Employer entitling him to Past Service Credit during such period if such Employer was known or reputed to be operating in the electrical industry in the geographical territory to which the Collective Bargaining Agreements are applicable during the period.
 - (3) A W-2 Form or check stub furnished for Work performed during the period for any Employer known or reputed to be operating in the electrical industry in the geographical territory to which the Collective Bargaining Agreements are applicable during the period.
 - (4) A statement from the Social Security Administration to the effect that according to its records the Participant was employed during the period by a named Employer, which Employer was known or reputed to be operating in the electrical industry in the

geographical territory to which the Collective Bargaining Agreements are applicable during such period.

Section 2. Credit for Periods on and after the Contribution Date (Future Service Credit).

- (a) For the period commencing with his Contribution Date, an Active Participant shall receive Future Service Credit for his Work in Covered Employment, according to the following schedule:

<u>Hours Worked in Calendar Year</u>	<u>Future Service Credit</u>
Less than 300	None
300 - 399	3/12
400 - 499	4/12
500 - 599	5/12
600 - 699	6/12
700 - 799	7/12
800 - 899	8/12
900 - 999	9/12
1,000 - 1,099	10/12
1,100 - 1,199	11/12
1,200 and over	One Year

If an Active Participant earns a Year of Vesting Service in a Calendar Year after December 31, 1975, but less than 300 hours of Work in Covered Employment, he shall be credited with a prorated portion of a full Pension Credit in the ratio which his hours of Work bear to 2,000. Note: For the sole purpose of computing years of Pension Credit for the Active Participant who has a Contribution Date of December 1, 1971 or December 1, 1976, and who has qualified for Past Service Credit the hours of Work in Covered Employment in December, 1971 or December, 1976, respectively, shall be counted as either Past Service Credit or Future Service Credit, depending upon whichever is more favorable to the Active Participant.

- (b) For those individuals resuming employment in Covered Employment on or after December 12, 1994, following a period of Qualified Military Service, Future Service Credit shall be granted for the period of Qualified Military Service on the basis of the individual's average weekly hours earned under this Plan during the twelve month period immediately preceding the period of Qualified Military Service (or, if shorter, the period of employment immediately preceding the period of Qualified Military Service). Future Service Credit will be pro-rated based on 40 hours if the period of Qualified Military Service is less than a full week. The contributions required to pay for Future Service Credit granted for periods of Qualified Military Service will be allocated from general assets of the Fund, and no individual Employer will be liable to make contributions for such Credit.
- (c) Credit for Periods of Qualified Military Service in the Event of Death or Disability
- (1) If a Participant dies while performing Qualified Military Service (as defined in Code §414(u)(5)), the Participant shall be credited with service for the period of Qualified Military Service for purposes of both vesting and benefit accrual under the Plan as if the Participant had resumed Covered Employment with an Employer on the day preceding death and then terminated Covered Employment on the date of death in accordance with Code §414(u)(9).

- (2) If a Participant becomes totally disabled (as defined in Article III, Section 7) while performing Qualified Military Service (as defined in Code §414(u)(5)), the Participant shall be credited with service for the period of Qualified Military Service for purposes of both vesting and benefit accrual under the Plan as if the Participant had resumed Covered Employment with an Employer on the day preceding the day on which the Participant incurred the disability and then terminated Covered Employment on the day the disability was incurred in accordance with Code §414(u)(9).
- (d) Hours Bank. For Calendar Years beginning on or after January 1, 2015, if an Active Participant works more than 1,200 hours in Covered Employment, then the overage of such hours above 1,200 shall accumulate in an hours bank, provided that the total number of hours so accumulated shall not at any time exceed 600. The hours so accumulated shall be transferred, to the extent that such hours allow the Participant to receive additional increments of benefit accrual, to the next Calendar Year in which the Participant works fewer than 1,200 hours in Covered Employment. Such transfer of hours shall only be for the purpose of determining Future Service Credit under this Section 2, not for the purpose of determining Vesting Service under Article VI, Sections 3 and 4. Notwithstanding the foregoing, the provisions of this subsection (d) shall not apply to any apprentice participating in the Plan.

Section 3. Years of Vesting Service.

- (a) General Rule. An Active Participant shall be credited with one year of Vesting Service for each Calendar Year following his Contribution Date in which he completes at least 1,000 Hours of Service in Covered Employment.

For those individuals resuming employment in Covered Employment on or after December 12, 1994, following a period of Qualified Military Service, Vesting Service Credit shall be granted for the period of Qualified Military Service on the basis of the individual's average weekly hours earned under this Plan during the twelve month period immediately preceding the period of Qualified Military Service (or, if shorter, the period of employment immediately preceding the period of Qualified Military Service). Vesting Service Credit will be prorated based on 40 hours if the period of Qualified Military Service is less than a full week.

- (b) If a Participant works for an Individual Employer in a job not covered by this Plan and such employment immediately precedes his employment with that Individual Employer in Covered Employment, his hours of work in such non-covered job after December 31, 1975, shall be counted toward a year of Vesting Service.
- (c) If an Active Participant works for an Employer in a job not covered by this Plan, but giving rise to participation and contributions to the companion IBEW Local No. 640 and Arizona Chapter NECA, Inc., Defined Contribution Retirement Plan, his hours of work in such non-covered job after June 20, 1980 shall be counted toward a year of Vesting Service.
- (d) Exceptions. A Participant shall not be entitled to credit toward a year of Vesting Service for the following periods:
- (1) Years preceding a break in Covered Employment in accordance with the rules of the Pension Plan as in effect prior to January 1, 1976.
 - (2) Years preceding a permanent break in Covered Employment as defined in Section 5 of this Article.

Section 4. Vesting.

(a) Pre-Normal Retirement Age Vesting.

- (1) Effective January 1, 1976, the Pension Credits and the years of Vesting Service accumulated, pursuant to this Article are to be vested after a Participant has at least ten (10) years of Pension Credit, or credit for at least ten (10) years of Vesting Service, without an intervening permanent Break in Covered Employment.
- (2) Prior to January 1, 1976, the years of Pension Credits were vested after an Employee had accumulated at least ten (10) years of Pension Credit, without an intervening Break in Covered Employment. Notwithstanding anything to the contrary in this Article, where a Participant or former Employee has suffered a permanent Break in Covered Employment pursuant to the rules in effect prior to January 1, 1976, credit for vesting purposes under this Section shall be granted only for those years of Pension Credit and Vesting Service earned after such a Break.
- (3) For Employees with an hour of Covered Employment on or after January 1, 1989, the Pension Credits accumulated pursuant to this Article are to be vested if a Participant has at least five (5) years of Vesting Service without an intervening permanent Break in Covered Employment earned in employment as a "Non-Bargained Employee". A year of Vesting Service will only be counted for this purpose if at least 1,000 hours or a majority of the hours worked were earned in such employment.
- (4) Effective January 1, 1998, an Active Participant, who has at least five (5) years of Vesting Service and has at least one Hour of Service on or after January 1, 1998, will be vested. A Participant who was not an Active Participant on January 1, 1998 and who has at least five (5) years of Vesting Service must reestablish his Active Participant status after January 1, 1998, in accordance with Article II, Sections 2 and 4 of the Plan, in order to be considered vested.

Such credits, once vested, will be held indefinitely for a Participant, and he will have a right, upon making application in accordance with these rules, to a Pension commencing at the permitted retirement age, even though he leaves Covered Employment or earns no additional credits.

- (b) Special Normal Retirement Age Vesting. Beginning January 1, 1976, Future Service Pension Credit accumulated pursuant to this Article and not cancelled by a permanent break in Covered Employment is deemed to be vested and non-forfeitable if a Participant has attained Normal Retirement Age as defined in Article I of this Plan and was an Active Participant as defined in Article I of this Plan on the date he attained Normal Retirement Age, or on a date thereafter if such date is before the individual incurs a Permanent Break in Covered Employment.

Section 5. Breaks in Covered Employment and Cancellation of Pension Credits and Vesting Service. The Permanent Break in Covered Employment rules do not apply to a Pensioner or Vested Participant.

- (a) One Year Break in Covered Employment After December 31, 1975.

- (1) An individual has a One Year Break in Covered Employment in any Calendar Year after December 31, 1975, in which he fails to complete 300 Hours of Service.
- (2) Time of employment with an Employer, if creditable under Section 3 of this Article, shall be counted as if it were Covered Employment in determining whether a break in Covered Employment has been incurred.
- (3) For purposes of this subsection (a), Hours of Service shall include, for Calendar Years beginning on and after January 1, 1985, hours during which a Participant was absent from Covered Employment on account of maternity/paternity leave, up to a maximum of 300 hours in the Calendar Year of such absence. If the Participant already had 300 or more Hours of Service during such Calendar Year, the credit will be given for the immediately following Calendar Year. For purposes of this subparagraph (3), a Participant shall be deemed to be on maternity/paternity leave if the Participant is absent from work by reason of the pregnancy of the Participant, by reason of the birth of a child of the Participant, by reason of the placement of a child in connection with the adoption of the child by the Participant, or for the purposes of caring for the child of the Participant, during the period immediately following the birth or placement for adoption, including time involved for a trial period prior to adoption.

For purposes of this section (a)(3), Hours of Service will be credited only upon written application to the Board on a timely basis. Such notification will be determined timely only if it is received no later than the end of the Calendar Year following the Calendar Year for which such Hours of Service are to be credited. The Board may require an applicant to furnish in writing such information and proof concerning such maternity/paternity absence as the Board in its sole discretion determines.

- (4) If an Active Participant earns at least 300 Hours of Service within a Calendar Year, subsequent to incurring one or more One Year Breaks in Covered Employment, but before he incurs a permanent break in Covered Employment, the effects of all previous One Year Breaks will be eliminated. In addition, it has the effect of restoring the individual's status as a Participant under Article II provided, however, nothing in this paragraph (4) shall alter the effect of a permanent break in Covered Employment as specified in subsections (b) and (c) below.

(b) Permanent Break in Covered Employment After January 1, 1976.

- (1) Between January 1, 1976 and January 1, 1987. An individual has a Permanent Break in Covered Employment between January 1, 1976 and January 1, 1987, if:
 - (i) during a period of three consecutive Calendar Years he failed to complete at least 300 Hours of Service within a year; and
 - (ii) the number of consecutive Calendar Years in which he failed to complete at least 300 Hours of Service equals or exceeds the greater of the number of full years of Vesting Service or full years of Pension Credit which he had previously accumulated.
- (2) On or After January 1, 1987. An individual has a Permanent Break in Covered Employment on or after January 1, 1987; if:

- (i) during a period of five consecutive calendar years he failed to complete at least 300 Hours of Service within a year; and
 - (ii) the number of consecutive calendar years in which he failed to complete at least 300 Hours of Service equals or exceeds the number of full years of Vesting Service or full years of Pension Credit which he had previously accumulated.
- (c) Permanent Break in Covered Employment Before January 1, 1976. Before January 1, 1976, an Employee shall have incurred a Permanent Break in Service and his previously accumulated Pension Credit and accrued benefits cancelled if he failed to earn at least one quarter of Future Service Credit in a period of three consecutive Calendar Years.

A Participant may be allowed grace periods under the following circumstances if he failed to earn at least one-quarter of Future Service Credit in any period of three consecutive Calendar Years prior to January 1, 1976:

(1) Exceptions on Account of Disability or Involuntary Unemployment.

- (i) A Participant shall be allowed a grace period of up to three consecutive Calendar Years if his failure to earn Future Service Credit was due to disability or involuntary unemployment.
- (ii) Disability or involuntary unemployment for the purposes of this Section is to be determined to the satisfaction of the Board and the Participant must present such written evidence and/or submit to such examinations as the Board may, in its sole discretion, determine. A Participant shall not be granted any such grace period for periods which commenced more than one year prior to his filing the written notices required by this Section, unless the Board finds that there were extraordinary circumstances which prevented a timely filing.

(2) Exceptions on Account of Service in the Armed Forces.

- (i) A Participant whose failure to earn Future Service Credit is due to service in the Armed Forces of the United States shall be allowed a grace period for the period that he retains re-employment rights under Federal Law, provided he makes himself available for Covered Employment within 90 days after release from active duty, or within 90 days from recovery from a disability continuing after his release from active duty.
- (ii) In order to secure a grace period for service in the Armed Forces of the United States, the Participant must give written notice to the Board of his availability for Covered Employment and must furnish, in writing, such information and proof concerning such service as the Board may, in its sole discretion, determine. After January 1, 1964, the Participant must file the written notice and proof required by this Section within 90 days after recovery from a disability continuing after his release from active duty, unless the Board finds that there were extenuating circumstances which prevented a timely filing.

(3) Exception on Account of Employment in a Supervisory Capacity by Employer.

- (i) A Participant shall be allowed a grace period for the duration of his employment in a supervisory capacity by an Employer. Employment in such a supervisory capacity shall be determined to the satisfaction of the Board of Trustees.
- (ii) In order to secure the benefits of this grace period, the Participant must give written evidence as the Board may in its sole discretion, determine. A Participant shall not be granted any such grace period which commences more than one year prior to his filing the written notice required by this Section, unless the Board finds that there were extenuating circumstances which prevented a timely filing.

The grace periods referred to in these subsections are not intended to add to the Pension Credit of the Employee. Rather, they are periods which are to be disregarded in determining whether there has been a period of three consecutive Calendar Years during which the Employee has failed to earn one quarter of Future Service Credit.

- (d) Effect of a Permanent Break in Covered Employment. If an Active Participant who has not earned Vested Status as determined in accordance with Article VI, Section 4 has a Permanent Break in Covered Employment:
 - (1) His Pension Credit and Vesting Service are deemed cancelled, and
 - (2) His status as a Participant is cancelled.

Renewed participation of an individual who experiences a Permanent Break in Covered Employment, is subject to the provisions of Article II.

ARTICLE VII. OPTIONAL FORM OF PENSION PAYMENTS

Section 1. Joint and Survivor Pension. Instead of the pension otherwise payable to him, a Participant who is not married but who is entitled to a Regular or Early Retirement Pension may elect to receive payment on the basis of a Joint and Survivor Option, in accordance with which he will receive a lower monthly amount, but with 100% or 66-2/3% of that lower amount (whichever the Participant elects) continuing after his death for the lifetime of the Co-annuitant named by him. In no event shall the actuarial value of the benefit payable to the Co-annuitant be greater than the actuarial value of the reduced benefit payable to the Participant.

- (a) Election of the Joint and Survivor Option shall be subject to the following conditions:
- (1) The option shall take effect with the first pension payment, provided that the Participant filed a written notice with the Trustees in a form prescribed by the Trustees at least 24 months before the first month for which a pension benefit will be paid to the Pensioner.
 - (2) If the election was filed with the Trustees later, but prior to the commencement of benefits, the option shall not take effect until 24 months have elapsed after such filing, and it shall then be effective with respect to all subsequent months.

Unless and until the option takes effect, the benefit shall be payable in the regular form only, as if the option had not been elected, and benefits so paid shall not be retroactively adjusted when the option is put into effect.

- (3) The Joint and Survivor Option shall take effect only if the Pensioner and his Co-annuitant are both alive on the date when the option is otherwise to take effect.
- (b) Once elected, the Joint and Survivor Option may not be revoked except under the following conditions:
- (1) Revocation must be made in writing in a form prescribed by the Trustees and filed with the Trustees before the end of the first calendar month for which a pension benefit will be paid to the Pensioner.
 - (2) Revocation shall not become effective until 24 months after it has been filed and until then any benefits shall be paid in the amount determined under the option, without retroactive adjustments once a revocation takes effect.
 - (3) The option shall be automatically revoked if the Co-annuitant dies before a pension in the optional form has become effective. In such event, the individual may continue the option if, within 90 days of such an event, he makes a choice of another Co-annuitant and communicates it to the Trustees in writing.

- (c) When a Joint and Survivor Option becomes effective, the amount of the Participant's pension will be reduced in accordance with the following:
- (1) 100% Joint and Survivor Option. If the Joint and Survivor Option elected provides for a 100% contribution to the Co-annuitant, the pension amount shall be adjusted by multiplying it by the following percentage: 80.0 percent minus .6 percentage points for each year the Co-annuitant's age is less than the Participant's age or .6 percentage points

for each year the Co-annuitant's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100 percent.

- (2) 66-2/3% Joint and Survivor Option. If the Joint and Survivor Option elected provides for a 66-2/3% continuation to the Co-annuitant, the pension amount shall be adjusted by multiplying it by the following percentage: 86.0 percent minus .5 percentage points for each year the Co-annuitant's age is less than the Participant's age or plus .5 percentage points for each year the Co-annuitant's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100 percent.

- (d) The Joint and Survivor Option shall not be payable if it would result in a monthly benefit of less than \$20.00 to the Pensioner or to the Co-annuitant.

Section 2. Lump Sum Option. For Annuity Starting Dates on and after July 1, 2001, if, at the time a monthly benefit becomes payable, the actuarial present value of the benefit is \$10,000 or less, then the Participant may elect to receive, instead of the pension otherwise payable, such pension in a single sum equal to that actuarial present value. For this purpose, actuarial present values shall be determined in accordance with the assumptions set forth in Article VIII, Section 7. Election of this benefit by a married Participant is subject to spousal consent under Article IV, Section 6(f).

Section 3. Optional 75% Husband-and-Wife Pension. A married Participant may elect to receive the Optional 75% Husband-and-Wife Pension instead of the Husband-and-Wife Pension provided by Article IV.

- (a) The monthly amount to be paid to the eligible surviving Spouse is 75% of the monthly amount received by the Pensioner at the time of his death.
- (b) The monthly amount of the Optional 75% Husband-and-Wife Pension provides a Pop-Up to the Pensioner if the Spouse predeceases the Pensioner. If the Spouse predeceases the Pensioner, the monthly amount payable to the Pensioner will be increased so as to equal the monthly pension which would have been payable had the Pensioner's benefit been paid in the form of a single-life annuity. Such increased monthly amount shall be payable for the lifetime of the Pensioner, and shall cease upon the Pensioner's death.
- (c) When an Optional 75% Husband-and-Wife Pension becomes effective, the amount of the Participant's Pension otherwise payable will be reduced in accordance with the following:
 - (1) Non-Disability Pensions. The Pension amount otherwise payable shall be adjusted by multiplying it by the following percentage: 84.0 percent minus .5 percentage points for each year the spouse's age is less than the Participant's age or plus .5 percentage points for each year the spouse's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100 percent.
 - (2) Disability Pensions. The Pension amount otherwise payable shall be adjusted by multiplying it by the following percentage: 71.0 percent minus .5 percentage points for each year the spouse's age is less than the Participant's age or plus .5 percentage points for each year the spouse's age is greater than the Participant's age; provided, however, that in no event shall the resulting percentage be greater than 100 percent.

ARTICLE VIII. APPLICATION, BENEFIT PAYMENT AND RETIREMENT

Section 1. Application for the Commencement of Benefits. An application for a pension shall be made in writing on a form and in the manner prescribed by the Board of Trustees, and shall contain such information as the Trustees may deem necessary. Such application shall be a condition for payment of a pension and must be filed with the Board prior to the first month for which benefits are payable.

Section 2. Information and Proof. Every Participant shall furnish, at the request of the Trustees, any information or proof reasonably required to determine his benefit rights. If a person willfully makes a false statement material to an application or furnishes fraudulent information or proof, or fails to provide the notifications required, benefits under this Plan may be denied, suspended, or discontinued. The Trustees shall have the right to recover (by recoupment, offset, or other lawful means) any benefit payments made in reliance on any false or fraudulent statement, information or proof submitted by a Participant or Pensioner prior to the receipt of the required notifications.

Section 3. Action of Trustees. The Trustees shall, when exercising discretionary powers, exercise such powers in a uniform and non-discriminatory manner, and be the sole judges of the standard of proof required in any case and the application and interpretation of the Plan, and decisions of the Trustees shall be final and binding on all parties.

Section 4. Right of Appeal. Each Participant or Beneficiary whose claim for benefits under the Plan has been denied shall be provided adequate notice in writing setting forth the specific reasons for such denial, written in a manner calculated to be understood by the Participant/Beneficiary. A Participant/Beneficiary aggrieved by such decision may request review. The Trustees shall establish and make available to Participants and Beneficiaries rules and procedures for the review of denied claims. Such rules and procedures shall comply with ERISA and regulations promulgated thereunder.

Claims may not be split and filed under several requests. If the Participant or Beneficiary has an issue, the full basis for such issue, together with all the relief requested, shall be set forth in the request. A Participant or Beneficiary may not file separate requests for benefits each month the benefits are alleged to be in arrears. This section applies to and includes any and every claim to benefits from the Plan regardless of the basis asserted for the claim and regardless of when the act or omission upon which the claim is based occurred.

A failure to file timely a request for review shall not preclude the Participant or Beneficiary from establishing entitlement at a later date based on additional information and evidence which was not available at the time the decision was made; provided, however, a subsequent request is not a means to reconsider and re-argue matters already reviewed, and such subsequent request may be dismissed without action if the Trustees conclude that it sets forth no newly discovered information or evidence.

A decision on a request for review shall be final and binding upon all parties concerned, except that a Participant or Beneficiary may pursue such remedies provided, if any, under the Internal Revenue Code and ERISA.

Section 5. Benefit Payments Generally.

- (a) Commencement of Benefits. A Participant who is eligible to receive benefits under this Plan and makes application in accordance with the Rules of this Pension Plan, shall be entitled upon retirement to receive the monthly benefits provided for the remainder of his life, subject to the provisions of this Plan. Benefit payments shall be payable commencing with the first day of

the month following the month in which the Participant has fulfilled all the conditions of entitlement to benefits, including the filing of an application.

However, in no event, unless the Active Participant or Vested Participant elects otherwise in writing, shall the payment of benefits begin later than the 60th day after the later of the close of the Calendar Year in which:

- (1) The Active Participant or Vested Participant attains Normal Retirement Age; or
- (2) The Active Participant or Vested Participant terminated his Covered Employment and retires, as that term is defined in Section 8 of this Article.

An election to defer the commencement of benefits which is filed on or after January 1, 1989, may not postpone the commencement of benefits to a date later than the Participant's Required Beginning Date.

(b) Required Beginning Date. A Participant's Required Beginning Date is April 1 of the calendar year following the year the Participant reaches 70½, provided that, for a Participant who reaches 70½ before 1988 other than a 5% owner, the Required Beginning Date is April 1 of the calendar year in which the Participant ceases work in Covered Employment if that is later.

(c) Delayed Retirement. Effective as of January 1, 1989, if the Annuity Starting Date is after the Participant's Normal Retirement Age, the monthly benefit shall, subject to the provisions of Article III, Section 17, be the greater of:

- (1) the total years of Pension Credit accrued at his Annuity Starting Date multiplied by the applicable amount in Section 3 of Article III; or
- (2) the accrued benefit at Normal Retirement Age actuarially increased for each complete calendar month between Normal Retirement Age and the Annuity Starting Date for which benefits were not suspended;

converted as of the Annuity Starting Date to the benefit payment form elected in the pension application or to the automatic form of Husband-and-Wife Pension if no other form is elected.

The actuarial increase described in paragraph (2) shall be 1% per month for the first 60 months after Normal Retirement Age and 1.5% per month for each month thereafter.

(d) Payment of Benefits Accrued After Retirement.

- (1) (A) Any additional benefits earned by a Pensioner in Covered Employment after Retirement (but before Required Beginning Date) will be determined and shall be payable as of the first of the month following the subsequent retirement, provided payment of benefits at that time is not suspended pursuant to Section 8 of this Article.
- (B) Any additional benefits earned by a Pensioner in Covered Employment after his or her Required Beginning Date will be determined at the end of each Calendar Year and will be payable in accordance with the provisions of Article XI, Section 3(c) of this Plan.
- (2) In the case of a Participant who retired at or after Normal Retirement Age who is reemployed and earns additional benefits, the original Annuity Starting Date and the benefit

payment elections made at that time will apply when benefit payments begin again at a later date.

- (3) A Participant who retired at any age and had benefit payments suspended on account of work in covered or covered-type employment, the original Annuity Starting Date and the benefit payment elections made at that time will apply to benefits accrued prior to the original Annuity Starting Date when benefit payments begin again at a later date.
 - (4) In the case of a Participant who retired before Normal Retirement Age who is reemployed and earns additional benefits, a new Annuity Starting Date will be established for payment of those new benefit accruals (but only for additional benefits due solely to the Participant's renewed employment after early retirement) when the Participant again retires. The benefits earned during that period of reemployment will be paid as a Husband-and-Wife Pension, if applicable as of the new Annuity Starting Date, or, if that is properly rejected, any other payment form available to the Participant under the Plan.
- (e) If the present value of a Participant's vested accrued benefit derived from Employer contributions, as determined under Section 7 of this Article, exceeds \$5,000, and the accrued benefit is immediately distributable, the Participant and the Participant's Spouse (or where either the Participant or Spouse has died, the survivor) must consent to any distribution of such accrued benefit.
- (f) Termination of Benefits. Pension payments shall end with the payment for the month in which the death of the Pensioner occurs except as provided in accordance with a Husband-and-Wife Pension, the Joint and Survivor Option or, if applicable, upon the completion of the guaranteed payments provided for in Article V.

Section 6. Duplication of Pensions. A Pensioner shall not be entitled to the payment under this Plan of more than one type of pension at any one time.

Section 7. Lump Sum Payment in Lieu of Monthly Pension. If, at the time a monthly pension or benefit distribution becomes payable, the actuarial present value of the pensioner benefit is \$5,000 or less (or more as permitted by law), then the Trustees shall pay such pension or benefit in a single sum equal to that value. For this purpose, and for purposes of Section 5(e) of this Article, actuarial present values shall be determined on the basis of the 1971 Group Annuity Mortality Table for males and the 1971 Group Annuity Mortality Table for females for Beneficiaries, for employees, and spouses. The interest assumption shall be 7%. However, in no event shall the actuarial present value be less than that determined using the Applicable Mortality Table and the Applicable Interest Rate.

Exception: Notwithstanding the above provision for lump-sum payment, if a Pensioner has started to receive payments in the form of the Husband-and-Wife Pension, the surviving Spouse shall receive monthly benefits after the Pensioner's death unless the surviving Spouse consents in writing, in a form prescribed by the Trustees, to a lump-sum payment.

When a lump sum has been paid by the Fund, all Pension Service and Years of Vesting Service earned by the Participant with respect to which the lump sum distribution was made shall be completely disregarded and the Fund shall have no liability for the payment of any additional benefit to the Participant or his Beneficiary.

Section 8. Retirement.

(a) (1) Before Normal Retirement Age. To be considered retired and entitled to a pension under this Plan before he has attained Normal Retirement Age, a person must withdraw completely and refrain from any work or activity for wage or profit in the electrical industry wherever such employment may be performed. For this purpose, work or activity for wage or profit in the electrical industry means:

(A) The performance or supervision of work within the jurisdiction of any of the general branches of the IBEW:

- (i) Outside and Utility Workers
- (ii) Inside Electrical Workers
- (iii) Communications Workers
- (iv) Railroad Electrical Workers
- (v) Electrical Manufacturing Workers; and

(B) Support occupations for employers performing work within the jurisdiction of the following branches of the IBEW:

- (i) Outside and Utility Workers
- (ii) Inside Electrical Workers
- (iii) Communications Workers

The Trustees may, by the development of policies, recognize work classifications that will be considered within or without the electrical industry.

- (2) Notwithstanding the foregoing, between January 1, 2001 and December 31, 2001, a Pensioner who is age 62 or older and who works less than 40 hours per calendar month in Covered Employment will be considered retired and entitled to a pension.
- (3) During the period September 1, 2007 through December 31, 2007, Early Retirement or Normal Retirement Pensioners with Annuity starting Dates on or before August 1, 2007 may work 600 hours or fewer in Covered Employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be payable as of February 1, following the end of the Calendar Year in which it was accrued.
- (4) During the period January 1, 2008 through December 31, 2008, Early Retirement, Normal Retirement, Service, Vested Service and Special Normal Retirement Age Pensioners age 62 and older may work 600 hours or less in Covered Employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be payable as of February 1, following the end of the Calendar Year in which it was accrued.
- (5) During the period January 1, 2009 through December 31, 2009, Early Retirement, Normal Retirement, Service, Vested Service and Special Normal Retirement Age Pensioners age 62 and older with Annuity Starting Dates on or before December 1, 2008 may work 600 hours or fewer in Covered Employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar

Year and will be payable as of February 1, following the end of the Calendar Year in which it was accrued unless the Pensioner is suspended at that time.

- (6) During the period of January 1, 2015 through December 31, 2015, Pensioners, other than Disability Pensioners, age 62 and older may work 600 hours or less in Covered Employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be payable as of January 1, following the end of the Calendar Year in which it was accrued.
- (7) During the period of January 1, 2016 through December 31, 2016, Pensioners, other than Disability Pensioners, age 62 and older may work 600 hours or less in Covered Employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be effective January 1, following the end of the Calendar Year in which it was accrued.
- (8) Notwithstanding the foregoing, during the period of January 1, 2017 through December 31, 2017, Pensioners with an Annuity Starting Date on or before December 1, 2016, other than Disability Pensioners, may work 600 hours or less in Covered Employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be effective January 1, following the end of the Calendar Year in which it was accrued, unless benefits are suspended at that time.

In addition, during the period January 1, 2017 and December 31, 2017, a Pensioner, other than a Disability pensioner, who works no more than 40 hours per calendar month in Covered Employment will be considered retired and entitled to a pension.

- (9) Notwithstanding the foregoing, during the period of January 1, 2018 through December 31, 2018, Pensioners with an Annuity Starting Date on or before December 1, 2017, other than Disability Pensioners, may work 600 hours or less in Covered employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be effective January 1, following the end of the Calendar Year in which it was accrued, unless benefits are suspended at that time.
 - (10) Notwithstanding the foregoing, during the period of January 1, 2019 through December 31, 2019, Pensioners other than Disability Pensioners, may return to work, beginning no earlier than the month following the month of their Annuity Starting Date, for up to 600 hours in Covered Employment without suspension of benefits. Additional benefits earned by such a Pensioner so working will be determined at the end of the Calendar Year and will be effective January 1, following the end of the Calendar Year in which it was accrued, unless benefits are suspended at that time.
- (b) After Normal Retirement Age. To be considered retired and entitled to a pension under this Plan after he has attained Normal Retirement Age, a Participant must withdraw from employment for wages or profit in excess of 40 hours in a calendar month, including hours paid but not worked, in the same industry, in the same trade or craft, and in the same geographic area covered by the Plan. For the purposes of this subsection:
- (1) The term “industry” means the business activities of the types engaged in by any of the Employers maintaining the Plan at the time of the commencement of pension benefits to

the Retired Participant. If he becomes employed with an employer engaged in such types of business activities regardless of whether the employer contributes to the Plan or if he becomes engaged in such activities on a self-employed basis, he shall be considered employed in the “same industry.”

- (2) The “same trade or craft” means an occupation in which the Participant was employed at any time under the coverage of the Plan, any occupation utilizing the same skill(s), and any self-employment or supervisory employment related to the same skill(s) as were involved in such occupation(s).
 - (3) The “same geographic area” means the State of Arizona.
 - (4) The term “Normal Retirement Age” shall have the same meaning as defined in Article I, Section 13.
- (c) No Suspension After Required Beginning Date. No benefits shall be suspended under this Article for months starting on and after a Participant’s Required Beginning Date, as defined in Section 5(b) of this Article.

Section 9. Suspension of Benefits.

- (a) (1) Except as provided herein, if a Pensioner who is younger than Normal Retirement Age subsequently becomes employed in work of the type described in Section 8(a) of this Article, his pension payments shall be suspended for any calendar month in which he is so employed.
- (2) Once a Pensioner’s benefit has been suspended one time under Section 9(a)(1) above, his monthly benefit following any subsequent period of employment in work of the type described in Section 8(a) after the first such suspension shall be suspended as noted in Section 9(a)(1) above and for an additional six (6) calendar months after ceasing such employment, but not beyond Normal Retirement Age. If a Disability Pensioner is re-employed after retirement in work of the type described in Section 8 of this Article, subsequently retires and is again awarded a pension, he shall not be required to satisfy the foregoing six-month waiting period before his subsequent pension is effective.
- (3) Notwithstanding the foregoing, between January 1, 2001 and December 31, 2001, a Pensioner who is age 62 or older may continue to work in Covered Employment for less than 40 hours per calendar month without suffering a suspension of benefits.

Effective for Covered Employment between January 1, 2008 and December 31, 2008, a Pensioner may continue to work in Covered Employment for fewer than 40 hours per calendar month without suffering a suspension of benefits.
- (4) During the period September 1, 2007 through December 31, 2007, Early Retirement or Normal Retirement Pensioners with Annuity Starting Dates on or before August 1, 2007 may work 600 hours or fewer in Covered Employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be payable as of February 1, following the end of the Calendar Year in which it was accrued.

- (5) During the period January 1, 2008 through December 31, 2008, Early Retirement, Normal Retirement, Service, Vested Service and Special Normal Retirement Age Pensioners age 62 and older may work 600 hours or less in Covered Employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be payable as of February 1, following the end of the Calendar Year in which it was accrued.
- (6) During the period January 1, 2009 through December 31, 2009, Early Retirement, Normal Retirement, Service, Vested Service and Special Normal Retirement Age Pensioners age 62 and older with Annuity Starting Dates on or before December 1, 2008 may work 600 or fewer hours in Covered Employment without suspension of benefits provided they refrain from other employment for which benefit would be suspendible under the Rules of the Plan. Any additional benefits earned by a Pensioner so working will be determined at the end of the 2009 Calendar Year and will be payable as of February 1, 2010 unless the Pension is suspended at that time.
- (7) During the period of January 1, 2015 through December 31, 2015, Pensioners, other than Disability Pensioners, age 62 and older may work 600 hours or less in Covered Employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be payable as of January 1, following the end of the Calendar Year in which it was accrued.
- (8) During the period of January 1, 2016 through December 31, 2016, Pensioners, other than Disability Pensioners, age 62 and older may work 600 hours or less in Covered Employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be effective January 1, following the end of the Calendar Year in which it was accrued.
- (9) Notwithstanding the foregoing, during the period of January 1, 2017 through December 31, 2017, Pensioners with an Annuity Starting Date on or before December 1, 2016, other than Disability Pensioners, may work 600 hours or less in Covered Employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be effective January 1, following the end of the Calendar Year in which it was accrued, unless benefits are suspended at that time.

In addition, between during the period of January 1, 2017 through December 31, 2017, a Pensioner, other than a Disability pensioner, who works no more than 40 hours per calendar month in Covered Employment will be considered retired and entitled to a pension.

- (10) Notwithstanding the foregoing, during the period of January 1, 2018 through December 31, 2018, Pensioners, other than Disability Pensioners, may work without suspension for an employer signatory to a Collective Bargaining Agreement, and which has a physical business address located within the geographical jurisdiction of local No. 640 provided that such Pensioner shall not perform any duties for an Employer which are covered by any of the Collective Bargaining Agreements within the jurisdiction of the Union.
- (11) During the period of January 1, 2018 through December 31, 2018, Pensioners with an Annuity Starting Date on or before December 1, 2017, other than Disability Pensioners, may work 600 hours or less in Covered employment without suspension of benefits. Any

additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be effective January 1, following the end of the Calendar Year in which it was accrued, unless benefits are suspended at that time.

- (12) Notwithstanding the foregoing, during the period of January 1, 2019 through December 31, 2019, Pensioners other than Disability Pensioners, may return to work, beginning no earlier than the month following the month of their Annuity Starting Date, for up to 600 hours in Covered Employment without suspension of benefits. Any additional benefits earned by a Pensioner so working will be determined at the end of the Calendar Year and will be effective January 1, following the end of the Calendar Year in which it was accrued, unless benefits are suspended at that time.
 - (13) Notwithstanding the foregoing, during the period of January 1, 2019 through December 31, 2019, Pensioners, other than Disability Pensioners, may work without suspension for an employer signatory to a Collective Bargaining Agreement, and which has a physical business address located within the geographical jurisdiction of Local No. 640 provided that such Pensioner shall not perform any duties for an Employer which are covered by any of the Collective Bargaining Agreements within the jurisdiction of the Union.
- (b) If a Participant who has attained Normal Retirement Age subsequently becomes employed in work of the type and for the duration set forth in Section 8(b) of this Article, in addition to the other remedies available to the Board, his pension payments shall be suspended for any calendar month in which he is so employed. After that period, his pension shall again become payable.
 - (c) If a Participant becomes employed in work of the type described in either Section 8(a) or Section 8(b) of this Article, he must notify the Trustees, in writing, within 21 days following commencement of such employment. If he fails to give such written notice within such 21-day period and:
 - (1) he is younger than Normal Retirement Age, his pension shall be suspended for an additional period of six months over and above the suspension period specified in the preceding subsection (a) but not beyond the Normal Retirement Age; or if
 - (2) he has attained Normal Retirement Age and the Board becomes aware that he may be employed in work of the type described in Section 8(b) of this Article, it will be presumed, unless and until the Participant provides credible evidence to the contrary that:
 - (A) he was employed in excess of 40 hours for that month, and,
 - (B) if such employment is at a construction site, he was employed for as long as the employer for whom he is employed has been engaged at that site.
 - (d) A Participant shall provide the Trustees with such information as they may request in order to establish the nature and extent of any employment by the Participant. In addition, at least once each year a Pensioner shall be required to certify on a form acceptable to the Trustees that he is retired within the meaning of the Plan. Any pension payments otherwise due shall be withheld pending adequate response by the Participant to the informational and/or certification requests.
 - (e) A Participant whose pension has been suspended shall advise the Trustees in writing when disqualifying employment has ended. Benefit payments shall be suspended until such notice is filed with the Trustees.

- (f) A Participant may, in writing, request of the Trustees a determination whether contemplated employment will be disqualifying and the Trustees shall provide the Participant with their determination.
- (g) Notice of Suspension. The Trustees shall inform a Participant of any suspension of benefits by notice given by personal delivery or first class mail during the first calendar month in which his benefits are withheld. Such notice shall include a description of the specific reasons for the suspension, a description and a copy of the relevant Plan provisions, reference of the applicable regulations of the U.S. Department of Labor, a statement of the procedure for securing a review of the suspension, and a description of the procedures with any necessary forms that must be filed before benefits can be resumed.
- (h) Review. A Participant shall be entitled to a review of a determination suspending his benefits by written request filed with the Board within 60 days of the notice of suspension of benefits. The same right of review shall apply, under the same terms, to a determination by or on behalf of the Trustees that contemplated employment will be disqualifying.

Section 10. Pension Payment Following Suspension.

- (a) Pension payments to a Pensioner who has ended his disqualifying employment shall be resumed beginning no later than the third month after the last calendar month for which his benefit was suspended, provided the Participant has complied with the notification requirements of this Plan.
- (b) A retired Employee who returns to Covered Employment shall, upon his subsequent retirement, be entitled to receive an increased pension based upon his age and Pension Credit accumulated during his subsequent period(s) of work in Covered Employment calculated at the amount payable by the Plan in accordance with Article III, Section 3, at the time of his subsequent retirement and, subject to the provisions of Article III, Section 17. For Pensioners other than Early Retirement Pensioners, application of this paragraph shall not operate to deny such an individual any benefit increase granted to the individual during a previous period of retirement.

For an Early Retirement Pensioner the adjusted monthly pension payable (prior to the application of any optional form of payment) shall be reduced by the product of 1.0% and the total of the Early Retirement Pension payments received during his previous period(s) of retirement and prior to the Normal Retirement Age except that in no event shall the monthly amount be less than the amount paid to him at the time he returned to Covered Employment and subject to further limitation noted in the following subsection (c).

Additionally, the monthly benefit payable on behalf of an Early Retirement Pensioner who has returned to work in Covered Employment and earned additional Pension Credit such that he would otherwise be eligible for a Service Pension, shall, upon his reinstatement, be calculated in accordance with Article III, Section 21 except that the 1% adjustment described above (as determined on the date the benefit is first calculated under this subsection (b)) shall be applied to all benefit payments made thereafter.

- (c) Suspension before Normal Retirement Age in accordance with Section 9(a) of this Article because of employment of a type or of a duration for which benefits could not be suspended after Normal Retirement Age, shall not have the effect of reducing the value of the Participant's pension for payment at his Normal Retirement Age and to the extent necessary to avoid such

reduction, the monthly amount of the pension shall be adjusted so as not to deprive the Pensioner of the value of his benefits which became payable following the Normal Retirement Age.

- (d) If a Pensioner received pension payment(s) to which he was not entitled in accordance with Section 9 of this Article, the Trustees may recover the amount of such payments by deducting the amount of the overpayments from the Participant's future monthly payments until such overpayment is fully recovered. If a Pensioner has attained Normal Retirement Age, the amount of such offset shall be limited to 100% of the amount due to the Participant for the first payment upon resumption of benefits and 25% of the monthly pension benefit amount thereafter, until all overpayments are fully recovered.

This provision shall not limit the right of the Trustees to recover an overpayment by means other than deduction from pension payments.

- (e) A Disability Pensioner who recovers from his total disability and returns to Covered Employment shall be entitled, upon his subsequent retirement, to a pension in an amount calculated at the amount payable under the applicable provision of Article III at the time of his subsequent retirement, including any additional Pension Credit earned during his period of subsequent employment.

Section 11. Nonforfeatability and Vested Status. The benefits to which an Active Participant or Vested Participant is entitled under this Plan upon his attainment of Normal Retirement Age is nonforfeitable, subject, however, to retroactive amendment made within the limitation of Section 411(a)(3)(C) of the Internal Revenue Code and Section 302(c)(8) of ERISA. The benefits to which a surviving Spouse is entitled shall likewise be nonforfeitable. Participants and Beneficiaries shall be entitled to any of the other benefits of this Plan subject to all of the applicable terms and conditions.

An Active Participant attains status as a Vested Participant when he has fulfilled the service requirements for receipt after retirement of a nonforfeitable pension.

Section 12. Incompetence or Incapability of a Pensioner or Beneficiary. In the event it is determined to the satisfaction of the Trustees that a Pensioner or Beneficiary is unable to care for his affairs because of mental or physical incapacity, any payment due may be suspended until guardian or conservator is appointed for the pension and estate of such Pensioner or Beneficiary and thereafter all payments, including those suspended, shall be made to the duly appointed guardian or conservator.

Section 13. Non-Assignment of Benefits. No Employee or Participant, entitled to any benefits under this Pension Plan shall have the right to assign, alienate, transfer, encumber, pledge, mortgage, hypothecate, anticipate, or impair in any manner his legal or beneficial interest, or any interest in assets of the Pension Trust, or benefits of this Pension Plan. Neither the Pension Trust nor any of the assets thereof, shall be liable for the debts of any Participant entitled to any benefits under this Plan, nor be subject to attachment or execution or process in any court or action or proceeding.

However, notwithstanding the foregoing, any Pensioner may make an arrangement whereby he directs the Pension Trust to pay a portion or all of each plan benefit payment to the I.B.E.W. Local No. 640 and Arizona Chapter N.E.C.A. Health and Welfare Trust fund in an amount equal to the self-pay premium required of Pensioners by that Fund, provided (1) that such arrangement is revocable at any time by the Pensioner; and (2) that said Health and Welfare Fund files a written acknowledgement with the Pension Trust stating that it has no enforceable right in or to any plan benefit payment or portion thereof (except to the extent of payments actually received pursuant to the terms of the arrangement).

Notwithstanding the foregoing, benefits shall be paid in accordance with the applicable requirements of any ‘qualified domestic relations order’ as defined by Section 206(d)(3) of ERISA; and benefits otherwise payable to a Participant or Beneficiary may be offset against amounts that the Participant is ordered or required to pay to the Plan under the circumstances set forth in Section 206(d)(4) and (5) of ERISA.

Section 14. No Right to Assets. No person other than the Trustees of the Trust shall have any right, title or interest in any of the income, property or funds received or held by or for the account of the Plan, and no person shall have any right to benefits provided by the Plan except as expressly provided herein. Amounts paid erroneously to any person, including any Participant or Beneficiary of the Trust, whether through the misconduct of the recipient or the mistake or oversight of the Trustees or their representatives, shall be held in trust by the recipient, and the Trust and its Trustees shall have an equitable lien thereon in addition to any other remedy provided by the Plan, by law, or otherwise.

Section 15. Limitations on Benefits Under Section 415.

In addition to any other limitations set forth in the Plan and notwithstanding any other provisions of the Plan, effective for Limitation Years beginning on and after January 1, 2008, benefits under the Plan shall be limited in accordance with Section 415 of the Code and the Treasury Regulations thereunder, in accordance with this Section. This Section 15 is intended to incorporate the requirements of Section 415 of the Code by reference except as otherwise specified herein.

(a) Definitions. For purposes of this Section 15, the following terms shall have the following meanings.

(1) Limitation Year.

“Limitation Year” means the calendar year.

(2) Plan Benefit.

“Plan Benefit” means, as of any date, the amount of a Participant’s benefit as determined under the applicable provisions of the Plan before the application of the limits in Section 15.

(3) Severance From Employment.

“Severance From Employment” has occurred when a Participant is no longer an employee of any Employer maintaining the Plan.

(b) Limit on Accrued Benefits.

For Limitation Years beginning on or after January 1, 2008, in no event shall a Participant’s benefit accrued under the Plan for a Limitation Year exceed the annual dollar limit determined in accordance with section 415 of the Code and the Treasury Regulations thereunder (the “annual dollar limit”) for that Limitation Year. If a Participant’s Plan Benefit for a Limitation Year beginning on or after January 1, 2008 would exceed the annual dollar limit for that Limitation Year, the accrued benefit, but not the Plan Benefit, shall be frozen or reduced so that the accrued benefit does not exceed the annual dollar limit for that Limitation Year.

(c) Limits on Benefits Distributed or Paid.

For Limitation Years beginning on or after January 1, 2008, in no event shall the annual amount of benefit distributed or otherwise payable to or with respect to a Participant under the Plan in a Limitation Year exceed the annual dollar limit for that Limitation Year. If the benefit distributable or otherwise payable in a Limitation Year would exceed the annual dollar limit for that Limitation Year, the benefit shall be reduced so that the benefit distributed or otherwise payable does not exceed the annual dollar limit for that Limitation Year.

(d) Protection of Prior Benefits.

- (1) To the extent permitted by law, the application of the provisions of this Section 15 shall not cause the benefit that is accrued, distributed or otherwise payable for any Participant, including the Participant's annual benefit accrued under the Plan as separately determined for each Individual Employer, to be less than the Participant's accrued benefit as of December 31, 2007 under the provisions of the Plan that were both adopted and in effect before April 5, 2007 and that satisfied the limitations under section 415 of the Code and the Treasury Regulations thereunder as in effect as of December 31, 2007.
- (2) For any year before 1983, the limitations prescribed by Section 415 of the Code as in effect before enactment of the Tax Equity and Fiscal Responsibility Act of 1982 shall apply, and no benefit earned under this Plan shall be reduced on account of the provisions of this Section if it would have satisfied those limitations under the prior law.
- (3) For any year before 1992, the limitations prescribed by Section 415 of the Code as in effect before enactment of the Tax Reform Act of 1986 shall apply, and no benefit earned under this Plan as of the close of the last Limitation Year beginning before January 1, 1987 shall be reduced on account of the provisions of this Section if it would have satisfied those limitations under the prior law.

(e) Section 415 Cost of Living Adjustments.

To the extent permitted by law, benefits accrued, distributed or otherwise payable with respect to any Participant while in Covered Employment, and after such Participant's Severance From Employment or the Participant's Annuity Starting Date, if earlier, that are limited by this Section 15 shall be increased annually pursuant to cost of living increases in the annual dollar limit under section 415(d)(1)(A) of the Code and the Treasury Regulations thereunder; provided, however, that in no event shall any increase under this Section 15(e) cause the amount of a Participant's accrued, distributed or otherwise payable benefit to exceed the amount of the Participant's Plan Benefit.

(f) Order in Which Limits Are Applied.

Joint and survivor annuities. To the extent permitted by law, a Participant's qualified joint and survivor annuity form of payment and the survivor annuity portion of such form of payment are computed by applying a reduction factor or factors to a Participant's Plan Benefit before the limits under this Section 15 are applied; provided however that the survivor annuity may not exceed the benefit that would have been payable to the Participant after application of the limits in this Section 15.

(g) Aggregation of Plans.

- (1) For purposes of applying the limits of this Section 15, if a Participant also participates in another tax-qualified defined benefit plan of the Employer that is not a multiemployer plan, only the benefits under this Plan that are provided by the Employer are aggregated with the benefits under the other plan.
- (2) In the event that the aggregate benefit accrued in any Plan Year by a Participant exceeds the limits under section 415 of the Code and the Treasury Regulations thereunder as a result of the mandatory aggregation of the benefits under this Plan with the benefits under another plan maintained by the Employer, the benefits of such other plan shall be reduced to the extent necessary to comply with section 415 of the Code and the Treasury Regulations thereunder; provided however that benefits under this plan will be reduced to the extent necessary if benefits under the other plan cannot be reduced.

(h) General.

- (1) To the extent that a Participant's benefit is subject to provisions of section 415 of the Code and the Treasury Regulations thereunder that have not been set forth in the Plan, such provisions are hereby incorporated by reference into this plan and for all purposes shall be deemed a part of the Plan.
- (2) This Section 15 is intended to satisfy the requirements imposed by section 415 of the Code and the Treasury Regulations thereunder and shall be construed in a manner that will effectuate this intent. This Section 15 shall not be construed in a manner that would impose limitations that are more stringent than those required by section 415 of the Code and the Treasury Regulations thereunder.
- (3) If and to the extent that the rules set forth in this Section 15 are no longer required for qualification of the Plan under section 401(a) and related provisions of the Code and the Treasury Regulations thereunder, they shall cease to apply without the necessity of an amendment to the Plan.

(i) Interpretation or Definition of Other Terms

The terms used in this Section 15 that are not otherwise expressly defined for this Section, shall be defined as provided in the Plan, or if not defined in the Plan, shall be defined interpreted and applied for purposes of this Section 15 as prescribed in section 415 of the Code and the Treasury Regulations thereunder.

Section 16. Rounding of Benefit Amount. If the amount of any monthly benefit under the Plan is not a multiple of \$.50, the amount shall be rounded up to the next highest multiple of \$.50.

ARTICLE IX. MISCELLANEOUS

Section 1. Non-Reversion. It is expressly understood that in no event shall any of the corpus or assets of the Pension Trust revert to the Individual Employers, Association, or the Union, nor cause or result in the diversion of any portion of the Fund to any purpose other than the exclusive benefit of Employees and Participants under the Plan and the payment of the administrative expenses of the Fund and the Plan, nor be subject to any claims of any kind or nature by Individual Employers, Association, or the Union, except for the return of contributions to the extent and in the manner permitted by applicable law.

Section 2. Gender. Wherever any words are used in this Pension Plan in the masculine gender, they should be construed as though they were also in the feminine gender in all situations where they would so apply; wherever any words are used in this Pension Plan in the singular form, they should be construed as though they were also in the plural form in all situations where they would so apply, and vice versa.

Section 3. Limitation of Liability. This Pension Plan has been adopted on the basis of an actuarial calculation which has established, to the extent possible, that the contributions will, if continued, be sufficient to maintain the Plan on a permanent basis, fulfilling the funding requirements of ERISA. Except for liabilities which may result from provision of ERISA, nothing in this Plan shall be construed to impose any obligation to contribute beyond the obligation of the Individual Employer to make contributions as stipulated in its Collective Bargaining Agreement with the Union.

There shall be no liability upon the Trustees, individually or collectively, or upon the Union to provide the benefits established by this Pension Plan, if the Pension Trust does not have assets to make such payments.

Section 4. New Employers. If an Individual Employer is sold, merged or otherwise undergoes a change of company identity, the successor company shall participate as to its Employees theretofore covered in the Pension Plan just as if it were the original company, provided it remains an Individual Employer as defined in Section 12 of Article I.

Section 5. Direct Rollovers. This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

- (a) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
- (b) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover

distribution. An “eligible retirement plan” also shall include an annuity contract described in IRC §403(b) and an eligible plan under IRC §457(b), which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. Effective for distributions made after December 31, 2007, an eligible retirement plan shall also include a Roth IRA described in Code §408A, subject to the restrictions that currently apply to rollovers from a traditional IRA into a Roth IRA.

- (c) Distributee. A distributee includes an Employee or former Employee. In addition, the Employee’s or former Employee’s surviving spouse and the Employee’s or former Employee’s spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse. Effective for distributions after December 31, 2008, a distributee also includes the participant’s nonspouse designated beneficiary. In the case of a nonspouse beneficiary, the direct rollover may be made only to an individual retirement account or annuity described in § 408(a) or § 408(b) (“IRA”) that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of § 402(c)(11). Also, in this case, the determination of any required minimum distribution under § 401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18.
- (d) Direct rollover: A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

Section 6. Laws Applicable. This Plan is intended to comply with the Employee Retirement Income Security Act of 1974 and with the requirements for tax qualification under the Code and all regulations thereunder, and is to be interpreted and applied consistent with that intent.

ARTICLE X. AMENDMENT AND TERMINATION

Section 1. Amendment. This Plan may be amended at any time by the Trustees, consistent with the provisions of the Trust Agreement. However, no amendment may decrease the accrued benefit of any Participant, except:

- (a) As necessary to establish or maintain the qualification of the Plan or the Trust under the Internal Revenue Code and to maintain compliance of the Plan with the requirements of ERISA; or
- (b) If the amendment meets the requirements of Section 302(c)(8) of ERISA and Section 412(c)(8) of the Internal Revenue Code, and the Secretary of Labor has been notified of such amendment and has either approved of it or, within 90 days after the date on which such notice was filed, he failed to disapprove.

Section 2. Termination of Participation by an Individual Employer. If an Individual Employer terminates its participation in the Trust, with respect to a bargaining unit, the Trustees are empowered to reduce or cancel that part of any pension for which a person was made eligible because of employment in such bargaining unit prior to Contribution Date with respect to that unit.

Section 3. Termination of Plan.

- (a) Right to Terminate. The Trustees shall have the right to discontinue or terminate this Plan in whole or in part. The rights of all affected Participants to benefits accrued to the date of the termination, partial termination, or discontinuance to the extent funded as of such date shall be nonforfeitable.
- (b) Procedure on Termination. In the event of a termination or partial termination of this Plan the rights of all affected Participants to benefits then accrued, to the extent then funded, shall thereupon become one hundred percent (100%) vested and nonforfeitable. Upon a termination of the Plan, the Trustees shall take such steps as they deem necessary or desirable to comply with Sections 4041A and 4281 of ERISA.

Section 4. Merger-Consolidation/Transfer of Assets and/or Liabilities. The Trustees shall not consent to, nor be a party to, any merger or consolidation with any other plan, nor to a transfer of assets or liabilities to another plan, unless immediately after the merger, consolidation, or transfer, the surviving plan provides each Participant a benefit equal to or greater than the benefit each Participant would have received had the plan terminated immediately before the merger, consolidation, or transfer.

ARTICLE XI. MINIMUM DISTRIBUTION REQUIREMENTS.

Section 1. General Rules.

- (a) Effective Date. The provisions of this Article will apply for purposes of determining required minimum distributions for calendar years beginning after December 31, 2002, except that, for purposes of determining minimum required distributions for calendar years 2003, 2004, and 2005, a good faith interpretation of the of the requirements of Section 401(a)(9) of the Code shall apply.
- (b) Precedence.
 - (1) The requirements of this Article will take precedence over any inconsistent provisions of the Plan.
 - (2) This Article does not authorize any distribution options not otherwise provided under the Plan.
- (c) Requirements of Treasury Regulations Incorporated. All distributions required under this Article will be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Internal Revenue Code.
- (d) TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Article, other than Section 3, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

Section 2. Time and Manner of Distribution.

- (a) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (b) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
 - (1) If the Participant's surviving spouse is the Participant's sole designated beneficiary, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.
 - (2) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (3) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (4) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving

spouse begin, this Section 11.2, other than Section 11.2(a), will apply as if the surviving spouse were the Participant.

For purposes of this Section 2 and Section 5, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 2(b)(4) applies, the date distributions are required to begin to the surviving spouse under Section 2(b)(1)). If annuity payments irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 2(b)(1)), the date distributions are considered to begin is the date distributions actually commence.

- (c) Form of Distribution. Unless the Participant's interest is distributed in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Sections 3, 4 and 5 of this Article.

Section 3. Determination of Amount to be Distributed Each Year.

- (a) General Annuity Requirements. If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

- (1) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;
- (2) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 4 or 5;
- (3) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
- (4) payments will either be nonincreasing or increase only as follows:
 - (A) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
 - (B) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 4 dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of section 414(p);
 - (C) to provide cash refunds of employee contributions upon the Participant's death; or
 - (D) to pay increased benefits that result from a Plan amendment.

- (b) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Participant's required beginning date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 2(b)(1) or (2)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly,

semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's required beginning date.

- (c) Additional Accruals after First Distribution Calendar Year. Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

Section 4. Requirements for Annuity Distributions that Commence During Participant's Lifetime.

- (a) Joint Life Annuities Where the Beneficiary is not the Participant's Spouse. If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary, annuity payments to be made on or after the Participant's required beginning date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of section 1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.
- (b) Period Certain Annuities. Unless the Participant's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section 4(b), or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

Section 5. Requirements for Minimum Distributions Where Participant Dies Before Date Distributions Begin.

- (a) Participant Survived by Designated Beneficiary. If the Participant dies before the date distribution of his or her interest begins and there is a designated beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in Section 2(b)(1) or (2), over the life of the designated beneficiary or over a period certain not exceeding:
 - (1) unless the Annuity Starting Date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the

beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

- (2) if the Annuity Starting Date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.
- (b) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (c) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section 5 will apply as if the surviving spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 2(b)(1).

Section 6. Definitions.

- (a) Designated beneficiary. The individual who is designated as the beneficiary under Article V, Section 2 of the Plan and is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.
- (b) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 2(b).
- (c) Life expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.
- (d) Required Beginning Date. The date specified in Article VIII, Section 5(b) of the Plan.

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