

COVERAGE AND RETIREMENT AGES

(1) What is the purpose of the Plan?

The purpose of the Plan is to provide eligible retirees with pension retirement benefits based on their years worked in the industry. The Plan's benefits are in addition to Social Security, individual savings, and insurance.

(2) When did the Plan start?

January 1, 1971.

(3) Who pays for the Plan?

Each of the Employers who has a Collective Bargaining Agreement with the Culinary Workers Union Local 226 and the Bartenders Union Local 165 is required to make Contributions to the Fund. No Employees contribute to the Fund. The amounts of Employer Contributions are determined by the terms of the Collective Bargaining Agreements. Upon receipt, the Employer Contributions are deposited in the Trust Fund and are invested in various assets. If you become entitled to a benefit, it will be paid from the assets of the Fund.

(4) Who is covered under the Plan?

All Employees working in Covered Employment for a signatory Employer are eligible to participate in the Plan. Covered Employment is basically any employment in a job classification covered by a Collective Bargaining Agreement between your employer and the Culinary Workers Union Local 226 or the Bartenders Union Local 165. In addition, all Employees of the Unions on whose behalf Contributions are required to be made to the Plan are eligible to participate. (See Plan Sections 2.06 and 2.09)

(5) When do I become covered?

You automatically become covered on the first day Contributions are made or required to be made on your behalf by a contributing Employer, provided you have 300 Hours of Service during the Plan Year (which is a calendar year).

(6) When may I retire?

(A) REGULAR RETIREMENT AGE 62 - You will be eligible for a Regular Pension at age 62 with 5 years of Pension Credit, provided that you worked at least one covered hour on or after January 1, 1997 and were not already receiving pension benefits as of September 11, 1997.

If you have not worked after 1996 If you have not worked at least one hour on or after January 1, 1997, but worked at least one hour on or after January 1, 1994, you will be eligible to retire at age 62 with 8 years of Pension Credit as long as you were not already receiving pension benefits as of September 26, 1996.

If you did not work at least one hour on or after January 1, 1994, you will be eligible for a Regular Pension at age 62 with 10 years of Pension Credit. (See Plan Section 2.27)

Regular Retirement at age 65 under the "Participation Rule" Even if you do not meet the above requirements, you will be eligible for a Regular Pension if you are at least age 65 and have reached the 10th anniversary of your most recent period of unbroken participation in the Plan. Your participation can be broken and you can lose your anniversary starting date in accordance with the Plan's break-in-service rules. (See Plan Section 4.01(b))

In any event, if you turn age 70½ on or after January 1, 1996, you must commence your pension benefit by April 1st following the year you either (i) actually retire (and stop working), or (ii) attain age 70½, whichever is later. The Administrative Office will automatically start your pension payments in the form of a 50% Joint and Survivor annuity on this required beginning date, even if you do not submit an application. Failure to start your pension benefit by this date may subject your benefit to a 50% excise tax. (See Plan Section 7.04(a))

(B) EARLY RETIREMENT AGE 55-61 You will be eligible for an Early Retirement Pension at age 55 with 5 years of Pension credit, provided you worked at least one hour on or after January 1, 1997 and were not already receiving pension benefits as of January 1, 1998. The amount of your Early Retirement Pension will be reduced to take into account the fact that you are expected to receive your payments over a longer period of time. (See Plan Section 2.07)

If you did not work after 1996 If you did not work at least one hour on or after January 1, 1997, but worked at least one hour on or after January 1, 1994, you will be eligible for an Early Retirement Pension at age 55 with 8 years of Pension Credit as long as you were not already receiving pension benefits as of September 26, 1996.

If you did not work after 1993, you will be eligible for an Early Retirement Pension at age 55 with 10 years of Pension Credit. (See Plan Section 2.07)

(C) **DISABILITY** See Question 13.

(7) **May I continue to work after I retire on a Regular Pension or become eligible to retire on a Regular Pension?**

Yes. If you retire on a Regular Pension you may continue to work in Covered Employment and earn additional benefits. The additional benefits you earn, however, will be **REDUCED** by the actuarial value of the benefits you actually received during the year. Any additional earned benefit, after the offset calculation, will be paid to you as of January 1 of the following year. As a result of this offset calculation, which is made in accordance with federal regulations, most pensioners who work more than forty (40) hours per month will not be entitled to any increase in their retirement benefit for their post retirement work in Covered Employment. (See Plan Section 4.04)

If you work past age 62 and don't start taking benefits, you will keep earning Pension Credits. You may then elect to receive your pension benefits on the first day of any subsequent month you choose. Your total earned benefit, whether you continued working after your initial eligibility date or not, will be **INCREASED** to reflect the fact that you are retiring late and have missed some retirement payments. As noted above, you must generally begin receiving benefits by April 1st after the calendar year in which you retire or reach age 70 1/2, whichever is later. (See Plan Section 4.04)

SERVICE COUNTED FOR BENEFITS

(8) **What are years of Pension Credit?**

Pension Credit is the total number of years which is used to determine your eligibility to become vested and to receive pension benefits. There are two kinds of Pension Credit **PAST SERVICE** and **FUTURE SERVICE**. Credit for Past and Future Service is based solely on work in a job classification covered by a Collective Bargaining Agreement (referred to as "Covered Employment"). (See Plan Sections 6.02 and 6.03)

(9) **How do I qualify for Past Service Credit?**

For each year you worked in Covered Employment from January 1, 1964 through December 31, 1970, you will receive one year of Past Service Credit, provided you worked at least 350 hours in either 1971 or 1972. You can receive no more than seven years of Pension Credit for service during this period. (See Plan Section 6.02)

(10) **What is Future Service Credit?**

- (A) **January 1, 1976 and after.** One year of Future Service Credit is earned for 1,000 or more hours worked in Covered Employment in a calendar year. Fractions of a year will be counted if 300 or more, but less than 1,000 hours are worked. (See Plan Section 6.03(b))
- (B) **January 1, 1971 through December 31, 1975.** One year of Future Service Credit is earned for 1,400 or more hours worked in Covered Employment in a calendar year. Fractions of a year (in quarter years) will be counted if 350 or more, but less than 1,400 hours are worked. (See Plan Section 6.03(a))

CALCULATION OF YOUR EARNED BENEFIT

(11) **How do I calculate my Regular Pension Benefit?**

Your total **monthly** Regular Pension Benefit consists of your Future Service Benefit plus your Past Service Benefit (if you earned any Past Service Credits). You can determine your monthly Regular Pension Benefit by adding up your earned benefit as follows:

- (A) **Past Service Credit** (1964 through 1970) \$11.00 per year. (See Plan Sections 4.03 and 6.02)
- (B) **Future Service Credit** (1971 through 1975) \$11.00 per full year. (1,400 hours) (See Plan Sections 4.03 and 6.03)
- (C) **Future Service Credit** (1976 and thereafter)

For retirements commencing on or after January 1, 1999:

Hours of Service in Covered Employment During the Plan Year (as defined in Section 2.13)	Earned Monthly Benefit
2000 and over	\$34.39
1900-1999	32.67

QUESTIONS & ANSWERS

1800-1899	30.95
1700-1799	29.23
1600-1699	27.51
1500-1599	25.80
1400-1499	24.08
1300-1399	22.36
1200-1299	20.64
1100-1199	18.92
1000-1099	17.20
900-999	15.48
800-899	13.76
700-799	12.04
600-699	10.32
500-599	8.60
400-499	6.88
300-399	5.16
Less than 300	None

(D) Minimum Pension: All persons who retire on or after January 1, 1994 are entitled to receive a pension of not less than \$175.00 per month. The minimum pension is not available if you elect an Early Pension Benefit. If you retired prior to January 1, 1994, the minimum pension is \$125.00 per month. (See Plan Section 4.03(c))

The following example shows how your monthly Regular Pension Benefit is determined:

EXAMPLE

REGULAR PENSION WITH PAST AND FUTURE SERVICE CREDIT

Assume that you retired in 2002 after working in Covered Employment since 1970. Assume that you were credited with 1 year of Past Service Credit for the work you performed in 1970 and earned the following years of Future Service Credit:

Year	Covered Hours Worked	Years Future Service Pension Credit	Earned Benefit
1971	1,400	1.0	\$11.00
1972	1,500	1.0	11.00
1973	1,250	0.75	8.25
1974	1,660	1.0	11.00
1975	1,768	<u>1.0</u>	<u>11.00</u>
TOTAL 1971-1975		4.75	\$52.25
1976	1,721	1.0	\$29.23
1977	1,841	1.0	30.95
1978	1,627	1.0	27.51
1979	690	0.6	10.32
1980	1,709	1.0	29.23
1981	1,601	1.0	27.51

QUESTIONS & ANSWERS

1982	1,590	1.0	25.80
1983	1,700	1.0	29.23
1984	950	0.9	15.48
1985	1,421	1.0	24.08
1986	1,603	1.0	27.51
1987	1,825	1.0	30.95
1988	1,891	1.0	30.95
1989	2,000	1.0	34.39
1990	1,500	1.0	25.80
1991	1,750	1.0	29.23
1992	1,600	1.0	27.51
1993	1,800	1.0	30.95
1994	1,300	1.0	22.36
1995	1,604	1.0	27.51
1996	800	0.8	13.76
1997	2,000	1.0	34.39
1998	1,800	1.0	30.95
1999	1,654	1.0	27.51
2000	1,690	1.0	27.51
2001	960	0.9	15.48
2002	1,750	<u>1.0</u>	<u>29.23</u>
TOTAL		26.20	\$715.33

Past Service Benefit (1 yr x \$11.00) (1970)	=	\$ 11.00
Future Service Benefit (1971-1975)	=	52.25
Future Service Benefit (1976-2002)	=	<u>715.33</u>
Total Monthly Pension Benefit		\$778.58

(12) How do I calculate my Early Pension Benefit (age 55-61)?

You calculate your Early Pension Benefit the same as your Regular Pension Benefit. You then reduce the Regular Benefit by:

- (A) .75% per month for each month that your Early Pension precedes age 62 if you retire on or after age 60, but prior to age 62; and
- (B) An additional .50% per month for each month that your Early Pension precedes age 60 if you retire on or after age 55, but prior to age 60. (See Plan Section 4.05)

EXAMPLE

Assume you work 1900 hours per year from 1993 through 2002 and earn a total Regular Pension Benefit, payable at age 62, of \$326.70 per month. Using the Early Pension reduction factors above:

- (A) If you retire at age 55, the \$326.70 benefit is reduced 48% to \$169.88 per month.
- (B) If you retire early at age 57, the \$326.70 benefit is reduced 36% to \$209.09 per month.
- (C) If you retire early at age 60, the \$326.70 benefit is reduced 18% to \$267.89 per month.

The amount of your Early Pension Benefit will be provided to you by the Administrative Office after you make your Early Retirement application.

(13) Is there a Disability Pension?

Yes. If you become totally and permanently disabled before you are eligible for a Regular Pension, you may be eligible for a Disability Pension according to the rules described below:

- (A) Service Requirements:** To be eligible for a Disability Pension, you must have earned (i) at least five (5) years of Pension Credit, and (ii) a total of at least 300 hours during the period which includes the calendar year of your disability and the year before the disability. In addition, you must never have received an Early Pension Benefit.

If you do not meet the 300 hour requirement because of a labor dispute (such as a strike), the Trustees may waive that requirement if you worked a total of 300 hours in Covered Employment during the Plan Year in which the labor dispute commenced and the preceding Plan Year combined.

- (B) Definition of Disability:** To be considered totally and permanently disabled by the Board of Trustees, you must be permanently unable to work at any job in the hotel, restaurant, or bartending industry because of bodily injury or disease.

Exception: Effective commencing May 1, 1988, you may be deemed totally and permanently disabled even though you could still work as a room service dispatcher, room inspector or cashier, provided that your usual and customary employment was not one of these classifications.

To qualify for a Disability Pension, your disability must be due to a medically determinable physical impairment or blindness which can be expected to last for a continuous period of not less than twelve (12) months. However, your disability cannot result from or be caused by mental or emotional conditions, conditions related to alcoholism or drug abuse, or any intentionally self-inflicted injury. Also, your disability cannot result from military service unless you have earned at least five (5) years of Pension Credit between the date of your discharge from military service and the date you first become totally and permanently disabled. Disabilities which began before January 1, 1971, are not covered by the Plan. (See Plan Section 5.01)

- (C) Amount of Benefit:** The amount of Disability Pension will be equal to the amount of Regular Pension Benefit you have earned, as described in Question 11. (See Plan Section 5.03)

- (D) Form of Payment:** If you are **MARRIED** on the date you become entitled to receive a Disability Pension and your date of disability occurred on or after March 1, 2002, your pension **AUTOMATICALLY** will be paid in the form of a **50% JOINT AND SURVIVOR ANNUITY WITH POP-UP**. Under the 50% Joint and Survivor Annuity with Pop-Up, you will receive a reduced monthly benefit for your lifetime. If your spouse is still living at the time of your death, he or she will receive a monthly benefit for his or her lifetime equal to 50% of your disability pension benefit. If your spouse dies before you do, pension benefits payable to you will automatically increase (or “pop up”) to the full amount payable under a Life Annuity. If your date of disability occurred before March 1, 2002, your benefit will be paid as a 50% Joint and Survivor Annuity without the pop-up feature. (See Plan Sections 5.05)

If you are **NOT MARRIED** on the date you become entitled to receive a Disability Pension, you will be paid a **LIFE ANNUITY**. Under the Life Annuity, you will receive a monthly pension benefit from the Plan for your lifetime, and upon your death, benefit payments will stop with the payment for the month of your death.

There is no 50% Lump Sum Option under the Disability Pension. Also, if you receive any Disability Pension payments, you will not be eligible to elect or receive the 50% Lump Sum Option at any time in the future. (See Plan Section 5.05 (d))

- (E) Beginning Date of Payments:** Generally, you are entitled to receive Disability Pension payments as of the first day of the month following the date you become disabled. However, the first payment will not be made until at least ninety (90) days following the date your written application is received by the Trust Fund plus any additional time needed to act on the claim. (See Plan Section 5.05(c))

For example, suppose you became disabled on March 15, 2002, and filed your application with the Trust Fund on April 15, 2002. If the office received the necessary medical evidence and information and the Board of Trustees approved your claim by July 15, 2002, the first payment would be made on August 1, 2002, and would include benefits for the months of April, May, June, and July, as well as the August benefit payment.

If your application is not received within one year of your disability, you may not be entitled to receive benefits for any period before the first day of the month following your application. (See Plan Section 5.02(d))

- (F) Ending Date of Payments:** Disability Pension payments will end on the first day of the month in which your disability ends. The Trustees may require you to submit proof of your continuing disability once each year. If you do not submit proof of your disability when requested by the Trustees, your Disability Pension payment may be suspended until you

submit the required proof. Also, if you are receiving a Disability Pension and then return to any type of work in the hotel, restaurant, or bartending industry, except for purposes of rehabilitation with the advance approval of the Trustees, your disability will be deemed to have ended and your Disability Pension will end. (See Plan Sections 5.06 and 5.07)

- (G) **Converting Benefit at Regular Retirement Age:** If you were Vested prior to the date of your disability, your Disability Pension will cease when you reach eligibility for a Regular Pension. Commencing on that date, your Regular Pension shall be payable in any form available under the Plan, except that you will not be entitled to receive a lump sum.

If you are receiving a Disability Pension, you should contact the Administrative Office and complete a Regular Retirement application at least six months prior to reaching age 62. This will help ensure continuity in your benefit payments. (See Plan Section 5.05(d))

- (H) **Filing of Claims:** If you become disabled, you should request an application from the Plan's Administrative Office. After the application and required proof of disability are submitted, the Trustees will determine whether you are eligible for this benefit according to the Plan. (See Plan Section 5.02(d))

BENEFIT PAYMENTS

- (14) **How will my pension benefits be paid?**

- (A) **Regular Pension Benefit:**

Generally, your benefits will be paid as a 50% Joint and Survivor Annuity with Pop-Up (defined below in paragraph (1)), or a Life Annuity (defined below in paragraph (2)). Optional forms of payment, including a 50% Lump Sum Option, are also available. If you are married, your benefits will be paid as a 50% Joint and Survivor Annuity with Pop-Up with your spouse as beneficiary, unless you select, with you spouse's consent, an optional form of benefit.

- (1) **50% Joint and Survivor Annuity with Pop-Up** - If you are married on the date you become entitled to receive a Regular Pension, your benefit will be paid **AUTOMATICALLY** in the form of a 50% Joint and Survivor Annuity with Pop-Up. Under this form of benefit, you will receive a reduced monthly pension from the Plan for your lifetime. If you die and your spouse is still living, he or she will receive a monthly pension for his or her lifetime equal to 50% of the amount you were receiving prior to your death. If your spouse or other designated beneficiary dies before you do, pension benefits payable to you will increase (or "pop up") to the full amount payable under a Life Annuity. (See Plan Sections 2.25 and 8.05(b))

If you are not married, you may also elect to receive your benefit as a 50% Joint and Survivor Annuity with Pop-Up, payable over your life and the life of a beneficiary designated by you. Your beneficiary may be any person you select, as long as you complete the required beneficiary designation form under the Plan rules. (See Plan Sections 2.12 and 8.05(a))

The monthly payment you receive under a 50% Joint and Survivor Annuity with Pop-Up will be less than the monthly benefit under a Life Annuity. This is because the 50% Joint and Survivor Annuity with Pop-Up is payable over your life and the life of a person who survives you (if you are married, your spouse), whereas the Life Annuity is payable over your life alone. The exact amount of the monthly benefit payable to you and the person who survives you under a 50% Joint and Survivor Annuity with Pop-Up will depend on your relative ages at the time of your retirement.

Note Regarding Spousal Consent:

If you are married and do not wish to receive your pension benefit in the form of a 50% Joint and Survivor Annuity with Pop-Up, you may elect one of the other options described below. However, if you elect another form of benefit, your spouse must consent to your election and his or her written consent must be witnessed by a Plan representative or notarized by a notary public. The spousal consent requirement may be waived if the Plan Administrator determines that you have no spouse, that your spouse cannot be located, or that you are legally separated or abandoned and have a court order to that effect. If your spouse is legally incompetent to give consent, consent may be given by the spouse's legal representative. (See Plan Section 8.06)

- (2) **Life Annuity** - If you are not married on the date you become entitled to receive a Regular Pension, your benefits will be paid in the form of a Life Annuity, unless you select one of the other available benefit forms (such as the 50% Lump Sum Option, or a 50% Joint and Survivor Annuity with Pop-Up). If you are married and do not wish to receive your pension benefit in the form of a 50% Joint and Survivor Annuity with Pop-Up, you may elect the Life Annuity, but only with the written consent of your spouse. (See Plan Sections 8.05(a) and 8.05(b))

Under the Life Annuity, you will receive a monthly pension from the Plan for life, and upon your death, benefit payments

will stop with the payment for the month of your death. No benefits will be paid to any beneficiary (including your spouse) after your death. The amount of a Life Annuity benefit is determined as outlined in the answer to Question 11.

- (3) **50% Lump Sum Option** - Under the 50% Lump Sum Option, you may elect to receive an amount equal to 50% of the value of your Regular Pension in a single lump sum payment up to a maximum of \$50,000. You may elect to have the total remaining value of your pension benefit paid as a Life Annuity (defined above in paragraph 14(a)(2)), or as a 50% Joint and Survivor Annuity with Pop-Up (defined above in paragraph 14(a)(1)). If you are married, you may elect the 50% Lump Sum Option only with the written consent of your spouse. (See Plan Section 8.02)

(B) Early Pension Benefit:

Early Pension Benefits are payable either as (1) a 50% Joint and Survivor Annuity with Pop-Up, or (2) as a Life Annuity. For a description of each of these benefit forms, please refer to the section on Regular Pension Benefits above (paragraphs 14(a)(1) and 14(a)(2)). The **50% LUMP SUM OPTION** is not available for Early Pension Benefits, even if you return to work and retire again at age 62 or later. (See Plan Sections 4.02 and 4.05)

If you are married and elect to receive your Early Pension Benefit in the form of a Life Annuity, you must obtain the written consent of your spouse as described in Question 14 above.

The Early Pension Benefit is for those Participants who wish to retire early and stop working. There are special rules that apply to Early Pension Benefits as follows:

- (1) Once you elect an Early Pension Benefit you can never become eligible for a Disability Benefit. (See Plan Section 5.02)
- (2) If you elect an Early Pension Benefit and return to Covered Employment, your monthly benefit may be suspended until you again return to retirement status. (See Plan Section 13.01 and Question 16 below)

(15) When will benefits normally be paid?

You will become eligible to receive a Regular Pension Benefit as of your **PENSION BENEFIT STARTING DATE**. Your Pension Benefit Starting Date is usually the first day of the month following the later of: (a) your eligibility for a Regular or Early Pension; and (b) the submission of a completed application for benefits. (Refer to Question 7 above with regard to working after you retire.)

You will not start receiving your monthly benefit checks until after your application is approved by the Plan. Benefit checks usually are mailed prior to the first day of the month. The initial check will include any amounts retroactive to your Pension Benefit Starting Date. However, as noted in Question 6, your Pension Benefit Starting Date generally cannot be later than April 1st following the year you retire or turn 70½ whichever is later. (See Plan Section 2.18)

(16) Can my pension benefits be suspended if I return to work in Covered Employment? When are my benefits restored?

Yes. Your EARLY PENSION BENEFIT ONLY will be suspended if you work forty (40) or more hours per month in Covered Employment (Covered Employment is described in Question 4, above). Your benefit will remain suspended until you stop working again, at which time your benefit will be restored. In addition, you are entitled to receive any additional benefits earned when you reach your Regular Retirement Date. **YOU MUST NOTIFY THE ADMINISTRATIVE OFFICE IF YOU RETURN TO COVERED EMPLOYMENT SO YOUR MONTHLY EARLY PENSION BENEFIT CAN BE STOPPED.** If you receive any benefits that you are not entitled to because you returned to work, the Plan will be entitled to recover those benefits from you, by reducing future benefit payments, or by other means. These suspension rules do not apply to Regular Pension Benefits. (See Plan Sections 13.01, 13.02, and 13.03)

VESTING

(17) What is Vesting of benefits?

Vested Pension Credits are those credits that may not be taken away from you, even if you leave the industry before becoming eligible to receive a pension benefit. The date your benefits will be vested will depend on whether you are eligible for 5 year, 8 year, or 10 year vesting, or vesting under the "Participation Rule."

Five Year Vesting - If you have worked at least one hour in Covered Employment on or after January 1, 1997 your Pension Credits become 100% Vested, no matter what your age, when you have five full years of Pension Credit and have not incurred a Permanent Break in Service (as described in Question 18).

Eight Year Vesting - If you have not worked since 1996, but did work at least one hour in Covered Employment on or after

January 1, 1994, your Pension Credits become 100% Vested when you have eight full years of Past and Future Service Pension Credits and have not incurred a Permanent Break in Service.

Ten Year Vesting - If you have not worked at least one hour in Covered Employment on or after January 1, 1994, your Pension Credits become 100% Vested at any age when you have ten full years of Past and Future Pension Credits.

Participation Rule Vesting - Effective January 1, 1988, if you have at least one Hour of Service on or after that date, you will have your Pension Credits 100% Vested upon the later of (a) age 65 or (b) the fifth anniversary of the date you commenced participation in the Plan. Service prior to January 1, 1988 is disregarded when determining your fifth anniversary of the date you commenced participation. (See Plan Section 6.05)

EXAMPLE OF PARTICIPATION RULE VESTING.

Assume you started participating in the Plan in 1999, and earned four Pension Credits for work performed in 1999, 2000, 2001, and 2002. Under the Five Year Vesting Rule described above, you would be vested if you earn another full year of Pension Credit before incurring a Permanent Break in Service (as described in Question 18). However, even if you did not return to work after 2002, you would be vested under the Participation Rule if you turn age 65 before incurring a Permanent Break in Service (for example, if you turned age 65 in 2005).

PLEASE NOTE THAT, EVEN THOUGH YOU MAY BECOME 100% VESTED, YOU WILL NOT BE ELIGIBLE TO RETIRE UNTIL YOU REACH YOUR REGULAR RETIREMENT AGE (AS DEFINED IN QUESTION 6(A)).

(18) If I am not Vested, can I lose my Pension Credits?

Yes. If you are not vested in accordance with the rules described in Question 17 above, and you stop working in Covered Employment you may lose all of your Pension Credits (this is called a Permanent Break in Service). Below are the rules for determining whether a Permanent Break in Service has occurred:

Between January 1, 1971 and December 31, 1975, if you failed to work at least 350 hours per year in two consecutive years, you will incur a Permanent Break in Service and will lose your previously earned Pension Credits.

Between January 1, 1976 and December 31, 1986, if you failed to work at least 300 hours per year for a number of consecutive years equal to the number of years of Pension Credit you have accumulated, you will incur a Permanent Break in Service and will lose your previously earned Pension Credits.

After December 31, 1986, if you failed to work at least 300 hours per year for a number of consecutive years equal to the greater of (i) five years or (ii) the number of years of Pension Credit you have accumulated, you will incur Permanent Break in Service and will lose your previously earned Pension Credits. (See Plan Section 6.04)

EXAMPLE

If you are subject to the five year vesting rule described above in Question 17, and you have four years Pension Credit through 1997, and then for the next five full years you do not work at all, or work less than 300 hours in each of the five years (and you do not turn age 65 before the end of that five-year period), you will incur a Permanent Break in Service and will lose all previously earned Pension Credit. However, if you return to Covered Employment and work at least 300 hours in the fifth year, you will not lose your Pension Credit.

DEATH BENEFITS

(19) Is there a benefit if I die?

Yes. If you die before your Pension Benefit Starting Date, either one of the following death benefits may be payable: (1) a Qualified Pre-Retirement Survivor Annuity; or (2) a Pre-Retirement Death Benefit.

(A) Qualified Pre-Retirement Survivor Annuity - If you are a Vested Participant and have been married for at least one (1) year at the time of your death, your spouse will be entitled to receive a death benefit in the form of a Qualified Pre-Retirement Survivor Annuity. The Qualified Pre-Retirement Survivor Annuity is paid in the form of monthly payments over the lifetime of your spouse. Generally, a Qualified Pre-Retirement Survivor Annuity will begin on the first day of the month following the date of your death, and will not be subject to an early retirement reduction. Your spouse may direct that benefits be paid at a date later than those specified above. In addition, your spouse may elect to receive the Pre-Retirement Death Benefit (described below) instead of the Qualified Pre-Retirement Survivor Annuity if the benefit is of greater value. (See Plan Section 10.05)

(B) Pre-Retirement Death Benefit - If you die and are not entitled to receive any other pension benefit under the Plan at

the time of your death, your spouse or estate may be entitled to receive the Pre-Retirement Death Benefit. Your spouse or estate will be eligible for this benefit if you worked in Covered Employment for at least 300 hours during the year of your death and the preceding year combined and you earned at least one full year of Future Service Credit before your death. The Pre-Retirement Death Benefit is paid as a lump sum amount equal to \$500 times each full year of your Pension Credit. For deaths occurring on or after January 1, 1994, the maximum benefit is twenty thousand dollars (\$20,000). The Pre-Retirement Death Benefit is paid to your surviving spouse if you were married for at least one year at the time of your death, or if you are not married, to your estate.

If you do not meet the 300 hour requirement because of a labor dispute (such as a strike), the Trustees may waive that requirement if you worked a total of 300 hours in Covered Employment during the Plan Year in which the labor dispute commenced and the preceding Plan Year combined. (See Plan Section 10.01)

- (C) **Lump Sum Election** - If your surviving spouse meets the requirements for the Qualified Pre-Retirement Survivor Annuity and the Pre-Retirement Death Benefit, your surviving spouse may elect, in writing, to receive a lump sum distribution equal to the greater of (i) the actuarial value of the Qualified Pre-Retirement Survivor Annuity or (ii) the Pre-Retirement Death Benefit. (See Plan Section 10.05(c))

OTHER INFORMATION

(20) Can my pension benefits be assigned or attached?

Generally no. Benefits cannot be assigned, nor are they subject to garnishment, attachment or other legal process of creditors except as permitted by law. Exceptions include:

- (A) Withholding or payment of federal income tax.
- (B) Payment of child support, alimony, or marital property rights under a Qualified Domestic Relations Order, discussed below in Question 23. (See Plan Section 7.07)

(21) Is the Plan permanent?

The Plan is intended to continue indefinitely. However, Contributions to the Plan are determined in accordance with the Collective Bargaining Agreements between the Union and the Employers. The Trustees, therefore, reserve the right to change, amend, or discontinue the Plan to conform to the existing or subsequent Collective Bargaining Agreements. If the Plan is terminated, vested benefits of Participants will never be less than they were before the termination. If the Trust Fund assets are insufficient to pay certain benefits guaranteed by law, the Pension Benefit Guaranty Corporation (PBGC) insurance coverage may provide those guaranteed benefits.

If your Employer stops being obligated to contribute, but there is no termination of the Plan for other Employers, your right to receive Future Service Credit for work with that Employer will end. However, the Trust Fund will continue in existence and will pay benefits to persons who qualify for pension benefits under the Plan.

(22) Are benefit payments taxable?

Yes. All benefit payments are taxable for purposes of federal and state income tax. Before benefit payments start you will receive an explanation regarding withholding of federal income tax from your lump sum or monthly benefit payment.

There is a special 20% mandatory federal income tax withholding that applies to lump sum benefit payments. You may avoid this withholding by directly rolling over your distribution from this Plan to another qualified plan that will accept a rollover, such as to an IRA. There are special conditions to be met to avoid the 20% federal income tax withholding on lump sum benefit payments. You will receive a written notice describing these withholding rules at the time you apply for benefits.

If you are not a United States citizen and you are not living in the United States, your retirement benefits are subject to a mandatory withholding for federal income tax.

(23) Can a divorce affect my benefits?

Yes. If you are divorced, your former spouse may be entitled to a portion of the benefits you have earned under the Plan. You will be notified if the Plan Administrator receives a state court order for payment to be made to your former spouse.

In order to be effective, the state court order must satisfy certain requirements imposed by federal law. If the order satisfies these requirements, it will be deemed a Qualified Domestic Relations Order (or "QDRO") and the Plan will comply with the order. If the order does not satisfy these requirements, the Plan will not be required to comply with the order. In order to avoid needless delays and expenses, it is essential that you or your attorney ensure that the state court order meets these

requirements. (See Plan Section 7.09)

(24) How do I apply for a pension?

Applications for pension benefits under the Plan must be made in writing to the Administrative Office, on a form provided. To assure prompt payment of your pension benefit, your application should be made at least three (3) months before the date you intend your benefit to begin.

To obtain an application form, contact:

American Benefit Plan Administrators
1820 East Sahara Avenue, Suite 314
Las Vegas, Nevada 89104
(702) 369-0000

Your application will be reviewed to determine whether you are eligible for Plan benefits. If your application is denied, in whole or in part, you will receive a written notice of this denial, including a written statement of the reason or reasons for the denial, a specific reference to those Plan provisions on which the denial is based, a description of any additional information or material necessary to correct your application and appropriate information as to the steps to be taken if you wish to appeal the denial of your application.

(25) If my application is denied, may I appeal?

Yes. If you do not agree with the Trustees' denial of your application for a Regular, Early, or Disability Pension, you may request that your application be reviewed. You may also request a review if your application for benefits was approved, but the amount of your benefit is less than you think it should be. The request for review must be in writing.

Regular or Early Pension. If you are requesting review of an application for a Regular or Early Pension, your written request must be submitted to the Trustees within sixty (60) days after you receive notice that your application was denied or, if you are requesting review of your benefit amount, within sixty (60) days after you are notified what your benefit amount will be.

Disability Pension. If you are requesting review of an application for a Disability Pension, your written request must be submitted to the Trustees within one hundred eighty (180) days after you receive notice that your application was denied or, if you are requesting review of your benefit amount, within one hundred eighty (180) days after you are notified what your benefit amount will be.

Failure to Request Review. The failure to request a review within the 60 day period (for Regular or Early Pensions) or 180 day period (for Disability Pensions) will constitute a waiver of your right to reconsideration of the decision. This means that you won't be able to challenge a decision on your benefits unless you ask for review within these time frames.

Review Procedure. If you request review of your application for a Regular, Early, or Disability Pension, you will be allowed to submit additional information, and you may review all documents relevant to your application. Your request for review will be considered by the Trustees, and you will receive a written notice of their decision, including a statement of the reason or reasons for the decision and a specific reference to those Plan provisions on which the decision is based. (See Article XIV)