

**Painters District Council No. 3  
Pension Plan**

**SUMMARY PLAN DESCRIPTION**

**Effective October 1, 2020**

## **IMPORTANT**

Save this booklet. Put it in a safe place. Tell your family, particularly your Spouse, about this booklet and where you keep it filed. If you lose your copy, you can ask the Fund Office for another copy.

If you worked in employment covered by the Plan Document (“Plan”) for five years or more and you are leaving Covered Employment without definite plans to return in the near future, you may be entitled to a pension, payable when you reach retirement age. To protect your benefit rights, call or write the Fund Office. You will be furnished with a statement of your benefit rights. If you are vested, the Fund will file notice with the government so that the Social Security Administration can remind you at a future time of your vested pension rights.

**The terms of the Plan in effect at the time you retire or terminate employment will determine your eligibility for benefits and the amount of your benefits. This booklet contains the terms of the Plan in effect as of the date listed on the front cover.**

Notify the Fund Office promptly if your address changes. If the Trustees are unable to reach you at your last address on record, any benefit payments that may be owed you will be held without interest.

**Nothing in this Summary Plan Description is intended to interpret or change in any way the provisions of the Plan. Only the full Board of Trustees is authorized to interpret and apply the Plan of Benefits described in this booklet. No Employer, Union or any representative of any Employer or Union is authorized to interpret this Plan or act as an agent of the Trustees. Any information regarding this Plan must be communicated to you in writing and signed on behalf of the full Board of Trustees either by the Trustees or, if authorized by the Trustees in writing, by the Administrator.**

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# **BOARD OF TRUSTEES**

## UNION TRUSTEES

Mr. Todd Doree (Chairman)  
District Council No. 3  
9902 East 62<sup>nd</sup> Street  
Raytown, MO 64133

Mr. David Cox  
District Council No. 3  
9902 East 62<sup>nd</sup> Street  
Raytown, MO 64133

Mr. Frank Carpenter  
District Council No. 3  
9902 East 62<sup>nd</sup> Street  
Raytown, MO 64133

Mr. Joey Flickner  
District Council No. 3  
9902 East 62<sup>nd</sup> Street  
Raytown, MO 64133

## EMPLOYER TRUSTEES

Ms. Erica D. Jenkins (Secretary)  
The Builders' Association  
720 Oak Street  
Kansas City, MO 64106

Ms. Michelle Drummond  
E&K of Kansas City, Inc.  
4600 Martha Truman Road  
Grandview, Missouri 64030

Mr. Mark Marmon  
Genesis Environmental Solutions  
8422 SW State Route 7  
Blue Springs, Missouri 64014

Mr. Ralph A. Switzer, Jr.  
Ralph Switzer & Associates Painting Co.  
5328 Brighton  
Kansas City, MO 64130

## **ABOUT YOUR PLAN**

The Joint Board of Trustees of the Painters District Council No. 3 Pension Fund takes pleasure in presenting you with this Summary Plan Description of your Pension Plan. This Plan is maintained for your protection and your peace of mind. It is designed to provide a monthly lifetime income for you when your working days are over and contains provisions for other events such as disability and premature death.

This booklet summarizes the benefits that you, the participant, and your eligible Spouse or beneficiary are entitled to, the rules governing these benefits, and the operation and administration of the Plan. Also included in the booklet is certain important information concerning the people who administer the Plan or provide services to the Plan, as well as a statement of your rights under the Employee Retirement Income Security Act of 1974 (ERISA).

There have been some changes in the Plan since the last booklet was distributed. This booklet summarizes your Plan, as amended, through October 1, 2020. Please read this booklet carefully so that you will know what benefits you are entitled to and your rights under the Plan.

For a detailed explanation of your rights to request and receive information from the Fund and for assistance in obtaining any requested information, you should consult *Section 9 - Administration of the Plan* on page 47. In addition, for your convenience, the Plan maintains a website at [www.iupatdc3funds.com](http://www.iupatdc3funds.com) where you can access additional information about your benefits.

The staff at the Fund Office will be very glad to assist you.

Sincerely,

**BOARD OF TRUSTEES**

**PAINTERS DISTRICT COUNCIL NO. 3 PENSION FUND**

## HOW TO APPLY FOR A PENSION

Applying for a pension is a very easy process, just follow these steps:

1. Request an application for pension benefits by writing, calling or visiting the Fund Office.
2. Complete the application for pension benefit, and submit it to the Fund Office.

### ***TIPS FOR FILING YOUR CLAIM FOR BENEFIT***

- **Write your name and the last four digits of your Social Security Number** on every item that you send to the Fund Office, unless directed otherwise.
- **Include birth and marriage certificates and divorce decrees (with property settlement)** for you and your spouse, if applicable.
- **Make copies before you submit your application.** The Fund Office will not be able to return any documents to you.
- **Submit applicable forms to Social Security at least six months before you plan to begin receiving benefits.** If you think you have eligible credits for Service before April 1, 1966, you will need to request a listing of your earnings and employers before April 1, 1966. You can obtain the proper forms from the Fund Office and it will take three to six months to receive the listing from Social Security Administration. You should plan accordingly.

## SECTION 1 - DEFINITIONS

There are several words used within this booklet that have special meaning. These words will be capitalized throughout the booklet and you should thoroughly review them to have a better understanding of the Plan.

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<b>A.</b> Accrued Benefit	<b>K.</b> Non-Grandfathered Participant
<b>B.</b> Association	<b>L.</b> Normal Retirement Age
<b>C.</b> Board of Trustees	<b>M.</b> Past Continuous Service
<b>D.</b> Break-in-Service	<b>N.</b> Pension Fund (or Fund)
<b>E.</b> Covered Employment	<b>O.</b> Permanent and Total Disability
<b>F.</b> Employee	<b>P.</b> Plan
<b>G.</b> Employer	<b>Q.</b> Plan Year
<b>H.</b> Employer Contributions	<b>R.</b> Service
<b>I.</b> Employment Commencement Date	<b>S.</b> Spouse
<b>J.</b> Grandfathered Participant	<b>T.</b> Union

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**A. *Accrued Benefit***

The term “Accrued Benefit” means your benefit earned under the Plan. It is a monthly benefit calculated according to the benefit formula described in Section 4.A. – Normal Retirement Benefit on page 17 of this booklet, commencing at Normal Retirement Age and payable for the lifetime of the Participant only. When the Accrued Benefit is payable other than at Normal Retirement Age, and/or payable in a form other than as a monthly benefit for your life, the Accrued Benefit is actuarially adjusted.

**B. *Association***

The term “Association” means The Builders Association of Missouri.

**C. *Board of Trustees***

The term “Board of Trustees” means the group of people responsible for administering your Plan. The Board of Trustees is made up of equal numbers of people representing the Union and the Employers.

**D. *Break-in-Service***

The term “Break-in-Service” means interruptions in your period of Service. A Break-in-Service is important because it may cause you to permanently lose Service that you've



accumulated if you are not yet vested. The rules for determining whether you have incurred a Break-in-Service are as follows:

- Service before November 1, 1976

For Service before November 1, 1976, if two consecutive Plan Years go by in which you do not work at least 250 hours in Covered Employment in each of the two consecutive years, then you will suffer a Break-in-Service, and you will lose all your Service accumulated up to that time. The period of lost Service will not be counted either for your eligibility for benefits or for calculating the amount of your benefit.

- Service on or after November 1, 1976

For Service on and after November 1, 1976, you will suffer a one-year Break-in-Service for a Plan Year for which Employer Contributions are not made or required to be made for at least 250 hours (800 Hours of Service on or after October 1, 2007) during the Plan Year.

If you are not already vested (generally five years of Service on or after October 1, 1999) when you suffer a one-year Break-in-Service, and if you suffer five or more consecutive one-year Breaks-In-Service, then you forfeit all your Service earned before your first one-year Break. For example, if you have earned four years of Service, and then have five consecutive Plan Years where Employer Contributions for at least 250 hours (800 Hours of Service on or after October 1, 2007) are not made or required to be made, you will forfeit the four years of Service you had earned.

- Exceptions to the Break-in-Service Rules

The following rules allow for exceptions to calculating a Break-in-Service:

- Service before November 1, 1976

Under the pre-November 1, 1976 rules, failure to work up to four years due to an injury or sickness or failure to work up to five years due to service in the uniformed services would not cause a Break-in-Service.

- Service on or after November 1, 1976 through September 30, 1985

On and after November 1, 1976, a Break-in-Service will not occur if the lack of sufficient Employer Contributions made or required to be made is due to service in the uniformed services, or to an accident or illness. The Fund Office must be notified of the accident or illness using a form acceptable to the Trustees.

- Service on or after October 1, 1985 - through September 30, 2007

Beginning October 1, 1985 through September 30, 2007, hours lost due to maternity or paternity leaves of absence will be credited. The hours credited will be equal to those that would normally be credited except for the maternity or paternity leave. A maximum of 250 hours will be credited in the Plan Year in which the absence begins or in the following Plan Year. These hours will be applied only to prevent you from incurring a Break-in-Service in that Plan Year, but will not be credited for vesting or benefit accrual purposes.

- Service on or after October 1, 2007

Beginning October 1, 2007, hours lost due to maternity or paternity leaves of absence will be credited. The hours credited will be equal to those that would normally be credited except for the maternity or paternity leave. A maximum of 800 hours will be credited in the Plan Year in which the absence begins or in the following Plan Year. These hours will be applied only to prevent you from incurring a Break-in-Service in that Plan Year, but will not be credited for vesting or benefit accrual purposes.

The term “service in the uniformed services” means service in any branch of the uniformed services of the United States of America for which an honorable discharge is received, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty for training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President of the United States in time of war or emergency including natural disasters and civil disturbances.

***E. Covered Employment***

The term “Covered Employment” means Service by an Employee for an Employer for which the Employer is required by a Collective Bargaining Agreement, stipulation or participation agreement to contribute to the Pension Fund.

***F. Employee***

The term “Employee” means:

1. Any person who is employed by an Employer and for whom the Employer is required to make contributions into the Pension Fund;
2. Any employee of the Union or of a participating union for whom the Employer is required by a participation agreement to make contributions to the Pension Fund;
3. Any employee of the Association for whom the Association is required by a written agreement to make contributions to the Pension Fund;
4. Any employee of the Pension Fund; and
5. Any other employee of an Employer who has been accepted by the Trustees and for whom the Employer is required by a written agreement to make contributions to the Pension Fund.

Employers, self-employed persons, partners or an employee of a business which is wholly owned by that employee or by that employee and his or her Spouse will not be included as Employees for purposes of this Plan.

## **G. *Employer***

The term "Employer" means:

1. Any member of the Association who is a party to, or otherwise bound by, a collective bargaining agreement with the Union requiring payments to the Pension Fund with respect to work performed by the employer's Employees represented by the Union.
2. Any employer who is a non-member of the Association who has signed a stipulation, in a form approved by the Trustees, requiring payments to the Pension Fund with respect to work performed by the employer's Employees as described in the stipulation.
3. Any employer who is a non-member of the Association and who is engaged in maintenance work on his own premises and has signed a stipulation in a form approved by the Trustees, requiring payments to the Pension Fund with respect to such maintenance work performed by the employer's Employees as described in the stipulation.
4. Any other employer or group of employers who have been approved by the parties to the Trust Agreement and accepted by the Board of Trustees, and who have signed a collective bargaining agreement, stipulation or participation agreement, in a form approved by the Trustees, requiring payments to the Pension Fund with respect to work performed by the employer's (or employers') employees as described in the collective bargaining agreement, stipulation or participation agreement.
5. The term "Employer" shall also mean the Trustees of the Pension Fund as to the employees of the Fund, the Union as to the employees of the Union, participating unions as to the employees of participating unions, participating trust funds as to the employees of participating trust funds, and the Association as to the employees of the Association; provided that such employer has signed a stipulation or participation agreement, in a form approved by the Trustees, requiring payments to the Pension Fund with respect to work performed by the employer's Employees as described in the stipulation or participation agreement. Such status of the Union, participating unions and Association shall be solely for the purpose of making the required contributions to the Fund and neither the Union, participating unions nor the Trustees shall participate in the selection of any Association Trustees.
6. For any of the above Employers, members of a controlled group of corporations and trades or businesses (whether or not incorporated) which are under common control and organizations which are part of an affiliated service group are also considered Employers.

## **H. *Employer Contributions***

The term “Employer Contributions” means the payments that your Employers are required to make to this Plan under the terms of a collective bargaining or other written agreement. Contributions by an Employer as a result of Covered Employment by an Employee who is an officer or shareholder of the Employer shall be made or required to be made on the basis of a minimum of a 40-hour workweek.

The term “Credited Employer Contributions” shall mean payments made or required to be made to the Trust Fund by an Employer at the rate specified in the Collective Bargaining Agreement or other applicable agreement relating to this Pension Plan.

Prior to October 1, 2003, the term “Credited Employer Contributions” means 100% of all Employer Contributions required to be made to the Fund on a participant’s behalf. Effective October 1, 2003 through September 30, 2007, the term “Credited Employer Contributions” means the product of: (1) the number of hours of work for which an Employer Contribution is required to be made to the Trust Fund on a participant’s behalf and (2) the lesser of \$4.45 or the rate specified in the Collective Bargaining Agreement in effect for such participant. The excess of “Employer Contributions” over “Credited Employer Contributions” shall be known as “Funding Contributions.” Records shall be kept on an individual basis of all Funding Contributions required to be made to the Plan on a participant’s behalf. Funding Contributions shall be used for the funding of current and future Accrued Benefits. Effective October 1, 2007, all Employer Contributions made for work performed on or after that date are 100% “Credited” as they were prior to October 1, 2003.

Benefits based upon contributions from a reciprocal agreement with another fund shall be determined by establishing the “Equivalent Number of Hours” under this Plan. The Equivalent Number of Hours shall be determined by dividing the total contributions received by the contribution rate required by the Collective Bargaining Agreement covering work in the Painters District Council No. 3 area. The Equivalent Number of Hours shall be considered Hours of Service under the Plan during the period of service under the reciprocal agreement. Prior to October 1, 2003, the total amount of contributions received will be considered Credited Employer Contributions. Effective October 1, 2003 through September 30, 2007, Credited Employer Contributions shall be equal to the product of: (1) the Equivalent Number of Hours and (2) the lesser of (a) \$4.45 or (b) the Collective Bargaining Agreement covering work in the Painters District Council No. 3 area to determine the participant’s Credited Employer Contributions for the period of service under the reciprocal agreement. Effective October 1, 2007, the total amount of contributions received for work performed on or after that date will be considered Credited Employer Contributions.

## **I. *Employment Commencement Date***

The term “Employment Commencement Date” means the date on which contributions were first made or required to be made to the Pension Fund on an Employee’s behalf.

**J. Grandfathered Participant**

The term “Grandfathered Participant” means an Employee who meets one of the following criteria:

1. Any Employee who is eligible for Unreduced Early (29 and Out), Early or Normal Retirement benefit as of October 1, 2011.
2. Any Employee who is age 55 years or older as of September 30, 2011 and has at least five years of Service.

A Grandfathered Participant is not subject to any retrospective benefit reductions on benefits accrued prior to October 1, 2011.

**K. Non-Grandfathered Participant**

The term “Non-Grandfathered Participant” means an Employee who does not meet the criteria to be a Grandfathered Participant.

**L. Normal Retirement Age**

For Non-Grandfathered Participants, the term “Normal Retirement Age” means the Participant’s 65th birthday or the age of the Participant as of the 5th anniversary of participation in the Plan, if later.

For Grandfathered Participants, the term “Normal Retirement Age” shall mean:

1. For benefits accrued through September 30, 2011, the term "Normal Retirement Age" shall mean the Participant's 62nd birthday or the age of the Participant as of the 5th anniversary of participation in the Plan, if later.
2. For benefits accrued on and after October 1, 2011, the term "Normal Retirement Age" shall mean the Participant's 65th birthday or the age of the Participant as of the 5th anniversary of participation in the Plan, if later.

Grandfathered Participants may only elect a single retirement commencement date.

**M. Past Continuous Service**

The term “Past Continuous Service” means the years of Service you were credited with for the period before April 1, 1966. There is a maximum limit of 30 Past Continuous Service years. Your Past Continuous Service, if any, is used to compute your Plan benefits.

**N. Pension Fund or Fund**

The term “Pension Fund” or “Fund” means a trust fund, administered by the Trustees under a legal agreement. The Fund receives, holds and invests Employer Contributions, and is the source of funds for the payment of Plan benefits and expenses.

**O. *Permanent and Total Disability***

The term “Permanent and Total Disability” means you have a physical or mental condition which is evidenced by an award of disability by the Social Security Administration (SSA) that permanently and totally prevents you from engaging in any regular occupation or employment for remuneration or profit and which will be permanent and continuous during the remainder of your life. The date of onset of such disability will be the date of disability stated in the SSA disability letter. You will not be deemed to have a Permanent and Total Disability for the purpose of the Plan if such incapacity consists of chronic alcoholism or addiction to narcotics, or was contracted, suffered or incurred while you were engaged in a felonious enterprise, or resulted therefrom, or resulted from an intentionally self-inflicted injury, or from an injury, wound or disability incurred while serving with the Armed Forces of the United States, or from an injury, wound or disability suffered or arising out of a state of war.

The Trustees reserve the right to require an independent medical examination, by a physician selected by the Trustees, as a condition for continuing Disability Retirement benefits. No more than two exams per year will be required by the Trustees.

**P. *Plan***

The term “Plan” means the Painters District Council No. 3 Pension Plan.

**Q. *Plan Year***

The term “Plan Year” means (a) prior to October 31, 1982, the 12 month periods ending on October 31; (b) from November 1, 1982 through September 30, 1983; and (c) beginning October 1, 1983, the 12 month periods beginning October 1 of each year and ending on September 30 of the following year.

**R. *Service***

The term “Service” refers to the credits given by the Plan that are used to determine your eligibility for Plan benefits. You cannot earn more than one year of Service credit for any Plan Year. Service credits are earned according to different rules applicable to different periods of time, as shown below:

- Service before April 1, 1966  
Before April 1, 1966, you will receive a year of Service if you were continuously employed for at least 250 hours worked in Covered Employment during a year (April 1 - March 31).
- Service from April 1, 1966 through March 31, 1970  
From April 1, 1966 through March 31, 1970, you will receive a year of Service for each Plan Year during which the Participant works at least 250 hours in Covered Employment.

- Service from April 1, 1970 through October 31, 1970  
From April 1, 1970 through October 31, 1970, you will receive one year of Service if Employer Contributions were paid or required to be made for at least one hour of work in Covered Employment during the period and if continuity is maintained by the Employee in the 12 month periods immediately preceding and following the transition period.
- Service from November 1, 1970 through October 31, 1976  
From November 1, 1970 through October 31, 1976, you will receive one year of Service for each Plan Year during which the Participant works at least 250 hours in Covered Employment.
- Service from November 1, 1976 through September 30, 2007  
From November 1, 1976 through September 30, 2007, you will receive one year of Service for each Plan Year during which Employer Contributions were made or required to be made on your behalf for at least 250 hours worked in Covered Employment.
- Service on and after October 1, 2007  
Beginning October 1, 2007, you will receive one year of Service for each Plan Year during which Employer Contributions were made or required to be made on your behalf for at least 800 hours worked in Covered Employment.

In addition, you may receive Service credit for employment with an Employer immediately before or after you were covered by a collective bargaining agreement, even though the work was not subject to a collective bargaining agreement. Such Service is called “Contiguous Non-Covered Service.”

In addition to your hours of Service in Covered Employment, you may also receive pension credit for qualified military service under the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994. To receive any pension credit for your time in military service, such service must be qualified military service (as defined by USERRA) and you must meet all requirements of USERRA, including honorable discharge and reemployment or availability for employment within the USERRA specified time limits. You should contact the Fund Office immediately upon being discharged from the military.

## **S. Spouse**

The term “Spouse” shall mean your legal spouse at the time a pre-retirement death benefit is first payable or your legal spouse at the time you commence receiving Retirement Benefits. Effective June 26, 2015, a Spouse includes a same-sex spouse.

## **T. Union**

The term “Union” means the District Council No. 3 of the International Union of Painters and Allied Trades, AFL-CIO and local unions affiliated with said District Council located at 9902 E. 62<sup>nd</sup> Street, Raytown, MO 64133.

## **SECTION 2 - ELIGIBILITY**

You are eligible to participate in the Plan as of the first day of the first Plan Year following your Employment Commencement Date. You are considered an “active participant” if you are engaged in Covered Employment and are entitled to be credited with a Year of Service for such Plan Year or were credited with a Year of Service for the immediately preceding Plan Year.

Once you become a participant, you will remain a participant until the date of your death or until you forfeit service due to a Break-in-Service.



## SECTION 3 - RETIREMENT DATES

The Plan is designed to provide a benefit at your Normal Retirement Date. However, the Plan has provisions to cover other dates when you may also retire. In the event of your death, your beneficiary may be entitled to a Death Benefit, discussed in *Subsection F of Section 4 – Pension Amounts* (page 24). The following dates are explained in this Section:

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- A.** Normal Retirement Date
  - B.** Early Retirement Date
  - C.** Late Retirement Date
  - D.** Vested Retirement Date
  - E.** Disability Retirement Date
- 

### **A. Normal Retirement Date**

If you are a Non-Grandfathered Participant, your Normal Retirement Date is the later of your 65th birthday or your age as of the 5th anniversary of participation in the Plan.

If you are a Grandfathered Participant, your Normal Retirement Date is:

1. your 62nd birthday or the age of the Participant as of the 5th anniversary of participation in the Plan, if later, for benefits accrued through September 30, 2011; and
2. your 65th birthday or the age of the Participant as of the 5th anniversary of participation in the Plan, if later, for benefits accrued on or after October 1, 2011.

### **B. Early Retirement Date**

Your Early Retirement Date can be any time after you have reached age 55 provided that you are credited with at least 10 years of Service (or five years of Service for Participants who are credited with at least 250 Hours of Service in any Plan Year beginning after October 1, 1998 through September 30, 2007 or at least 800 Hours of Service in any Plan Year beginning on and after October 1, 2007). If you retire before Normal Retirement Age, the first day of the month after you retire is called your Early Retirement Date.

A Grandfathered Participant can also retire under age 55 if you have at least one year of Service prior to October 1, 2007 and have earned at least 29 qualifying Years of Service. A Non-Grandfathered Participant may be eligible to retire under age 55 with 31 qualifying Years of Service. If you earn your first year of Service after October 1, 2007 but before October 1, 2011, you will not have the option to retire prior to age 55 using the 29-and-out benefit.

NOTE: All qualifying years you earned as of September 30, 2007 are credited towards the 29/31-year requirement, including up to two years with as little as one Hour of Service.

If you are eligible for an Early Retirement Benefit under the Plan and also apply for a Disability Benefit (but the approval of the Disability Benefit is pended while awaiting proof of total and permanent disability), you shall be entitled to receive the Early Retirement Benefit ending with the first day of the month following approval of your Disability Benefit. Effective with the first monthly payment of the Disability Benefit, the Early Retirement Benefit shall be suspended.

**C. *Late Retirement Date***

Your Late Retirement Date is the first day of the month after you retire if you have worked past your Normal Retirement Date.

**D. *Vested Retirement Date***

You are vested in your retirement benefit if:

1. you have at least five (5) years of service (but ten (10) years of service are required if you do *not* have more than one (1) hour of service on or after October 1, 1999); or
2. you are an Active Participant who has attained Normal Retirement Age.

Once you are vested, your retirement benefit will be non-forfeitable even if you do not accumulate any additional years of Service. If you are vested and not currently working in Covered Employment you will be eligible to receive a Vested Retirement Benefit. Your Vested Retirement Date is the first day of the month following the month in which you reach Normal Retirement Age or your Early Retirement Age (provided you meet the requirements for the Normal Retirement or Early Retirement Benefit) after you submit your claim for benefit and your claim is approved by the Board of Trustees. Payments beginning prior to Normal Retirement Age will be actuarially reduced as illustrated in the Section on Early Retirement Benefits.

**E. *Permanent & Total Disability Benefit Date***

If you develop a Permanent and Total Disability, as defined on page 10, your Disability Benefit Date will be the later of the first day of the month following the onset date determined by the SSA or the first day of the month after you satisfy these conditions:

1. You have filed for and received an approved SSA Disability Award;
2. You have at least five years of Service without a Break-in-Service;
3. You have filed a claim for benefit for a Disability Retirement Benefit that has been approved by the Trustees; and
4. You must be credited with at least 800 Hours of Service in three of the five Plan Years immediately prior to the onset date as determined by the SSA.

If you submit an application without an onset date determined, and such determination of disability is later received, the Effective Date of your Disability Benefit will be the later of (1) the first of the month following the onset date, as long as the Participant satisfies the eligibility requirements for a Disability Benefit on that date, (2) the first of the month following the receipt of the application for Disability Benefits, or (3) the first of the month following suspension of the Early Retirement Benefit.

## **SECTION 4 - PENSION AMOUNTS**

The primary purpose of any retirement program is to provide an income to you when you stop working. This Section explains how your benefit in the Plan is calculated. The following benefit amounts are explained in this Section:

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- A.** Normal Retirement Benefit
  - B.** Early Retirement Benefit
  - C.** Late Retirement Benefit
  - D.** Vested Retirement Benefit
  - E.** Disability Benefit
  - F.** Death Benefit
  - G.** Mandatory Distributions (Age 72 Rule)
  - H.** Partial Pensions
  - I.** Re-Employment after Retirement (Suspension of Benefits)
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### **A NOTE ABOUT ALL RETIREMENT PLAN BENEFITS**

**When you become eligible for a Normal, Early, Late, Vested or Disability Benefit, you must file an application for your pension benefits before your benefits can begin.**

**In cases of Disability, an application should be filed as soon as it is apparent that the disability is permanent and total.**

**Applications for any pension benefits must be directed to the Board of Trustees, in writing, on a form designed for that purpose. You may get the proper form from the Fund Office.**

## **A. Normal Retirement Benefit**

Your Normal Retirement Benefit is based on a combination of the years of Past Continuous Service you may have and the amount of Employer Contributions made or required to be made on your behalf since April 1, 1966, as shown below:

Normal Retirement Benefit =

1. \$3.50 times the number of years of Past Continuous Service (maximum of 30 years), plus
2. 2.8% multiplied by the amount of your Credited Employer Contributions made or required to be made from April 1, 1966 and through September 30, 1986, plus
3. 3.4% multiplied by the amount of your Credited Employer Contributions made or required to be made from October 1, 1986 through September 30, 1990, plus
4. 3.4% multiplied by the amount of your Credited Employer Contributions made or required to be made from October 1, 1990 through September 30, 1995, plus
5. 3.4% multiplied by the amount of your Credited Employer Contributions made or required to be made from October 1, 1995 through September 30, 1997, plus
6. 3.4% multiplied by the amount of your Credited Employer Contributions made or required to be made from October 1, 1997 through September 30, 1999, plus
7. 3.4% multiplied by the amount of your Credited Employer Contributions made or required to be made from October 1, 1999 through September 30, 2003, plus
8. 2.0% multiplied by the amount of your Credited Employer Contributions made or required to be made from October 1, 2003 through September 30, 2007, plus
9. 1.0% multiplied by the amount of your Credited Employer Contributions made or required to be made from October 1, 2007 through September 30, 2008, plus
10. 0.5% multiplied by the amount of your Credited Employer Contributions made or required to be made on or after October 1, 2008.

In addition to the above factors, various benefit increases are effective for particular time periods, as shown below in the section entitled Other Benefit Increases Applicable to Future Service. When calculating your retirement benefit, the relevant increases will be taken into account by the Fund Office.

*Other Benefit Increases Applicable to Future Service:*

The Future Service of participants is also increased as follows:

1. For all participants in the Plan on April 1, 1990 who had at least 250 hours of Service between October 1, 1988 and September 30, 1989 or between October 1, 1989 and March 31, 1990, Past Service Benefits and Future Service Benefits accrued through September 30, 1990, shall be increased by 15%.
2. For all participants in the Plan who worked one hour or more in Covered Employment during the month of August 1995, and who retired on or after October 1, 1995, Past Service Benefits and Future Service Benefits accrued through September 30, 1995, shall be increased by 10%.
3. For all participants in the Plan who worked one hour or more in Covered Employment between October 1, 1995 and September 30, 1997, and first retired under the Plan on or after October 1, 1997, Past Service Benefits and Future Service Benefits accrued through September 30, 1997, shall be increased by 10%, effective October 1, 1997.
4. For all participants in the Plan who worked one hour or more in Covered Employment between October 1, 1998 and September 30, 1999, and first retired under the Plan on or after October 1, 1999, Past Service Benefits and Future Service Benefits accrued through September 30, 1999, shall be increased by 10%, effective October 1, 1999.

**In the following example**, all of the increases have been applied to the benefit formula, **making the percentages larger than those shown on the preceding page**. Assuming that you have worked regularly throughout your career and you satisfy each of the work requirements described above, the benefit formula that will be used to determine your monthly Normal Retirement Benefit will equal:

1. \$5.36 times years of continuous service prior to April 1, 1966, plus
2. 4.286% of the total Employer Contributions required to be made to the Fund on your behalf from April 1, 1966 to September 30, 1986, plus
3. 5.204% of the total Employer Contributions required to be made to the Fund on your behalf from October 1, 1986 to September 30, 1990, plus
4. 4.525% of the total Employer Contributions required to be made to the Fund on your behalf from October 1, 1990 to September 30, 1995, plus
5. 4.114% of the total Employer Contributions required to be made to the Fund on your behalf from October 1, 1995 to September 30, 1997, plus
6. 3.740% of the total Employer Contributions required to be made to the Fund on your behalf from October 1, 1997 to September 30, 1999, plus

7. 3.400% of the total Employer Contributions required to be made to the Fund on your behalf from October 1, 1999 to September 30, 2003, plus
8. 2.000% of the Credited Employer Contributions required to be made to the Fund on your behalf from October 1, 2003 through September 30, 2007, plus
9. 1.000% of the Credited Employer Contributions required to be made to the Fund on your behalf from October 1, 2007 through September 30, 2008, plus
10. 0.500% of the Credited Employer Contributions required to be made to the Fund on your behalf on or after October 1, 2008.

***Example #1 - Normal Retirement Benefit calculation***

***Assumptions: John Smith is a Non-Grandfathered Participant, has just turned 65 years old and he is ready to take a Normal Retirement Benefit. His Credited Employer Contributions were:***

<b><i>October 1, 1992 to September 30, 1995</i></b>	<b><i>\$6,000</i></b>
<b><i>October 1, 1995 to September 30, 1997</i></b>	<b><i>\$5,000</i></b>
<b><i>October 1, 1997 to September 30, 1999</i></b>	<b><i>\$5,000</i></b>
<b><i>October 1, 1999 to September 30, 2003</i></b>	<b><i>\$18,000</i></b>
<b><i>October 1, 2003 to September 30, 2007</i></b>	<b><i>\$22,000</i></b>
<b><i>October 1, 2007 to September 30, 2008</i></b>	<b><i>\$5,000</i></b>
<b><i>October 1, 2008 to September 30, 2011</i></b>	<b><i>\$15,000</i></b>
<b><i>October 1, 2011 to September 30, 2020</i></b>	<b><i>\$70,000</i></b>

***If John Smith is a Grandfathered Participant, his Normal Retirement Age would be 62 for benefits accrued prior to October 1, 2011. If he chooses to retire prior to his 65th birthday, benefits accrued on or after October 1, 2011 would be reduced according to the Early Retirement Benefit formula.***

***This example ignores certain eligibility criteria with regard to the status of being non-grandfathered, and it is only meant to illustrate how normal retirement benefits are calculated for a non-grandfathered participant.***

Calculation: According to the Normal Retirement Benefit formula, John's benefit will be calculated as follows:

1. 4.525% times \$6,000 = \$ 271.50, plus  
(total Employer Contributions from 10/1/92 to 9/30/95)
2. 4.114% times \$5,000 = \$ 205.70, plus  
(total Employer Contributions from 10/1/95 to 9/30/97)
3. 3.740% times \$5,000 = \$ 187.00, plus  
(total Employer Contributions from 10/1/97 to 9/30/99)
4. 3.400% times \$18,000 = \$ 612.00, plus  
(total Employer Contributions from 10/1/99 to 9/30/03)
5. 2.000% times \$22,000 = \$ 440.00, plus  
(Credited Employer Contributions from 10/1/03 to 9/30/07)
6. 1.000% times \$5,000 = \$ 50.00, plus  
(Credited Employer Contributions from 10/1/07 to 9/30/08)
7. 0.500% times \$15,000 = \$ 75.00, plus  
(Credited Employer Contributions from 10/1/08 to 9/30/11)
8. 0.500% times \$70,000 = \$ 350.00  
(Credited Employer Contributions from 10/1/11 to 9/30/20)

Total Accrued Benefit \$ 2,191.20

***John's Normal Retirement Benefit, at age 65, will be a lifetime monthly amount of \$2,191.20.***

Trustees of pension plans entering endangered or critical status may be forced to make changes to the rate at which future benefits accrue. Participants will be notified if the Plan enters either status.



## ***B. Early Retirement Benefits***

There are two forms of Early Retirement Benefits: (1) Regular Early Retirement Benefits and (2) Unreduced Early Retirement Benefits. These are explained below:

- **Regular Early Retirement Benefit**

You may qualify as a “Grandfathered Participant” or a “Non-Grandfathered Participant” if you meet the criteria set forth in Section 1, which defines those terms. Different “Normal Retirement Ages” apply to each. For more information about whether you qualify as a “Grandfathered Participant,” see the definition in Section 1.

**Non-Grandfathered Participants**

If you are a Non-Grandfathered Participant, you may be eligible to receive an Early Retirement Benefit if you are at least age 55 but not yet age 65 and meet at least one of the following requirements:

- have at least ten years of Service; or
- have at least five years of Service if you are credited with:
  - at least 250 Hours of Service in any Plan Year on or after October 1, 1998 through September 30, 2007; or
  - at least 800 Hours of Service in any Plan Year on or after October 1, 2007.

The amount of your Early Retirement Benefit will be reduced to be the Actuarial Equivalent of the Normal Retirement Benefit. The following table illustrates Actuarial Equivalent factors based on age. Please contact the Fund Office if you have any questions.

<i>Age</i>	<i>Factor</i>	<i>Age</i>	<i>Factor</i>
55	0.3655	60	0.5904
56	0.4011	61	0.6532
57	0.4407	62	0.7241
58	0.4851	63	0.8044
59	0.5347	64	0.8958

***Example #2 – Early Retirement Benefit calculation (Non-Grandfathered Participants)***

***Assumptions: John Smith is a Non-Grandfathered Participant and has the same Employer Contributions as in Example #1; however, for this example, John is only 59 years old and he meets all the requirements for an Early Retirement Benefit. John's Normal Retirement Benefit from Example #1 is \$2,191.20. Since John is only 59 years old, his Normal Retirement Benefit will be equal to his Normal Retirement Benefit times 0.5347, the Actuarial Equivalent factor for age 59 (reduced by 46.53% or \$1,019.56).***

Calculation: According to the Early Retirement Benefit formula for Non-Grandfathered Participants, John's benefit will be calculated as follows:

Retirement Benefit	= \$ 2,191.20 per month
less: Early Retirement Reduction (46.53%)	= <u>\$ 1,019.56 per month</u>
Subtotal before 10/1/07	= \$ 1,171.64 per month

***John's Early Retirement Benefit, at age 59 and as a Non-Grandfathered Participant, will be a lifetime monthly amount of \$1,171.64.***

• **Unreduced Early Retirement Benefit (29 or 31 Years of Service)**

Non-Grandfathered Participants

If you are a Non-Grandfathered Participant at least age 55 and credited with at least 31 qualifying Years of Service, you can retire with an Unreduced Early Retirement Benefit (100% of your Accrued Benefit).

If you are a Non-Grandfathered Participant who is under age 55 and have earned at least 31 qualifying Years of Service, you can retire with 100% of your Accrued Benefit, reduced by 5% for each year you are under age 55.

The thirty-one years of service requirement may include up to two Plan Years prior to October 1, 2007 with as little as one Hour of Service and 29 years with 250 or more Hours of Service (800 or more Hours of Service after 9/30/2007).

You must "retire" for purposes of an Unreduced Early Retirement Benefit. You will be considered "retired" for the purposes of this section if you have completely retired from Employment with all Employers within the same industry, trade or craft and the same

geographic area covered by the Fund and do not have the present intent to return to work for an Employer.

#### Grandfathered Participants

If you are a Grandfathered Participant, at least age 55, and credited with at least 29 qualifying Years of Service as of October 1, 2011, you can retire with an Unreduced Early Retirement Benefit.

You must “retire” for purposes of an Unreduced Early Retirement Benefit. You will be considered “retired” for the purposes of this section if you have completely retired from Employment with all Employers within the same industry, trade or craft and the same geographic area covered by the Fund and do not have the present intent to return to work for an Employer.

### ***C. Late Retirement Benefit***

Late Retirement is any time you retire after your Normal Retirement Date. Your Late Retirement Benefit is figured by the same formula used for Normal Retirement on page 17, taking into account Employer Contributions made on your behalf after your Normal Retirement Date.

### ***D. Vested Retirement Benefit***

If you are a vested participant as explained in Section 4.D, are no longer working in Covered Employment and if you satisfy the service requirement for early retirement, you may be eligible to receive a Vested Retirement Benefit at your Early Retirement Date or Normal Retirement Date. A Vested Retirement Benefit is calculated the same as a Normal (page 17) or Early Retirement Benefit (page 21).

### ***E. Disability Benefit***

The amount of the monthly Disability Benefit for disability applications on or after October 1, 2007 is the larger of \$73.50 or your Accrued Benefit (reduced by 1.5% for each year you are under Normal Retirement Age), paid monthly for as long as you are disabled, up to Normal Retirement Age. If you are receiving a Permanent and Total Disability Benefit and recover from the disability prior to Normal Retirement Age, your Disability Retirement Benefit will be discontinued.

At Normal Retirement Age, your Disability Benefit will convert to a Normal Retirement Benefit and will be calculated just like a Normal Retirement Benefit as explained on page 17. You will be able to elect a Form of Payment option as described in Section 6; however, you will never receive less than \$73.50 each month as long as you are receiving a Disability Benefit. If you received both an Early Retirement Benefit and a Disability Benefit, your Normal Retirement Benefit shall be offset by any Early Retirement Benefit amounts already paid.

At any time after Early Retirement Age, you may elect to convert your Disability Benefit to an Early Retirement Benefit and it will be calculated just like an Early Retirement Benefit as explained on page 21.

***CAUTION: No Disability Benefit will be paid if your disability was self-inflicted, or was a result of chronic alcoholism or drug addiction, if it occurred while you were engaged in a felonious enterprise, or if it occurred while you were serving in the United States Armed Services.***

Your Disability Benefit will stop if:

1. You return to any kind of paid work (except rehabilitation); or
2. The Trustees determine, by medical evidence, that you are able to return to work; or
3. You refuse to take a medical examination (you are not required to take more than two each year); or
4. You reach age 65, elect an Early Retirement Benefit, or you die.

## ***F. Death Benefit***

***PROPER PROOF OF DEATH MUST BE PROVIDED TO THE FUND OFFICE BEFORE ANY DEATH BENEFITS ARE PAYABLE.***

### **Pre-Retirement Death Benefit**

A Death Benefit is payable to your surviving Spouse (or non-spousal beneficiary, as applicable) if you die while you are a Participant, after you are vested, and before you begin to receive benefits. The amount of the benefit is either:

1. 100% of your total Credited Employer Contributions made or required to be made at the time of your death, or
2. A monthly lifetime annuity to your Spouse.

Under 2. above, the amount your Spouse would receive is 75% of the benefit you could have received, if you had retired just before you died, and elected the 75% Survivor Benefit form of payment (*See Section 6 – Methods of Payment* on page 34).

If you die prior to becoming eligible for an Early Retirement Benefit, your surviving Spouse may elect either:

1. A Death Benefit calculated as though you terminated all Covered Employment on the date of your death, survived to the earlier of:
  - a. the date you would, but for your death, have qualified for an Early Retirement Benefit, or
  - b. your Normal Retirement Age

and retired on that day, electing the 75% Survivor Benefit. This benefit is payable to your surviving Spouse, beginning on the first day of the month following the earlier of the date described in a or b above, with the final payment made on the first day of the month of your surviving Spouse's death; or

2. A Death Benefit that is the actuarial equivalent of the benefit described in 1 above, as adjusted to account for receiving the benefit earlier. This benefit is payable to your surviving Spouse, beginning the month following the receipt of claim for Death Benefit and accompanying proof of death by the Trustees, with the final payment made on the first day of the month of your surviving Spouse's death.

Effective October 1, 2007, if you die while performing service in the Uniformed Services, your surviving Spouse (or, as applicable, your non-spousal beneficiary) will be entitled to any Death Benefit which would be the same as if you had died while actively engaged in Covered Employment.

#### **Post-Retirement Death Benefit**

Once you begin to receive your retirement benefits, a Death Benefit may be paid. Upon your death, if you are not receiving a 50% or 75% Survivor Benefit, or a Ten Year Guarantee Benefit, your beneficiary will receive a lump-sum payment equal to 100% of the difference between your credited Employer Contributions made or required to be made since April 1, 1966 and the amount of the retirement benefits you had already received prior to your death. If you are receiving a 50% or 75% Survivor Benefit form of payment at the time of your death, your Spouse will receive a monthly benefit equal to 50% or 75% of your benefit, for as long as the Spouse lives. The Spouse's benefit is payable only if your Spouse was married to you for at least one year as of your date of death. If you are receiving a Ten Year Guarantee Benefit at the time of your death and have not received 120 monthly payments (10 years), your beneficiary will receive your monthly benefit until 120 total monthly benefits have been paid.

### Choosing your Beneficiary

*Your beneficiary for any Death Benefit is the person or persons that you designate in your last written notice on file in the Fund Office prior to your death. It is your responsibility to notify the Fund Office, in writing, of your choice of beneficiary and/or change in your choice of beneficiary. You may, without the consent of your previously designated beneficiary, change your beneficiary by filing a written notice with the Fund Office. Any change in your beneficiary is not effective unless the change is received in the Fund Office prior to your death. If you are married, your Spouse must consent, in writing, to a beneficiary other than the Spouse.*

*If you die without designating a beneficiary, the Death Benefit will be paid to your legal surviving Spouse, if any. If there is no legal surviving Spouse, the Death Benefit will be paid to your child or children, in equal shares. If there is no legal surviving Spouse or living children, the Death Benefit will be paid to your estate.*

### Lump Sum Distributions

If your surviving Spouse elects to receive a lump sum distribution, the distribution qualifies as an eligible rollover distribution. Your surviving Spouse will be able to elect a direct rollover of this distribution into an IRA. **If a direct rollover is not elected, the distribution will be subject to mandatory 20% withholding for federal income tax purposes.**

A lump sum distribution payable to a non-spouse beneficiary is not eligible for a rollover distribution.

### Payment of Death Benefits

Effective November 28, 2017, except as otherwise provided in this Section, Death Benefits will be paid, or will begin to be paid, no later than December 31st of the 5th year following the Participant's death.

Deaths that occur on or after December 29, 2010, during any period of time that the Plan's funded status is certified to be in critical status pursuant to the Internal Revenue Code, the Plan shall not pay any lump sum benefits with an actuarial present value of \$5,000 or more. The return of contributions Death Benefit shall be paid in monthly installments to your designated beneficiary or beneficiaries.

## **G. Mandatory Distributions (Age 72 Rule)**

If you have not started receiving your retirement benefits by the time you reach age 72 (or age 70½ if you were born before July 1, 1949), whether you are still working in Covered Employment or not, your benefit will begin to be distributed to you as of the April 1 of the calendar year following the year you reach age 72. If you continue working after age 72, your benefit will be recomputed as of each January 1 thereafter to take into account benefits earned based on the hours you worked in the prior year. This recomputed benefit will be offset by the actuarial value of the benefits received in prior years, with the resulting amount to be no less than the benefit determined as of the previous recomputation date.

## ***H. Partial Pensions***

Partial Pensions are provided under this Plan if you would otherwise lack sufficient Service credit to be eligible for any pension because your years of employment were divided between different pension plans or, if eligible, your pensions would be less than the full amount because of such division of employment. To provide such partial pensions, this Plan is signatory to the Reciprocal Agreement for Joint Industry Pension Funds of all District Councils and Local Unions Affiliated with the International Union of Painters and Allied Trades. Wherever referred to in this Subsection, “Signatory Plans” means all plans that are signatory to that Agreement.

### **Recognized Pension Credit**

For purposes of this Plan, the term “Pension Credits” means those periods of Service that credit is granted for benefit accrual purposes. Pension Credits will not necessarily cover periods for which a plan grants credit for vesting purposes under ERISA. Pension Credits that you accumulate and maintain under this Plan will be recognized by the other Signatory Plans. Pension Credits under each plan will be based on the rules in effect in that plan at the time your employment occurred.

### **Total Pension Credit**

The Pension Credit granted under this Plan and the other Signatory Plans together comprise your total Pension Credit. In no case will more than one year of Pension Credit be counted for any 12 consecutive calendar months.

### **Combined Service Credit**

If you have, in a calendar year, worked under two or more plans and accumulated fractional years of Pension Credit that together add up to more than one year of Pension Credit for that calendar year, then the Pension Credit recognized under all plans will be limited to one year. Pension Credit will first be counted under the plan to provide the highest benefit level. The other plan(s) pension credits will count as Pension Credit to the necessary fractional year(s), in a declining benefit level order, which will bring your total to exactly one year of Pension Credit.

### **Eligibility**

You will be eligible for a Partial Pension under this Plan if you satisfy all of the following requirements:

1. You would be eligible for any type of pension under this Plan if your total Pension Credit was treated as Service under this Plan; and
2. You have, under each of the Signatory Plans in which you have credited Service, at least one year of Pension Credit; and
3. If you are applying for a benefit based on a disability, you are able to meet the definition of Permanent and Total Disability on page 10; and
4. If you are applying for a pension based on age, you meet the minimum age requirement in this Plan.

**Breaks-in-Service**

In applying the rules of this Plan with respect to cancellation of Pension Credit, any Pension Credit earned during a period in which you worked in the jurisdiction of another Signatory Plan, will be considered in determining whether there has been a permanent Break-in-Service. However, once you have left the coverage of all the Signatory Plans, the determination as to whether you have a permanent Break-in-Service under each Signatory Plan will be determined by each plan based solely on the vesting service earned under that plan, not on the combined Pension Credit.

**Election of Pensions**

If you are eligible for more than one type of pension under this Plan, you will be entitled to elect the type of pension you receive.

**Partial Pension Amount**

The amount of the Partial Pension payable under this Plan for which you qualify will be the benefit amount you accrued under this Plan during the period you earned the Pension Credit.

**Payment of Partial Pensions**

The payment of a Partial Pension is subject to all of the conditions contained in this Plan applicable to other types of pensions.

**Limits on Other Benefits**

The obligation of each of the Signatory Plans is limited to pension benefits, including survivor's pensions after retirement payable as a result of election of a Survivor's Benefit or Ten Year Guarantee Benefit. This "Partial Pensions" provision does not apply to any pre-retirement death or survivor's benefits. Other benefits provided by any of the plans, after retirement, such as lump sum death benefits, level income or lump sum options, health benefits, etc., are not covered by this provision. However, nothing in this provision will prohibit any plan(s) from providing such benefits in accordance with its own rules and regulations.

**Benefit Increases**

If you leave the jurisdiction of one of the Signatory Plans and the benefit level in that plan is later increased, benefits from that plan will be computed at the benefit level in effect at the time you last earned Pension Credits under that plan.

**Application Procedure**

The plan that you first make application for your benefits with will initiate the processing of a Partial Pension with the other Signatory Plans based upon information you supply as to where you worked. Each plan agrees to provide the other plans with complete data, certified by an authorized administrator or plan employee, in order to process Partial Pensions promptly.



## ***I. Re-Employment After Retirement (Suspension of Benefits)***

If you retire under any one of the pension provisions of the Plan, and later return to work in the industry within the Fund's jurisdiction, your benefits may be suspended. You will be notified if your benefit is suspended as explained below:

### **Suspension of Benefits in Pay Status**

If you are receiving monthly payments of your Accrued Benefit and engage in “Disqualifying Employment”, the rules of this Section will apply. The term “Disqualifying Employment” means, with respect to you if you are otherwise entitled to monthly benefit payments from the Plan, your employment in: (1) the industry in which covered persons are employed and accrue benefits under the Plan as a result of such employment at the time monthly benefit payments to you commenced or would have commenced if you had not remained in or returned to employment; and (2) the trade or craft in which you were employed as a covered person at any time under the Plan; and (3) the geographic area covered by the Plan at the time the payment of benefits commenced or would have commenced if you had not remained in or returned to employment.

#### **1. Suspension For The Period Prior To Your Attainment Of Normal Retirement Age**

For any period of Disqualifying Employment prior to Normal Retirement Age, your monthly benefit payments that otherwise would have been paid by the Plan to you will be suspended. If prior to your attainment of Normal Retirement Age, you prove to the Trustees’ satisfaction that you have ceased all Disqualifying Employment, monthly benefit payments will resume as of the first day of the following month. If you have not ceased your Disqualifying Employment by the time you attain Normal Retirement Age, resumption of your monthly benefits will be governed by Subsection 2. and, as applicable, Subsection 3. below.

#### **2. For The Period After Your Normal Retirement Age**

- a. If you engage in Disqualifying Employment that is Covered Employment after your Normal Retirement Age, your monthly benefits will not be suspended. If at the time you attain Normal Retirement Age your monthly benefits had been suspended due to Disqualifying Employment that is Covered Employment, such monthly benefits will resume immediately, recalculated (as necessary) as described in Subsection 3. below.
- b. If you engage in Disqualifying Employment that is not Covered Employment after attaining Normal Retirement Age, the monthly benefits otherwise payable to you will be suspended for any month for which you are credited with at least 40 hours of Service in such Disqualifying Employment, provided you have been furnished with the notice required by Subsection iii. below.
  - i. If payments are suspended as described in this Subsection 2.b., payments shall resume no later than the first day of the third calendar month after the calendar month in which you cease to be engaged in Disqualifying Employment other than Covered Employment, provided that you have complied with any reasonable procedure adopted by the

Trustees for notifying the Plan that you have ceased such employment. The initial payment upon resumption shall include the payment scheduled to occur in the calendar month when payments resume and any amounts withheld during the period between the cessation of the Disqualifying Employment and the resumption of payments, less any amounts which are subject to offset as provided in Subsection ii. below.

- ii. The Plan may deduct from benefit payments to be made by the Plan the amount of payments previously made by the Plan during those calendar months or pay periods in which you were engaged in Disqualifying Employment that is not Covered Employment, provided that such deduction or offset does not exceed in any one month 25% of that month's total benefit payment which would have been due but for the offset (excluding the initial payment described in Subsection 2.b.i. above, which may be subject to offset without limitation).
- iii. No payment shall be withheld by the Plan pursuant to this Subsection 2.b. unless the Plan notifies you by personal delivery or first class mail during the first calendar month or payroll period in which the Plan withholds payments that your benefits are suspended. Such notification must contain a description of the specific reasons why benefit payments are being suspended, a general description of the Plan provisions relating to the suspension of payments, a copy of such provisions, and a statement to the effect that applicable Department of Labor regulations may be found in Section 2530.203-3 of the Code of Federal Regulations. In addition, the suspension notification shall:
  - inform you of the Plan's procedure for affording a review of the suspension of benefits. Requests for such reviews may be considered in accordance with the Plan's claims and appeals procedure described in *Section 7 – Claims Review and Appeal Procedures* on page 37;
  - where the Plan requires the filing of a benefit resumption notice as a condition precedent to the resumption of benefits, describe the procedure for filing such notice and include the forms (if any) which must be filed;
  - where the Plan intends to offset any suspendible amounts actually paid during the periods of Disqualifying Employment that is not Covered Employment, identify specifically the periods of employment, the suspendible amounts which are subject to offset, and the manner in which the Plan intends to offset such suspendible amounts.

Where the Plan's Summary Plan Description contains information which is substantially the same as information required by the corresponding Section in the Plan, the suspension notification may refer the participant to relevant pages of the Summary Plan Description for information as to a particular item, provided you are informed how to obtain a copy of the Summary Plan Description, or relevant pages thereof, and provided requests for referenced information are honored within a reasonable period of time, not to exceed 30 days.

- iv. You must notify the Plan of any Disqualifying Employment that is not Covered Employment after your Normal Retirement Age. The Plan may request from you access to reasonable information for the purpose of verifying such employment. Furthermore, you must, at such time and with such frequency as may be reasonable, as a condition to receiving future benefit payments, either certify that you are not engaged in Disqualifying Employment that is not Covered Employment, or provide factual information sufficient to establish that any employment does not constitute Disqualifying Employment that is not Covered Employment, if specifically requested by the Trustees or their designee. Once you have furnished the required certification or information, the Plan will forward, at the next regularly scheduled time for payment of benefits, all payments which had been withheld pursuant to this Subsection 2.b.iv. except to the extent that payments may be withheld and offset pursuant to other provisions of this Subsection 2.
  - v. You may request, and the Trustees or their designee in a reasonable amount of time will render, a determination of whether specific employment contemplated by you will be Disqualifying Employment (or Disqualifying Employment that is not Covered Employment), for purposes of this Subsection 2. Requests for status determinations will be considered in accordance with the claims and appeal procedures.
3. Recalculation Of Accrued Benefit Where You Are Engaged In Covered Employment  
If your monthly benefits described in Subsection 2 of this Section are not suspended (because your Disqualifying Employment is Covered Employment), your Accrued Benefit will be recalculated at the end of each full Plan Year beginning with each Plan Year on or after October 1, 2007 in which you are credited with at least 800 hours of Covered Employment.
4. Resumption of Suspended Payments  
When you retire again, your benefit payments will resume in the same amount and under the same option as they were before you returned to work. However, if there has been a general improvement in Plan benefits that you qualify for or you accrued at least one additional year of Service while you were re-employed, the amount of your benefit will be adjusted accordingly. If your monthly benefit is suspended, in accordance with

this Section beginning prior to your Normal Retirement Age and later resumes, it will be resumed in an amount equal to a. plus b., where:

- a. is the greater of:
  - i. the monthly benefit in effect at the time benefits were suspended; and
  - ii. the monthly benefit that is the actuarial equivalent, as of the date the benefit payments resume, of the unsubsidized portion of the monthly benefit that was suspended; and
- b. is the monthly benefit (if any) accrued during the period of re-employment (adjusted, as necessary, for commencement prior to Normal Retirement Age).

If your monthly benefit is suspended, in accordance with this Section, beginning on or after the participant's Normal Retirement Age and later resumes, it shall be resumed in an amount equal to a. plus b., where:

- a. is the monthly benefit in effect at the time benefits were suspended, and
- b. is the monthly benefit (if any) accrued during the period of re-employment.

If you have earned additional benefits during the period of re-employment, and your initial annuity starting date was on or after your Normal Retirement Age, the additional benefits will be paid in the same form in which the Plan had paid your benefits prior to your re-employment. If your initial annuity starting date preceded your Normal Retirement Age, you will need to make new elections in accordance with *Section 6 – Methods of Payment* on page 34 with respect to the additional benefits.

If your payments are resumed during a calendar year that is after the calendar year in which you turn age 72, then your monthly benefit will be increased actuarially to take into account the time you should have received a monthly benefit after turning 72.

- 5. For purposes of this Section, “Covered Employment” will include employment by the International Union.

Age 72, as it is used in this Section 4, shall be age 70½ for any Participant who was born before July 1, 1949.

## **SECTION 5 - SOCIAL SECURITY**

Any benefits you earn under the federally-sponsored Social Security system will come to you in addition to your benefit from the Pension Plan. That will give you two sources of retirement income which, together, should replace a substantial percentage of your after-tax working earnings.

Under current law, Social Security retirement benefits are available to you and your eligible Spouse at your age 65 (higher retirement ages now apply under the Social Security law for participants born after 1938). Social Security also pays medical, disability and survivors' benefits to qualified persons.

When you near retirement, check into your Social Security benefits. For specific figures, call or visit your local Social Security office.

Remember that Social Security benefits are not paid automatically; you have to apply for them. That also is done through a Social Security office.

Finally, keep in mind that it is "the bottom line" that counts - the total amount of your combined retirement income from the Pension Plan and Social Security.

## SECTION 6 - METHODS OF PAYMENT

The way your pension will be paid depends on whether or not you have a Spouse at the time your payments begin, and how you elect to receive your benefit. If you make no election, the Plan provides for two different types of payment:

1. If you do not have a Spouse, you will receive your benefit in the form of a monthly payment for as long as you live. At the time of your death, payments will stop. You may also elect to have your benefit paid in the *Ten Year Guarantee Benefit* discussed below.
2. If you do have a Spouse, you will be paid a reduced monthly benefit for as long as you live, and your Spouse will receive 75% of your monthly benefit for the remainder of your Spouse's life provided you have been married to this Spouse at least one year when you die. (This is called the 75% SURVIVOR'S BENEFIT.) The amount of your benefit is reduced to reflect the fact that more monthly payments might be made to you and your Spouse together under this form of payment than if benefits were paid to you only. After you and your Spouse have died, no further monthly payments will be made. However, if you retired after September 30, 1997 and your Spouse should die before you do, then your benefit will "pop-up" to the amount you would have received had your benefit not been reduced at the time of your retirement. You may also elect to have your benefit paid in the *50% Survivor's Benefit, the Lifetime Benefit, or the Ten Year Guarantee Benefit* discussed below, if you obtain spousal consent.

### **Form of Payment Election**

You will be provided with a written notice that describes the Plan's normal form of benefit payment and each optional form of payment and their relative values. This notice will be provided to you not earlier than 180 days and not later than 30 days prior to commencing your monthly payments. You will be able to change your form of payment election any time before your benefit payments begin. However; once payments begin you will be unable to change the form of payment, unless you meet the criteria stated below.

Effective October 1, 2003, if you retire with a Normal, Early or Late Retirement Benefit and have been receiving monthly benefit payments for less than two years, and:

1. If you are unmarried, you elected a form of payment other than the Lifetime Benefit (normal form for unmarried participants); or
2. If you are married, you elected a form of payment of the 75% Survivor's Benefit (normal form for married participants) or any optional form other than the Lifetime Benefit (normal form for unmarried participants),

you will be allowed to elect to change the form of payment of your benefit to the Lifetime Benefit (normal form for unmarried participants). If you choose to change the form of payment under this option, your benefit amount will increase to the amount that would have been paid if you had elected this form of payment before your payments began. If you are married, your Spouse must consent to this change in writing. Any change in the form of payment will be effective the first

day of the month following your written request and you will not receive any retroactive increased payments. Additionally, if you make this change of form of payment election, you will not be permitted to revoke the election.

### **Spousal Consent**

You may, if you wish, elect not to have your benefit paid in one of the above forms. To elect an alternative form of benefit, you must file a written claim for benefits with the Fund Office before your benefits begin and your Spouse, if you have one, must consent to your election of a different payment method. Once you begin to receive your benefits, you may not elect a different method of payment, unless you meet the criteria above. You may elect from:

1. ***The Lifetime Benefit*** described above (normal form for unmarried participants); or
2. ***The 75% Survivor's Benefit*** described above (normal form for married participants); or
3. ***The 50% Survivor's Benefit***. This form of payment is similar to the 75% Survivor's Benefit described above (normal form for married participants) except that your surviving Spouse will receive 50% of your monthly benefit for the remainder of your Spouse's life provided you have been married to your Spouse for at least one year when you die.
4. ***The Ten Year Guarantee Benefit***. Under this form of payment, you will receive a reduced monthly benefit for as long as you live; plus, if you die before you receive 120 monthly payments (ten years), your designated beneficiary will continue to receive your benefit until 120 monthly benefits have been paid. If you have begun receiving the Ten-Year Guarantee Benefit, you may change your beneficiary any time before you have received 120 monthly payments. If you are married and designate someone other than your Spouse as your beneficiary, your Spouse must consent to your beneficiary designation. A lump-sum distribution of the balance of the 120 payments will be made to your estate if both you and your beneficiary die before ten years of payments are made.

### **Commencement Date for Pension Payment**

Unless you elect otherwise, your benefit will begin the earlier of:

1. As soon as administratively feasible after you meet all Plan requirements, including filing a claim for benefits; or
2. The 60<sup>th</sup> day after the end of the Plan Year that you reach your Normal Retirement Age and: (a) observe your 10<sup>th</sup> anniversary of the year in which you began participating in the Plan, or (b) are not employed by an Employer, whichever is later. However, if the amount of the payment to be made to you cannot be determined by the later of (a) or (b), a retroactive payment may be made no later than 60 days after the earliest date on which the amount of the benefit can be determined.

In addition, payments must begin no later than the date a Mandatory Distribution is required, as explained in *Subsection G of Section 4 – Pension Amounts (page 26)*.

### **Benefit Limits**

There is a cap on the dollar amount of your benefit required by federal law. This dollar cap varies depending on your age when your benefit commences and year of retirement. **If your earned benefit exceeds either of these limits, your benefit must be reduced.**

An accurate calculation of your maximum benefit limit cannot be completed until you retire. However, an approximate preliminary determination can be made well before retirement. If you wish to receive a preliminary calculation, contact the Fund Office.



## **SECTION 7 - CLAIMS REVIEW AND APPEAL PROCEDURES**

These Claims Review and Appeal Procedures (“Procedures”) apply to the Painters District Council No. 3 Pension Plan (“Plan”). Only the Pension Application Committee or the Board of Trustees has final authority to initially approve or deny a claim.

If you are a participant or beneficiary (called a “Claimant” for purposes of these Procedures) and you wish to receive a benefit from the Plan, you must file a claim with the Plan. You may obtain the claim for benefit and any other necessary forms by calling or writing the Plan Administrative Manager, Wilson-McShane Corporation, PO Box 909500, Kansas City, MO 64190-9500, telephone number (816) 756-3313 or toll-free at (866) 756-3313. You should submit all required forms, documents, and information in advance of the date you wish payment of your pension benefit to begin.

If you are a Claimant, you may choose another person to file or appeal a claim for you. This person will be called your Authorized Representative. The Trustees have the right to require that you give the Plan a signed statement, advising the Trustees that you have authorized that person to act on your behalf regarding your appeal. Any representation by another person will be at your own expense.

If you choose an Authorized Representative to act on your behalf, the Trustees will send all information and notifications regarding your claim or appeal to that person. If you do not want your Authorized Representative to receive this information, you must submit a written statement to the Trustees stating you wish to receive all information and notifications.

An Authorized Representative will be able to act in any manner regarding your claim or appeal as you would.

You may decide at any time that you no longer want your Authorized Representative to act on your behalf. In this case, you must submit a written statement to the Board of Trustees canceling that person’s status as your Authorized Representative.

A claim for a benefit is considered to have been received on the date the signed claim for benefit form is received by the Administrative Manager. An inquiry over the phone is not considered a claim.

### **Notice of Denial of Benefits**

The following rules shall apply in the event a claim for benefits is not approved:

#### **A. Timing of Notice of Denial of Claims Other Than Disability Claims**

If a claim, except for a claim for Disability Benefits, is wholly or partially denied, the Administrative Manager will notify you, in accordance with paragraph D. of this Section, of the Plan’s denial of benefits within a reasonable period of time, but not later than 90 days after receipt of the claim by the Plan, unless the Administrative Manager determines that special circumstances require an extension of time for processing the claim. If the

Administrative Manager determines that an extension of time for processing is required, written notice of the extension shall be furnished to you prior to the termination of the initial 90 day period. In no event shall such extension exceed a period of 90 days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

**B. Timing of Notice of Denial of Disability Claims**

In the case of a denial of a claim concerning Disability Benefits, the Administrative Manager will notify you, in accordance with paragraph D. of this Section, of the Plan's denial of benefits within a reasonable period of time, but not later than 45 days after receipt of the claim by the Plan. This period may be extended by the Plan for up to 30 days, provided that the Administrative Manager both determines that such an extension is necessary due to matters beyond the control of the Plan and 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 Plan expects to render a decision. If prior to the end of the first 30 day extension period the Administrative Manager determines that, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that the Administrative Manager notifies you, prior to the expiration of the first 30 day extension period, of the circumstances requiring the extension and the date as of which the Plan expects to render a decision.

**C. Calculation of Time**

In the case of any extension under paragraphs A. or B., the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and that you shall be afforded 45 days within which to provide the specified information. The period of time within which a benefit determination is required to be made shall begin at the time a Claim is filed in accordance with these Plan procedures without regard to whether all the information necessary to make a benefit determination accompanies the filing. In the event that a period of time is extended as permitted pursuant to paragraphs A. or B. of this Section due to a Claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination on review shall be suspended from the date on which the notification of the extension is sent to the Claimant until the earlier of the date on which the Claimant responds to the request for additional information or the deadline for providing additional information. The Plan will then have the remainder of the time period to make the benefit determination on appeal. **If the Plan requests additional information and you do not provide it within the necessary period, your appeal will be denied.**

D. Content of Notice

The Administrative Manager will provide the Claimant with written notice of any denial of benefits. The notification will set forth, in a manner calculated to be understood by the Claimant:

1. The specific reason or reasons for the denial of benefits;
2. Reference to the specific Plan provisions on which the determination is based;
3. A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary;
4. A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of ERISA following a denial of benefits on review;
5. In the case of a denial of benefits concerning Disability Benefits, if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the denial, a statement specifically referencing the rule, guideline, protocol, or other similar criterion that was relied upon in making the denial and that a copy of such rule, guideline, protocol, or other criterion will be provided to you, free of charge, upon request. The statement shall also contain a statement that the claimant 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 claim for benefits; and
6. In the case of a denial of benefits concerning Disability Benefits, the Plan must provide the denial in a culturally and linguistically appropriate manner to you if you reside in a county where 10 percent or more of the population is literate only in the same non-English language.

If you are still not satisfied with the action taken on your claim, you have the right to appeal. The procedures for appeal are set forth below. These procedures have been established in accordance with the requirements of the Employee Retirement Income Security Act of 1974 (ERISA). **IF YOU DO NOT APPEAL A DENIAL OF BENEFITS WITHIN 60 DAYS (180 DAYS FOR DISABILITY CLAIMS), THE DENIAL BECOMES FINAL.**

**Appeal of a Denial of Benefits**

In the event that you or your beneficiary's claim for benefits is denied, you may appeal to the Trustees within 60 days (180 days for Disability Claims) of receipt of the notice denying the benefits. Any request for appeal after 60 days (180 days for Disability Claims) will be denied. Your request for an appeal must be in writing. You should contact the Administrative Manager for more information on the appeal process. You should also read the following information on the Claims Appeal and Review Process.

The following rules apply to Appeals of a Denial of Benefits:

- A. You have 60 days (180 days for Disability Claims) following receipt of a notification of a denial of benefits within which to appeal the determination.
- B. You have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits.
- C. You will be provided, upon request and free of charge, reasonable access to, and copies of all documents, records and other information relevant to your claim for benefits.
- D. The review on appeal will take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.
- E. In deciding an appeal of any Adverse Benefit Determination for a Disability Claim that is based in whole or in part on a medical judgment, the appropriate named fiduciary will:
  - 1. Consult with a health care professional who:
    - a. has appropriate experience in the field of medicine involved in the medical judgment; and
    - b. is neither an individual who was consulted in connection with the Adverse Benefit Determination that is the subject of the appeal nor the subordinate of any such individual; and
  - 2. Provide, upon request, the identification of medical or vocational experts whose advice was obtained on behalf of the Fund in connection with an Adverse Benefit Determination without regard to whether the advice was relied upon in making the Adverse Benefit Determination.
- F. The Trustees will be empowered to hold a hearing, at which you will be entitled to present the basis of your appeal. You may be represented by an attorney at any stage in the appeal process at your own expense.
- G. The Trustees will designate an Appeal Committee, which will hold regularly scheduled meetings once each calendar quarter. The Appeal Committee will make a benefit determination no later than the date of the meeting of the Appeal Committee that immediately follows the Plan's receipt of a request for review, unless the request for review is filed within 30 days preceding the date of such meeting. In such case, a benefit determination may be made by no later than the date of the second meeting following the Plan's receipt of the request for review. If special circumstances (such as the need to hold a hearing) require a further extension of time for processing, a benefit determination will be rendered not later than the third meeting of the Trustees following the Plan's receipt of the request for review. If such an extension of time for review is required because of special circumstances, the Administrative Manager will provide you with written notice of the extension describing the special circumstances and the date as of which the benefit

determination will be made, prior to the commencement of the extension. The Administrative Manager will notify you, in accordance with paragraph J. of this Section, of the benefit determination as soon as possible, but not later than five days after the benefit determination is made.

- H. The period of time within which a benefit determination on review is required to be made will begin at the time an appeal is filed in accordance with the reasonable procedures of a Plan, without regard to whether all the information necessary to make a benefit determination on review accompanies the filing. In the event that a period of time is extended as permitted pursuant to paragraph G. of this Section due to your failure to submit information necessary to decide a claim, the period for making the benefit determination on review will be suspended from the date on which the notification of the extension is sent to the Claimant until the earlier of the date on which the Claimant responds to the request for additional information or the deadline for providing additional information. The Plan will then have the remainder of the initial time period to make the benefit determination on appeal. **If the Plan requests additional information and you do not provide it within the necessary period, your appeal will be denied.**
- I. In the case of a denial of benefits on appeal, the Administrative Manager will provide you access to, and copies of documents, records, and other information described in paragraph D. of this Section, as appropriate.
- J. The Administrative Manager will provide a Claimant with written notification of a Plan's benefit determination on appeal, whether adverse or not. Notification will be made in accordance with paragraph D.1 through D.6 of the previous section entitled "Notice of Denial of Benefits," as appropriate.

**The Board of Trustees, the Appeal Committee, or its designated representative will have the authority and all discretion to interpret, construe, and apply all terms of the Pension Plan, Summary Plan Description, the Plan Document, and Amended Agreement and Declaration of Trust and/or any rules and regulations established by the Trustees, including, but not limited to, provisions concerning eligibility for, entitlement to and the nature, amount, and duration of benefits, in reaching a decision on the Claimant's request for review of the denial of the claim. The decision of the Trustees shall be final.**

If you have exhausted the Claims and Appeal process or if the Plan fails to follow the reasonable Claims and Appeal Procedures as described in this Section, you may proceed with any legal action available to you pursuant to ERISA Section 502 or other applicable law.

You may, at your expense, have legal representation at any stage of these review procedures.

In reviewing your claim, every effort will be made by the Trustees to handle interpretations of the Plan and claims disputes in a consistent and equitable manner, treating similarly situated Claimants similarly. In addition, the Trustees will make every effort to assure that you receive a full and fair review if your claim is denied.

**IF YOU HAVE ANY QUESTIONS ABOUT THESE REVIEW PROCEDURES, PLEASE CONTACT THE PLAN ADMINISTRATOR.**

### **Hearing Procedures**

The following procedures are established for hearings by the Trustees:

1. You or your Authorized Representative will be afforded an opportunity to appear before the Trustees and will have the right and opportunity to examine witnesses, produce documents and other evidence material to the claim.
2. The proceedings of the hearing will be preserved.
3. In conducting the hearing, the Trustees will not be bound by the usual common law or statutory rules of evidence.
4. You or your Authorized Representative will have the right to review the records of the hearing and obtain a copy thereof, and review and obtain a copy of all documents and records introduced or referred to therein. Copies of documents will be available at a reasonable cost. However, copies requested with respect to Disability Claims will be made available free of charge.
5. Copies will be made of all documents and records introduced at the hearing, and they will be attached to the record of the hearing and made a part thereto.
6. All information upon which the Trustees based their decision will be disclosed to the Claimant or Authorized Representative at the hearing.
7. In the event that additional evidence is introduced by the Trustees at the hearing which was not made available to you or your Authorized Representative prior to the hearing, you or your Authorized Representative will be granted a continuance of so much time as you desire, not to exceed 30 days. For purposes of this Section, evidence discovered upon examination of your own witnesses will not be considered "new evidence."
8. You or your Authorized Representative will be afforded the opportunity of presenting any evidence on your behalf. If you or your Authorized Representative offers new evidence, the hearing may be adjourned for a period not to exceed 30 days to allow the Trustees to investigate the additional evidence or determine the accuracy of your new evidence.

The written decision of the Trustees shall be final, binding, and conclusive. All review procedures described above must be followed and exhausted before you may institute any legal action including an action or proceeding before any court, administrative agency, or arbitrator, unless the Plan fails to follow the reasonable Claims and Appeal Procedures, as set forth herein.

**Mandatory Litigation Venue**

You may only bring an action in connection with the Plan in the U.S. District Court for the Western District of Missouri.

## **SECTION 8 - PROCEDURES FOR QUALIFICATION OF DOMESTIC RELATIONS ORDERS**

1. In the event that you become involved in a divorce action and you and/or your Spouse need or want to obtain information concerning your pension benefits, you and/or your Spouse, known as the “alternate payee” and/or your Spouse’s designated representatives must submit a request for information, in writing, to the Fund Office. An Authorization to Release Information should be sent with the letter requesting information. The Authorization to Release Information form may be obtained from the Fund Office.
2. If you are obtaining a divorce or have obtained a divorce, and a Domestic Relations Order is to be entered or has been entered, the following process should be followed:
  - a. You, any alternate payee and/or their designated representative, should submit a copy of the Domestic Relations Order or proposed Order to the Pension Fund Office as soon as possible. It is suggested that a proposed Domestic Relations Order be sent to Fund Counsel prior to obtaining the Court's approval so that the necessary revisions can be made to the Order before it is entered by the Court.
  - b. The Fund Counsel will review the Domestic Relations Order to determine if it contains all of those items required by Retirement Equity Act of 1984 (REA). The Fund Consultant and/or Fund Actuary will issue a benefits report which will include a calculation of benefits to be paid to you and/or to the alternate payee, an actuarial analysis, and a determination as to whether the Order conforms to the provisions of the Plan.
  - c. For a Domestic Relations Order to be “Qualified” it must meet the requirements of Subsections (i) through (viii), below:
    - i. The Order must specify your name and your last known mailing address and the name and last known mailing address of each alternate payee covered by the Order;
    - ii. The Order must specify your Social Security number and the Social Security number of each alternate payee (may be provided under supplemental confidential sheet);
    - iii. The Order must specify the amount or percentage of your benefits to be paid by the Fund to each alternate payee, or the manner in which the amount or percentage is to be determined;
    - iv. The Order must specify the number of payments or period of time to which the Order applies;



- v. The Order must state the proper legal name of each plan (or predecessor plan) to which the Order applies;
  - vi. The Order must not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan except that a benefit may be payable to the alternate payee for his or her lifetime which is actuarially equivalent to the benefit payable to the alternate payee based on the lifetime of the participant;
  - vii. The Order must not require the Plan to provide benefits in excess of the benefits to which you would otherwise be entitled under the Plan, (determined on the basis of actuarial value); and
  - viii. The Order must not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another Order previously determined to be a Qualified Domestic Relations Order.
- d. Fund Counsel will contact you, any alternate payee and/or their designated representatives to resolve any issues which prevent the Domestic Relations Order from being Qualified.
  - e. Upon making an initial determination that a Domestic Relations Order complies with federal law, Fund Counsel shall transmit the Domestic Relations Order or proposed order to the Fund Consultant and/or Actuary for a benefit report, an actuarial analysis, and determination as to whether the order conforms to the provisions of the Plan.
  - f. The Domestic Relations Order will then be submitted to the Pension Fund's Qualified Domestic Relations Order Committee for final approval as a Qualified Order.
  - g. A copy of the final Order entered by the Court will be retained in the Fund's permanent files for both you and any alternate payee.
  - h. If the review process is not completed within 18 months after benefit payments are to be made in accordance with a Qualified Domestic Relations Order, the Fund will distribute the pension benefits as if a Qualified Domestic Relations Order concerning the distribution of pension benefits was never entered.
  - i. During the period that a Qualified Domestic Relations Order is being reviewed, the Pension Fund will not distribute any pension benefits, unless the pension benefits are not in dispute.
- 3. If you or the alternate payee have any questions concerning the interpretation of the Order, after a Domestic Relations Order has been Qualified, you should contact the Pension Fund Office, in writing, to request a clarification. Any requests for clarification concerning

Qualified Domestic Relations Orders will be submitted to the Pension Fund's Qualified Domestic Relations Order Committee for a decision. The Committee will have the authority to interpret, construe and apply the provisions of the Qualified Domestic Relations Order and to make all decisions concerning your or the alternate payee's entitlement to benefits.

4. Please contact the Fund Office for a complete copy of the Qualified Domestic Relations Order procedures or with any further questions.

## **SECTION 9 - ADMINISTRATION OF THE PLAN**

One of the main goals of the Employee Retirement Income Security Act of 1974 (ERISA) is expanded reporting and disclosure of benefit plan operations and provisions to the Department of Labor, the Internal Revenue Service, and to Plan participants and beneficiaries. It is the intention of the Trustees to comply fully with all aspects of ERISA; therefore, the following information is being disclosed to you:

### ***Name of Plan***

The Plan is known as the Painters District Council No. 3 Pension Plan.

### ***Administration of the Plan***

The Plan is administered by a joint Board of Trustees, one-half of whom are appointed by the Union(s) and one-half of whom are appointed by the Association. The Trustees have hired a contract administrative manager to perform the day-to-day operations of the Plan, such as maintaining records, making benefit payments and handling general administrative matters. The contract administrative manager is:

Wilson-McShane Corporation  
PO Box 909500  
Kansas City, MO 64190-9500  
Telephone: (816) 756-3313  
Toll-Free: (866) 756-3313

The names and addresses of each Trustee are listed on page 1 herein.

Participants and beneficiaries may receive from the Plan Administrator, upon written request, information as to whether a particular employer or employee organization is a sponsor of the Plan and, if the employer or employee organization is a Plan sponsor, the sponsor's address.

The Board of Trustees is both the Plan Sponsor and Plan Administrator.

### ***Plan Identification Numbers***

The Employer Identification Number (EIN) assigned to the Plan by the Internal Revenue Service is 43-6098242. The Plan Number (PN) assigned by the Plan Sponsor is 001.

### ***Agent for Service of Legal Process***

Arnold, Newbold, Sollars, & Hollins, P.C.  
1100 Main Street, Suite 2001  
Kansas City, Missouri 64105  
Telephone: (816) 421-5788

Service of process may also be made upon any Plan Trustee or the Administrative Manager.

## ***Plan Consultant and Actuary***

United Actuarial Services, Inc.  
11590 North Meridian Street, Suite 610  
Carmel, Indiana 46032

## ***Type of Plan***

The Pension Plan is known as a Defined Benefit Plan.

## ***Collective Bargaining Agreement***

The Plan is maintained under collective bargaining agreements between the Employers and participating Unions. The Fund Office will provide you, on written request, information about whether a particular employer or employee organization is contributing to the Plan on behalf of participants working under collective bargaining agreements, as well as the address of the contributor. Also, a copy of the collective bargaining agreement may be examined at the Fund Office, and is available on written request to the Administrative Manager. The Administrative Manager may make a reasonable charge for any copies requested.

## ***Assets***

All assets of the Fund are held in trust by the Board of Trustees for the sole purpose of providing benefits to eligible participants and beneficiaries and defraying reasonable costs of administration.

## ***Plan Year***

The Plan's fiscal records are maintained on a Plan Year of October 1 to September 30.

## ***Small Benefits***

If the single lump sum value of benefits payable to you is less than \$5,000, you will receive such lump sum payment instead of the other benefits described in this booklet. Any distribution over \$1,000 will require your consent, unless it is made after Normal Retirement Age. If the value of your Accrued Benefit is \$1,000 or less at the time your benefit first becomes payable, the Trustees may pay the benefit in a single sum without your consent, as soon as practicable.

## ***Source of Contributions***

The benefits described in this booklet are provided through contributions from participating employers and employee organizations and by investment income earned on a portion of the Fund's assets. The amount of contributions and the Employee on whose behalf the contributions are made or required to be made are determined by the provisions of the collective bargaining agreements.

You are not required or allowed to make any personal contributions to the Pension Plan. All contributions to the Plan come from Employers, and are deposited in the Fund to accumulate and provide retirement benefits for eligible participants.

The Plan is subject to annual actuarial review to assure that the relationship between income and benefit costs meet the funding standards required by ERISA.

## ***Eligibility and Benefits***

The types of benefits provided and the Plan's requirements with respect to eligibility, circumstances which may result in disqualification, ineligibility, denial, or loss of any benefits are described in this booklet.

## ***Amending or Terminating the Plan***

While the Unions and the Employers expect to continue the Plan indefinitely, the Trustees of the Plan have the right to amend or terminate the Plan at any time. However, no amendments can reduce the vested benefits you have already earned.

## ***Asset Distribution Upon Termination***

If the Plan is terminated, the Plan assets will be distributed in the order of priority set by the Employee Retirement Income Security Act of 1974 (ERISA) which regulates pension plans. If assets remain after the liabilities for all Accrued Benefits and expenses have been satisfied, all benefits will be increased as necessary to liquidate the excess assets. In no event can money go back to an Employer after termination.

## ***Right of Recovery***

If the Plan makes an inadvertent, mistaken, or excessive payment of benefits not provided for under the terms of the Plan, the Trustees or their representatives shall have the right to recover such over payments from you or your Beneficiary who received them. Recovery of such payments may be made through, but is not limited to, offset or reduction of future benefit payments.

## ***Pension Benefit Guaranty Corporation***

Your pension benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension agreement 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 five 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 at <http://www.pbgc.gov>.

## **SECTION 10 - SUMMARY OF RIGHTS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974**

### **Your Rights**

As a participant in the Painters District Council No. 3 Pension Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

### **Receive Information About Your Plan and Benefits**

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the 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 summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Subject to limitations allowed by law, obtain a copy of any periodic actuarial report, a copy of any quarterly, semi-annual or annual financial report prepared by an investment advisor or other fiduciary, or a copy of the application filed with the Secretary of Treasury requesting an extension of amortization periods under Section 304 of ERISA and the determination of such Secretary pursuant to such application. Requested reports must be in possession of the Plan for at least 30 days before the Administrative Manager is required to furnish the reports. These reports must be requested in writing and are not required to be given more than once every 12 months. The Administrative Manager may make a reasonable charge for the copies.

Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and if so, what your benefit 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 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, 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.

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 Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security 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.

### ***A FINAL WORD***

***This booklet has been prepared carefully; however, errors can occur. If there should be any conflict between the material in this booklet and the actual terms and provisions of the Plan, as set out in the official Plan documents, then the official Plan documents will govern. When the time comes for you to receive a benefit from the Plan, you'll receive the amount to which you are fairly and equitably entitled to under its formal terms and conditions.***