

ARTICLE VI

PENSION CREDIT, BREAK IN SERVICE, VESTING

- 6.01 **Basis of Crediting Service.** Credit for past and future service shall be based solely on Hours of Service performed by an Employee in Covered Employment. All Credit for Past and Future Service shall be determined on a Plan Year basis.
- 6.02 **Past Service Credit.**
- (a) An Employee shall be entitled to “Past Service Credit” for each Plan Year he was employed in one or more classifications of the Collective Bargaining Agreement in the geographical territory to which the Collective Bargaining Agreement is applicable or by the Unions or the Trust up to a maximum of seven (7) years, provided the Employee worked a minimum of 350 hours in one of the two Plan Years 1971 and 1972. In no event may an Employee receive “Past Service Credit” for any period prior to January 1, 1964.
 - (b) It is recognized that, for the period prior to January 1, 1971, it may be difficult to establish with certainty the Past Service of an Employee in the type of employment referred to in (a) above. In making necessary determinations as to Past Service Credit, the Board of Trustees may, at its sole 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 officer of the Union certifying that the Employee 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 of Trustees.
 - (2) A statement from an Employer certifying that the Employee performed work for such Employer entitling him to “Past Service Credit” during such period if such Employer was known or reported to be operating in the industry in the geographical territory to which the Collective Bargaining Agreement is applicable during such period.
 - (3) A W-2 form or check stub furnished for work performed during the period for any Employer known or reputed to have been operating in the geographical territory to which the Collective Bargaining Agreement is applicable during such period.
 - (4) A statement from the Social Security Administration to the effect that according to its records the Employee was employed during the period in the geographical territory to which the Collective Bargaining Agreement applies by a named Employer, which Employer was known or reputed to be operating in the geographical territory to which the Collective Bargaining Agreement is applicable during such period.
 - (c) **Special Past Service Credit for POPA Employees.** Notwithstanding any other provision of this Section 6.02 to the contrary, Employees of the Plan’s third party administrator, who work in Las Vegas in job classifications included in the Professional Office Personnel Alliance bargaining unit, shall be entitled to Past Service Credit for all service accrued prior to the effective date of

the administrator's participation in the Plan as a contributing Employer, and continuing back to their most recent hire date with the administrator. The benefit earned for each such year of Past Service Credit shall be equal to the Future Service Benefit that the Employee would have earned (based on hours actually worked in Covered Employment) in accordance with Section 4.03(b) of the Plan. The granting of Past Service Credit shall be subject to any rules or regulations adopted by the Trustees, and the provisions of Section 6.02(b) (relating to evidence establishing Past Service Credit). This provision is not intended, and should not be construed, as giving any other Employee or any other Employer, now or in the future, any entitlement to Past Service Credit.

6.03 Future Service Credit. "Future Service Credit" will be determined by (a) and (b) below:

- (a) For the period January 1, 1971 through December 31, 1975:

<u>Hours Worked During Plan Year</u>	<u>Accumulated Future Service</u>
1400 and Over	1 Year
1050 - 1399	$\frac{3}{4}$ Year
700 - 1049	$\frac{1}{2}$ Year
350 - 699	$\frac{1}{4}$ Year
Less than 350	None

- (b) For the period January 1, 1976 and after:

<u>Hours of Service In Covered Employment During the Plan Year (as defined in Section 2.15)</u>	<u>Accumulated Future Service</u>
1000 and over	1.0 Year
900 -999	.9
800 -899	.8
700 -799	.7
600 -699	.6
500 -599	.5
400 -499	.4
300 -399	.3
Less than 300	None

6.04 Permanent Break In Service and Cancellation of Pension Credit. It shall be considered a Permanent Break in Service and an Employee's previously accumulated Pension Credit shall be canceled according to the following rules:

If, after January 1, 1971 and before January 1, 1976, the Employee fails to work at least 350 hours in one Plan Year in Covered Employment in a period of two (2) consecutive years the Employee shall incur a Permanent Break in Service.

Effective January 1, 1976, if an Employee is employed for less than 300 hours in a Plan Year, it will be considered outside of creditable employment and such Plan Year will be counted toward a Permanent

Break in Service. In the case of an Employee who is not Vested, a Permanent Break in Service will be incurred if an Employee is outside creditable employment for as many consecutive Plan Years as he has Plan Years credited

Effective January 1, 1987, if an Employee is employed for less than 300 hours in a Plan Year, it will be considered outside of creditable employment and such Plan Year will be counted toward a Permanent Break in Service. In the case of an Employee who is not Vested, a Permanent Break in Service will be incurred if such Employee is outside creditable employment for that number of consecutive Plan Years equal to the greater of (i) five (5) or (ii) that number of aggregate Plan Years for which such Employee has received Past or Future Service Credit.

In determining whether an Employee has worked the required number of minimum number of hours in any one year to avoid a Permanent Break in Service, there shall be counted both hours worked in Covered Employment and hours worked in contiguous non-covered employment as required in Section 6.05(c).

In determining whether an Employee has incurred a Permanent Break in Service, the following exceptions shall apply:

(a) Exception on Account of Disability

- (1) An Employee shall not suffer a break year if his failure to work 300 hours in any one Plan Year in Covered Employment is due to disability, including pregnancy.
- (2) Disability for the purpose of this Section is to be determined to the satisfaction of the Board of Trustees. In order to secure the benefits of this exception for disability, an Employee must give written notice to the Board and must present such written evidence and submit to such examinations as the Board in its sole discretion may determine. An Employee shall not be granted any such exception for a period which commenced more than two (2) years 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.

(b) Exception on Account of Service in the Armed Forces

- (1) An Employee whose failure to accumulate Future Service Credit is due to service in the Armed Forces of the United States in time of war or national emergency or pursuant to a national conscription law 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 after recovery from a disability continuing after his release from active duty.
- (2) In order to secure a grace period for service in the Armed Forces of the United States, the Employee 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. An Employee must file the written notice and proof required by this Section within 90 days after release from active duty or 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) Notwithstanding any provision of this plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Internal Revenue Code.
- (c) **Exception for Periods of Unemployment if Available for Work.** An Employee whose failure to accumulate Future Service Credit is due to involuntary unemployment during a period when he was available for work, shall be allowed a grace period not to exceed twelve (12) months for any one period. Such unemployment and availability for work shall be determined to the satisfaction of the Board of Trustees. In order to be granted this grace period, an Employee must give written notice to the Board of Trustees and must present such evidence as the Board may, in its sole discretion, determine unless the Board finds that there were extenuating circumstances which prevented a timely filing.
- (d) **Exception for Periods While Employed in a Position Not Covered by the Collective Bargaining Agreement, or Employment by the Employer Outside the Geographical Area Covered by the Collective Bargaining Agreement.** An Employee whose failure to accumulate Future Service Credit is due to employment in a position not covered by the Collective Bargaining Agreement or employment by the Employer outside the area covered by the Collective Bargaining Agreement shall be allowed a grace period until such time as he returns to work in a classification covered by the Collective Bargaining Agreement. Such Employee requesting this grace period must give written notice to the Board of Trustees and must present such evidence as the Board may, in its sole discretion, determine unless the Board finds that there were extenuating circumstances which prevented a timely filing.
- (e) **Exception for Periods of Self-Employment.** An Employee whose failure to accumulate Future Service Credit is due to self-employment in the industry in the geographical area covered by the Collective Bargaining Agreement shall be granted a grace period not to exceed thirty-six (36) months. Such Employee requesting this grace period must give written notice to the Board of Trustees and must present such evidence as the Board may, in its sole discretion, determine unless the Board finds that there were extenuating circumstances which prevented a timely filing.
- (f) **Exception for Periods When Written Leaves of Absence Are Granted by an Employer.** An Employee shall be allowed a grace period not to exceed six (6) months provided he has a written leave of absence from his Employer and does not accept any other employment.
- (g) **Exception for Other Authorized Leaves of Absence.** An Employee whose failure to accumulate Future Service Credit is due to an authorized leave of absence granted by the Board of Trustees shall be allowed a grace period not to exceed twelve (12) months for any one period provided that said leave is granted in the following manner:
- (1) An Employee shall apply in writing to the Board of Trustees setting forth the reason for the request and the amount of time requested;
 - (2) Such written request for leave of absence is to be submitted to the Board of Trustees within thirty (30) days from the date of commencement of such leave of absence; and

- (3) The Board of Trustees, in their sole discretion and in a nondiscriminatory manner, shall determine that the reason for the granting of such leave of absence is consistent with the purpose of this Plan.

Nothing herein contained shall obligate the Trustees to grant a twelve (12) month grace period and the Trustees may grant such requests up to and including twelve (12) months as in their discretion is appropriate.

- (h) **Grace Period.** The grace periods referred to in Subsections (a) through (g) are not intended to add to the Pension Credit of the Employees. Rather, they are periods which are to be disregarded in determining whether there has been a period of two consecutive Plan Years during which the Employee failed to work at least 300 hours in Covered Employment in one Plan Year.

Absence for any of the foregoing reasons shall postpone the computation of the two consecutive Plan Years during which a minimum of 300 hours of Covered Employment must be worked. At the end of the period allowed for such absence, the balance of the time remaining in such two-year period, computed as of the date such absence begins, shall begin to run, regardless of whether or not the last day of such balance coincides with the end of the Plan Year.

- (i) Notwithstanding any provision in this Plan to the contrary, an Employee who commenced a break in service prior to November 26, 1973, and such a break in service did not exceed three years, shall be entitled to an authorized leave of absence without regard to either the twelve month maximum grace period limitation or the thirty-day notice requirement as referred to in the subparagraph above, provided that:

- (1) An Employee shall apply in writing to the Board of Trustees setting forth the reason for the request and the amount of time requested;
- (2) Such Employee establishes to the satisfaction of the Trustees that he was not aware of the rule that failure to earn 350 hours in a Plan Year in Covered Employment in a period of two consecutive years could result in cancellation of his previously accumulated Pension Credits; and
- (3) The Board of Trustees, in its sole discretion and in a nondiscriminatory manner, shall determine that the reason for the granting of such leave of absence is consistent with the purpose of this Plan.

Any Employee granted a leave of absence under this subsection shall be entitled to Past Service Credit, notwithstanding his failure to work a minimum of 350 hours in one of the two Plan Years 1971 and 1972.

- (j) **Exception for Maternity/Paternity Leaves.** An Employee whose failure to accumulate Future Service Credit during a period of time beginning on or after November 30, 1985, in which no duties are performed by reason of the pregnancy of the Employee, by reason of the birth of a child of the Employee, by reason of the placement of a child with the Employee in connection with the adoption of such child for a period beginning immediately following such birth or placement, or by reason of providing for the care of such child for a period beginning immediately after such child's birth or placement, shall be allowed a grace period not to exceed twenty-four (24) months.

In order to be eligible for such grace period, the Employee must furnish to the Board of Trustees in a timely manner, such information as the Board may reasonably require to establish that the absence was for one or more of the reasons set forth in **this subsection (j)**.

6.05 Vesting.

- (a) Vested Pension Credits are those credits that may not be taken away from an Employee even if he leaves the industry before becoming eligible for retirement. An Employee within the meaning of Section 2.08(a) shall have Pension Credits 100% Vested, and the break in service rule as set forth in Section 6.04 of this Article shall not apply, when such Employee has earned ten (10) full years of Past and Future Service Pension Credits. An Employee within the meaning of Section 2.08(b) shall have Pension Credits 100% Vested and the break in service rules as set forth in Section 6.04 of this Article and Section 4.01(b), respectively, shall not apply when such Employee has five (5) full years of Past and Future Service Pension Credits. An Employee shall also have Pension Credits 100% Vested upon reaching eligibility to retire in accordance with Section 4.01.

Notwithstanding the foregoing, effective January 1, 1994, an Employee within the meaning of Section 2.08(a) shall have Pension Credits 100% Vested when such Employee has earned eight (8) full years of Past and Future Service Pension Credits **and** has worked at least one (1) hour in Covered Employment on or after January 1, 1994 and before incurring a Permanent Break in Service as defined in Section 6.04. Effective January 1, 1997, an Employee within the meaning of Section 2.08(a) shall have Pension Credits 100% Vested when such Employee has earned five (5) full years of Past and Future Service Pension Credits **and** has worked at least one (1) hour in Covered Employment on or after January 1, 1997 and before incurring a Permanent Break in Service as defined in Section 6.04.

- (b) Effective January 1, 1988 for Employee's who have at least one (1) Hour of Service on or after that date, an Employee shall also have Pension Credits 100% Vested upon the later of (i) age 65 or (ii) the fifth anniversary of the date the Employee commenced participation in this Plan, if such date is earlier than the date the Employee is eligible to retire in accordance with Section 4.01. An Employee shall be deemed to have commenced participation in the Plan on the first day of the Plan Year in which the Employee works at least 300 hours in Covered Employment. For purposes of this subsection only, all service prior to January 1, 1988 shall be disregarded in determining an Employee's fifth anniversary.
- (c) Solely for purposes of determining years of Credited Service under this paragraph, all Covered Employment and all contiguous non covered employment shall be taken into account. For purposes of this Section, Non-Covered Employment shall be deemed "contiguous" if (1) the Non-Covered Employment immediately precedes or follows Covered Employment and (2) no quit, discharge, or retirement occurs between such Covered Employment and Non-Covered Employment.

6.06 Inactive Vested Employee. An inactive Vested Employee shall be eligible to receive his applicable retirement benefit on his Early or Regular Retirement Date.

6.07 Prohibited Allocation of Forfeitures. Effective January 1, 1976, forfeitures shall not be applied to increase the benefits that any Employee would otherwise receive under the Plan.