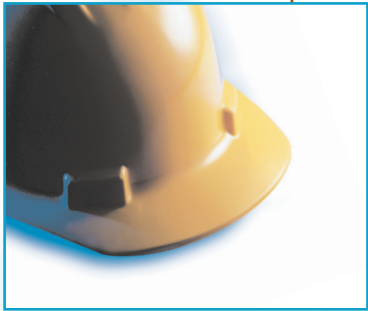




NYC District Council of Carpenters Annuity Plan



summary plan description

New York City District Council of Carpenters Annuity Plan

Highlights and General Information

- Plan Name:** New York City District
Council of Carpenters Annuity Plan
- Effective Date:** The New York City District Council of Carpenters Annuity Plan was originally effective on July 1, 1966. This booklet describes it in operation on July 1, 2007.
- Type of Plan:** The *Plan* is a defined contribution plan. It is also a *Profit Sharing Plan* under section 401(a) and 501(a) of the Internal Revenue Code.
- Plan Year:** The *Plan Year* is the 12-month period beginning on July 1 each year and ending on June 30. Records for the *Plan* are kept on a *Plan Year* basis.
- Plan Sponsor:** Board of Trustees
New York City District
Council of Carpenters Annuity Plan
395 Hudson Street
New York, New York 10014
- Employer
Identification Number:** 51-0174279
- Plan Number:** 001
- Plan Administrator:** The Board of Trustees will serve as *Plan Administrator*. For questions, you may contact the office of the Board of Trustees at: 212-366-7300.
- Eligibility Requirements:**
- *Members* working in *Covered Employment* within the jurisdiction of the *District Council* and *Local Unions*
 - *Employees* of the *District Council* or *Related Organizations*
 - Completion of one *Hour of Service* in *Covered Employment*



Contributions:

- **Rollover Contributions**—funds transferred to your **Account** directly or indirectly from a **Qualified Plan**, retirement plans including a 403(b) annuity contract, a governmental 457(b) plan or indirectly through an **Individual Retirement Account (IRA)**.
- **Employer Contributions**—a percentage of your **Eligible Earnings** based on the terms of the **Collective Bargaining Agreement** or such other written agreement in effect.

Vesting: 100 percent immediate vesting in all contributions made to your **Account**.

To Access Your Account:

- Call the **Interactive Voice Response (IVR) service** at **877-PRU-2100 (877-778-2100)**
- Access the **Prudential Retirement® Online Retirement Center** internet website at **www.prudential.com/online/retirement**

Taking Money Out of Your Account:

- **Loans**
- **Withdrawals:**
 - For financial hardships from **Contributions** (and earnings) made on and after July 1, 1992.
 - After 60 months of participation from **Contributions** (and earnings) made on and after July 1, 1992.
 - Effective July 1, 2007, if you are actively employed and have attained age 62 in-service withdrawals from **Contributions** (and earnings) made before July 1, 1992.
- **Distributions**
 - Termination
 - Retirement
 - Disability**
 - Death (payment made to your **Beneficiary(ies)**)

Payment Options:

- Lump-sum cash payment
- Installments
- **Annuities** (for **Accounts** established before July 1, 1995)
- Any combination of the above

Trustees:

Board of Trustees
New York City District Council of Carpenters Annuity Plan
395 Hudson Street
New York, New York 10014



Using This “Summary Plan Description”

Whether you’ve already begun to save for your future or are just thinking about it, the information contained in this booklet is very important to you. Please read it very carefully.

Definitions of words or phrases that appear bolded and italicized (e.g., ***Plan***) can be found in the Glossary at the end of the booklet. Following the Glossary, you will find an Index containing IRS terms and acronyms that you may have encountered. These terms are also bolded and italicized throughout the text.

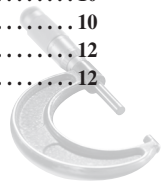
Remember that the information in this booklet is only an overview of the important provisions of your ***Plan***. Every effort has been made to accurately describe the ***Plan*** provisions which are contained in the ***Plan*** document. If there is a difference between this booklet and the ***Plan*** document, the ***Plan*** document will govern. You can review the ***Plan*** in the ***Plan Administrator’s*** office during regular business hours if you have any questions this booklet doesn’t answer. If you want your own copy of the ***Plan***, please write your ***Plan Administrator***. There may be a small charge to cover the expenses of copying.

Please make sure the Benefit Funds has your most current address and ***Beneficiary*** designation.



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1. Introduction

The New York City District Council of Carpenters Annuity Plan was established by trust agreement through the collective bargaining between the New York City District Council of Carpenters of the United Brotherhood of Carpenters and Joiners of America and various employers.

The Annuity Plan provides for your retirement security by permitting your **Contributing Employers** to make contributions to the **Plan** on your behalf. Because the **Plan** is qualified by the **Internal Revenue Service**, special tax rules allow you to save more dollars for your retirement.

Your savings are held for you in your individual **Account** until they are distributed as provided under the **Plan**.

2. Eligibility

You are eligible to participate in the **Plan** if you are a **Member** covered by a **Collective Bargaining Agreement** between an **Employer** and the **Union** that requires contributions on your behalf to the **Plan** and you complete one **Hour of Service**. You must be working in **Covered Employment** to participate in the **Plan**.

You are also eligible to participate in the **Plan** if you are an **Employee** of the **District Council** and **Related Organizations**, provided your employer enters into a written agreement which requires your employer to make contributions on your behalf to the **Plan** and you complete one **Hour of Service**.

Your participation will cease on the date immediately following the date that the **Plan** distributes the value of your entire **Account** to you because you:

- Retire on or after **Normal Retirement**, **Early Retirement**, are **Disabled**, or you die, or
- Terminate employment covered by the **Plan** for reasons other than retirement, death or **Disability**.

If you cease participation in the **Plan**, as described above, and you are later reemployed by a **Contributing Employer**, you will recommence participation in the **Plan** beginning on the first day that your **Contributing Employer** is required to contribute on your behalf to the **Plan** and you complete one **Hour of Service**.



3. Plan Contributions

Employer Contributions

Your *Contributing Employer* will make *Employer Contributions* to the *Plan* in the amount and manner required under the *Collective Bargaining Agreement* between the New York City District Council of Carpenters of the United Brotherhood of Carpenters and Joiners of America and various employers or any other labor agreement, participation agreement or other written agreement between your *Contributing Employer* and the *Trustees*.

Taxes are deferred on investment earnings in your individual *Account* and on any *Contributions*. You therefore pay no Federal income taxes on your *Plan* savings until they are distributed to you.

Military Leave

If you return to employment following a military leave, you may be entitled to benefits under the *Plan* for the period that you were absent from employment. You should see the *Administrator* for information regarding Plan benefits during military leave.

Rollover Contributions

Once you have become a *Participant* in the *Plan*, you may make a *Rollover Contribution* to the *Plan*. You may elect to roll over eligible distributions from a *Qualified Plan*, a 403(b) annuity contract or a governmental 457(b) plan into your individual *Account* under the *Plan*. You may also elect to roll over distributions from an *Individual Retirement Account*.

You may not roll over the following:

- After-tax employee contributions
- Roth contributions
- Hardship distributions
- Loans

The Limit on Total Contributions

A limit is placed on the *total* amount of *all* types of contributions (excluding *Rollover Contributions*) that are made to the *Plan* each year. This limit is the *smaller* of two amounts:

- \$45,000 (to be adjusted for inflation each year); or
- 100 percent of your salary.

If you have any questions about these limits, contact the *Plan Administrator*.

4. Vesting

Vesting means that you have a right to all or a portion of the money in your *Account*—rights that cannot be forfeited or otherwise taken away. This *Plan* provides for 100 percent immediate vesting of all contributions made to your *Account*.

5. Your Investment Options

You direct how your **Account** is invested. You can choose to invest contributions in the wide variety of funds offered under your **Plan**. Each of these funds is designed with a specific investment objective. You should become familiar with each fund's investment goals and level of risk before making your investment decision. If you have made no investment election that would apply to your current **Account** balance or contributions, they will be invested in the Carpenters Balanced Fund or a qualified default investment fund selected by the **Trustees**. The **Plan Administrator** is under no duty to provide investment advice to you and the provision of information required by **ERISA Section 404(c)** does not constitute a provision of investment advice.

Information on the funds was included with your enrollment materials and is available through the **Interactive Voice Response (IVR) service** or the **Prudential Retirement Online Retirement Center**. Please contact your **Plan Administrator** if you would like further information on the funds your **Plan** offers.

The **Plan** is intended to meet the requirements of **ERISA Section 404(c)** and its regulations, Title 29 of the Code of Federal Regulations Section 2550.404c-1. Under these rules, the **Plan's Fiduciaries** are relieved of liability for losses that are a direct and necessary result of your investment instructions. Please contact the **Plan Administrator** for details.

Making Changes to Your Investment Choices

As your personal situation changes, you may decide to change your investment choices. Your **Plan** allows you to make the changes you need by following the guidelines in Section 6, Monitoring and Managing Your Account.

The **Plan** has adopted an Excessive Trading Monitoring Policy designed to protect the interests of the vast majority of **Plan** participants who are long-term investors. Under the Policy, each participant's investment fund transfer activities are monitored to determine whether there are any excessive trading (or market timing) activities. The term excessive trading or market timing as used here means a pattern of frequent transfers in and out of the same investment fund over a short period of time (30 days). Excessive trading or market timing is inappropriate when it negatively affects other fund investors. If a **Plan Participant** has engaged in excessive trading or inappropriate market timing, under the **Plan's** Policy, his or her ability to make investment transfers in or out of a particular fund may be restricted.

Excessive trading (or market timing) is:

- A roundtrip trade (in and out or vice versa) within the same investment option in a 30-day period, where the sum total of the roundtrip trade is greater than \$50,000 and a trading pattern that was not the result of systematic rebalancing, transfers supporting a long-term asset allocation strategy, payroll deductions, or other retirement planning activities.
- Note: Each one-way trade in the roundtrip trade must be equal to or greater than \$25,000. For example, a trade into the International Fund of \$15,000 and a trade out of the International Fund (within 30 days) of \$40,000 would not be a violation of the Policy even though the total roundtrip trade is greater than \$50,000 because the first portion of the roundtrip trade is not equal to or greater than \$25,000.



If it is determined that you have had any excessive trading (or market timing) activities in your individual *Account* the following actions will be taken:

- You will receive a warning letter upon the first instance of an excessive trading (or market timing) pattern. The second instance generates an action letter to you. Both letters will come from the *Insurance Company*, which is administering the Policy for the *Plan*.
- If you receive an action letter your ability to initiate transactions through Internet, phone, or fax will be suspended for period of 90 days. **However, transactions can be initiated via U.S. Mail during this 90-day period.**

The *Plan* will continue to monitor trading activity and new regulatory requirements. You will be notified of any changes that are made to the Excessive Trading Policy.

Additional Information on Investment Alternatives

If you would like additional information about the investment alternatives, you may request this information from the *Interactive Voice Response (IVR) service*, at **877-PRU-2100 (877-778-2100)**. The following additional information is available:

- A description of the annual operating expenses for each investment alternative (for example, any investment management fees, administrative fees, or transactional costs) which reduce the rate of return that you will receive, and the aggregate amount of these expenses expressed as a percentage of the average net assets of the investment alternative.
- Copies of any prospectuses, financial statements, reports, and any other materials relating to the investment alternative that is provided to the *Plan*.
- A list of the assets held by the investment alternative, if the investment alternative is one for which the assets are considered *Plan* assets. This information includes the name of the issuer of any fixed rate investment contract issued by a bank, savings and loan association, or insurance company, the term of the contract, and the rate of return.
- Information on the value of the shares or units of the investment alternative, as well as past and current investment performance.

6. Monitoring and Managing Your Account Options

Information about your *Account* balance is available to you seven days a week. You are able to monitor and manage your retirement *Account* by using the following convenient resources:

Prudential Retirement Interactive Voice Response (IVR) Service

The 24-hour toll-free voice response service allows you to access information about your *Account* and perform certain transactions using your telephone keypad. To access the *IVR service*, call **877-PRU-2100 (877-778-2100)**. The *IVR* allows you to:

- Check your *Account* balance
- Transfer between funds
- Track the performance of your investments
- Get information on *Loans*
- Request a *Loan*
- Request a *Withdrawal*
- Request a *Distribution*
- Change your Personal Identification Number

The *IVR service* is normally available 24 hours a day, 7 days a week. Participant Service representatives are also available Monday through Friday, 8 a.m. to 9 p.m., ET to help you personally.

Prudential Retirement Online Retirement Center

The *Prudential Retirement Online Retirement Center* is your Internet service website located at www.prudential.com/online/retirement. This website is available 24 hours a day, 7 days a week. This site allows you to:

- Check your *Account* balance
- Transfer between funds
- Track the performance of your investments
- Get information on *Loans*
- Request a *Loan*
- Request a *Withdrawal*
- Request a *Distribution*
- Change your Personal Access Code
- View quarterly financial statements

Your Participant Financial Statement

You will receive a statement approximately quarterly, which summarizes all the activity in your *Account*, including new contributions, *Withdrawals* and *Loans*, as well as earnings/losses on your investments.

7. Taking Money Out of the Plan

Please read this section very carefully before deciding to take money out of your *Account*. You should also review Chapter 8, Tax Rules Affecting Plan Payments.

You may receive money from your *Account* in three ways:

- *Loans*
- *Withdrawals*
- *Distributions*

Loans

The *Plan* lets you borrow from your *Account* balance. To apply for a *Loan*, you must be a *Participant* and you may not already have three outstanding *Loans*. Before requesting a *Loan* you should review the *Plan's* Loan Policy. The Loan Policy may be located on the New York City District Council of Carpenters website.

Types of Loans:

- General purpose *Loan*
- *Loan* used to purchase your primary residence



Limits on the Amount You May Borrow

The minimum amount you can borrow is \$500. The maximum amount you can borrow is 50 percent of your entire **Vested Account Balance**. You may never borrow more than the lesser of (i) \$50,000 minus the highest outstanding balance of your total **Plan Loans** during the last 12 months, or $\frac{1}{2}$ of the value of your **Account**.

Applying for a Loan

To request a **Loan**:

- Call the **Interactive Voice Response service** or access the **Prudential Retirement Online Retirement Center**;
- If desired, explore different **Loan** amounts and repayment terms;
- Confirm your **Loan** request. (*If you change your mind about taking a **Loan**, do not confirm your request.*) Once a **Loan** has been approved, it cannot be canceled.

If your **Account** was established before July 1, 1995, and you are married at the time the loan is taken, you must obtain spousal consent.

Your **Loan** request will be based on the same criteria used by commercial lending institutions. Since interest rates are constantly changing, you should check with the **IVR service** or log onto www.prudential.com/online/retirement for the current rate at the time of your **Loan** application. Once your **Loan** is approved, the rate will remain in effect until you repay the **Loan**.

Loan Repayment

You may take up to five years to repay a general purpose **Loan**, in equal quarterly installments. If you are using the **Loan** to purchase your primary residence, you may borrow up to a 10-year repayment period.

If you are a **Member** you will receive a **Loan** bill before the due date of each payment. You must repay the **Loan** through personal check or money order. If you are an **Employee** you must repay the **Loan** through payroll deduction.

You may prepay your **Loan** balance, at any time, without penalty. When you repay the **Loan**, both the principal and the interest will be reinvested in your **Account**.

If you terminate employment with an outstanding **Loan** balance, you may repay the **Loan** in full or continue to make repayments by check.

Loan Suspension

Existing regulations require you to make loan repayments at least quarterly to avoid taxation on the outstanding loan amount.

The Uniformed Services Employment and Reemployment Rights Act (USERRA) permits plans to allow participants on military leave to suspend repayments until they complete their military service, even if the leave lasts longer than one year, and the loan will not go into default. However, interest continues to accrue during the suspension period.

IRS regulations require a participant who suspended loan repayments and returns to work after performing military service, to fully repay the loan (including all interest) in substantially level installments by the end of the original term of the loan plus the period of military service. However, if the original term of the loan was less than five years and the loan was not taken for the purchase of a principal residence, the term of the loan can be extended to five years plus the period of military service.

In addition, during the period of military service, a maximum interest rate of 6 percent applies to your loan. However, to get this lower interest rate, you must contact the **Insurance Company** or the fund office. You must provide written notice of being called to military service and provide a copy of your military orders within 180 days of being discharged.

When you return to work your loan will be reamortized at the original interest rate taking into account both the outstanding principal and interest that accrued at 6 percent during the leave. This will increase your payments. With this payment amount, the loan will be repaid by the end of its original term with no additional amount due on that date.

Defaulting on a Loan

If you do not make any payment before the end of the calendar quarter following the quarter in which the payment was due, your **Loan** may be in default. If this happens:

- The full amount will be due and payable immediately.
- If you are entitled to a non hardship **Withdrawal** or a **Distribution** your **Account** will automatically be offset and reduced by the amount of any outstanding loan.
- The outstanding balance of the **Loan** will be reported to the IRS as ordinary income and you will have to pay federal and state income tax on this amount.
- Future applications you make for a **Loan** may be denied.

If you think you are in danger of defaulting on a **Loan**, contact the **Insurance Company** or the fund office immediately.

Withdrawals From Your Account

Under certain circumstances, you may make a cash withdrawal from your **Account** while you are still employed by your **Contributing Employer**.

To request a non-hardship **Withdrawal** or a hardship **Withdrawal** call the **Interactive Voice Response service** or access www.prudential.com/online/retirement.

Note: The law does not permit you to repay any **Withdrawals**—that is, to put the funds back into the **Plan** for continued tax-free accumulation.

Non-Hardship Withdrawals After 60 Months of Participation

If you have been a **Plan Participant** for at least 60 consecutive months, you may choose to withdraw a portion of your **Account**. The maximum amount you can withdraw is the lesser of \$50,000 or 50 percent of your **Account** attributable to contributions and earnings made to the account on and after July 1, 1992. This once-in-a-lifetime **Withdrawal** may be made for any reason.

If you are married at the time you wish to make a **Withdrawal** and your **Account** was established before July 1, 1995, your spouse must consent in writing to the **Withdrawal**.

In-Service Withdrawals

Effective July 1, 2007, if your **Account** was established before July 1 1992, and you are still working for a **Contributing Employer** and have attained age 62, you may choose to withdraw all or a portion of your **Account** attributable to contributions and earnings made to the **Account** before July 1, 1992. This In-Service **Withdrawal** may be made for any reason.



If you are married at the time you wish to make an In-Service **Withdrawal** your spouse must consent in writing to the **Withdrawal**.

Hardship Withdrawals

If you incur an immediate and heavy financial need, you may make a hardship **Withdrawal** from contributions and earnings made on or after July 1, 1992, but only if the **Withdrawal** is necessary to meet your financial need. A maximum of two hardship **Withdrawals** may be made in any **Plan Year**.

Financial Needs for Which Hardship Withdrawals Are Available

The financial needs for which you can get a hardship **Withdrawal** are:

- *Unreimbursable medical expenses of at least \$1,000 which have been, or will be, incurred by you, your spouse, or your dependent*—requires outstanding bill from healthcare provider (must be dated 90 days from the date of the hardship application), explanation of benefits from provider indicating that expense is not covered by the **Plan**, and proof of dependent (if applicable).
- *Purchase of primary residence*—requires copy of fully executed sales/purchase agreement, or other legal documentation covering down payment, if applicable.
- *Tuition, or related educational fees, and room and board expenses for the next 12 months of post-secondary education for you, your spouse or your dependent*—requires copy of the bill(s) with educational institution and periods covered, and proof of dependent (if applicable).
- *Prevention of eviction or foreclosure on the mortgage from the primary residence*—requires written eviction notice (or letter from landlord with notarized signature).
- *Funeral expenses for extended family members (including travel expenses)*—requires copy of funeral/travel expenses, name of deceased and relationship of **Participant** to deceased.
- *Utility disconnection at your primary residence (for necessary utilities such as gas, electric, heat and water)*—requires shut-off notice from the utility company.
- *Repairs to primary residence considered necessary to avoid dangerous living conditions*—requires bill/estimate reflecting address, itemized charges and description of problem, and statement from the contractor attesting to the necessity of repair to avoid dangerous living condition.
- *Expenses for bond and/or jail or imprisonment of you, your spouse or your dependent*—requires legal documents outlining legal expenses and relationship to you.
- *Expenses for the payment of delinquent court ordered child support or alimony, which is necessary to avoid immediate arrest and/or incarceration, and only for the amount of the delinquency*—requires legal documents reflecting anticipated date of incarceration and amount to avoid incarceration.

In the case of a serious financial hardship, you are allowed to withdraw only the amount you need in order to resolve that hardship; however, you can withdraw enough to cover any federal, state and local taxes, and penalties which may result from the **Withdrawal**.

If you have a serious financial need for one of the above reasons, you must demonstrate the need for a hardship **Withdrawal**. As part of the application process, the **Trustees** shall have the right to request such information as they reasonably deem necessary or appropriate in order to verify the existence of an immediate and heavy financial need.

Participants requesting hardship **Withdrawals** must represent to the **Trustees** that the financial need for which the hardship **Withdrawal** is sought cannot be relieved through other resources, such as:

- through reimbursement or compensation by insurance or otherwise;
- by reasonable liquidation of the **Participant's** assets to the extent such liquidation would not itself cause an immediate and heavy financial need; or
- by borrowing from commercial sources on reasonable commercial terms.

Spousal consent shall be required for any hardship **Withdrawal** if your **Account** was established before July 1, 1995. The above guidelines implementing the hardship **Withdrawal** provision may be modified by the **Trustees** at any time.

Distributions

You are automatically eligible to receive a **Distribution** of your **Account** balance upon your:

- Retirement
- Termination
- **Disability**
- Death (in which case payment will be made to your **Beneficiary(ies)**)

Normal Retirement

Normal retirement under this **Plan** occurs when you reach age 65 or older. You will be eligible to receive a full **Distribution** when you leave the employer.

Early Retirement

If you terminate employment before you have reached **Normal Retirement Age** under the **Plan**, but on or after the date you attain age 55, this will be considered **Early Retirement**. You will be eligible to receive a full **Distribution** when you leave the employer.

Mandatory Distributions After Age 70 1/2

You are required by law to receive a minimum required **Distribution** from the **Plan** no later than April 1 of the calendar year following the calendar year in which you reach age 70 1/2. You are not required to stop working. A yearly distribution will begin no later than April 1 following the calendar year in which you reach the age of 70 1/2.

Termination of Covered Employment

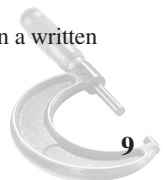
If you leave employment before you retire, you will be entitled to receive your **Account** balance. In order to receive a **Distribution** as a result of termination of **Covered Employment**, a **Member** must not have received contributions for at least four consecutive calendar months. An **Employee** (non-member) must not have received contributions for at least one month.

For information on your potential tax liabilities, see Chapter 8, Tax Rules Affecting Plan Payments, and the section on Rollover Distributions in this chapter.

Permanent Disability

If you become permanently **Disabled** while employed you will be eligible for a full **Distribution**. You are considered permanently **Disabled** if:

- The **Trustees** determine that you are unable to work for pay based on a written certificate of a physician; or
- You qualify for Social Security **Disability** payments.



Death

If you die while employed, your **Beneficiary(ies)** will receive the full value of your **Account**. If you are married, your spouse will be the **Beneficiary** unless he or she has willingly given up that right. This is discussed in more detail in Chapter 9, Survivor Benefits.

Rollover Distributions

You may defer paying tax on some taxable payments by electing a rollover **Distribution**, for payments of \$200 or more, instead of a cash payment. There are two different types of rollover **Distributions**:

Direct Rollover

In a direct rollover, all funds due to you are sent to either an **Individual Retirement Account (IRA)** or another **Qualified Plan**. No funds are paid to you. By directly rolling over the taxable portion of your funds, you avoid the mandatory 20 percent withholding. See Chapter 8, Tax Rules Affecting Plan Payments. This also applies in the case of a **Distribution** to a surviving spouse or to a former spouse who is an alternate payee under a **Qualified Domestic Relations Order**. A non-spouse **Beneficiary** may elect to have an eligible rollover **Distribution** made in the form of a direct rollover payment to an **IRA** established on behalf of the non-spouse **Beneficiary**. If you have an outstanding **Loan** and you want to roll over your entire **Account** balance, you must repay your **Loan** before taking a **Distribution**. Any amount that has been distributed to you on account of hardship is not eligible for rollover.

If you terminate employment with an outstanding **Loan** balance, in order to prevent it from being considered in default you must repay the **Loan**.

Your payment will not be taxed until you take it out of the **IRA** or **Qualified Plan**. Therefore, you will pay no tax on it in the current year and no income tax will be withheld from the payment.

Indirect Rollover

In an indirect rollover, all funds are first paid to you. Your **Plan Administrator** is required by law to withhold 20 percent of the taxable portion of your funds for income taxes. The 20 percent withheld is credited to your taxes due when you file your income tax return. You may roll over the remaining 80 percent of the funds to an **Individual Retirement Account (IRA)** or another **Qualified Plan** within 60 days of the time you receive the **Distribution**.

You will not be taxed on the amount rolled over until you take the money out of the **IRA** or **Qualified Plan**.

If you wish to roll over the full 100 percent of the taxable portion of your payment, you will have to make up 20 percent of the payment from another source. If you only roll over the 80 percent that you actually received, you will be taxed at your actual tax rate on the 20 percent that was withheld but not rolled over. See Chapter 8, Tax Rules Affecting Plan Payments.

Notification Requirements

All **Distributions** from the **Plan**, including those **Distributions** that are considered rollover **Distributions** are subject to certain notification requirements. See Choosing Your Payment Options below.

Choosing Your Payment Options

If your **Account** is \$1,000 or less, and no contributions have been made on your behalf for a period of 12 months, the **Distribution** will be made in the form of a single cash payment, unless you elect before the end of the 12-month period to leave your **Account** in the **Plan**.

Your **Plan** offers a number of ways for you to receive your **Distributions** in addition to the rollover **Distributions** described above. The **Plan Administrator** will give you a notice that describes the features of the various forms of payment that are available to you. IRS rules require your **Plan Administrator** to give you this notice not less than 30 days nor more than 90 days before you receive a payment from the **Plan**. Effective January 1, 2008, the notice will be provided not less than 30 days nor more than 180 days before you receive a payment from the **Plan**. However, in many cases, **Distributions** can take place before the end of the 30-day minimum notice period. See Timing of Payment Options.

If your **Account** balance exceeds \$1,000, and was established on or after July 1, 1995, there are several choices you may need to make. You may:

- Select a form of payment from the options below:
 - A single lump sum
 - Installment payments for a specified fixed period of up to 120 months. Installment payments will be paid in reasonably equal payments, except as necessary to reflect increases or decreases in the value of your **Account**. You may elect to accelerate the rate at which installments are paid.
 - Effective January 1, 2008, you may elect a 75 percent qualified joint and survivor annuity. Under a “**75 percent qualified Joint And Survivor Annuity**,” monthly payments are made to you for your life with monthly payments continuing to your surviving spouse after your death equal to 75 percent of the monthly amount you were receiving before your death.
 - A combination of the above; or
- If you initially elect a **Distribution** of your **Account** in the form of periodic payments, you may, at any time, elect to receive a lump-sum cash **Distribution** of all or a portion of the amount remaining in your **Account** or if you elect a **Distribution** of your **Account** in a lump-sum amount that is less than the total **Account**, you may, at any time, elect to take subsequent lump-sum **Distributions**.
- Postpone payment to a later date. If you elect to postpone payment of all or a portion of your **Account**, your **Account** will remain in the **Plan**, until the April 1st following the calendar year in which you reach age 70½, at which time you must begin taking **Distributions** from the **Plan**. During the time that your **Account** remains in the **Plan**, you may continue to make investment transfers subject to the requirements of the **Plan**. You may, at any time, take a full **Distribution** of your **Account**.

If your **Account** balance exceeds \$1,000, and was established before July 1, 1995, your normal form of **Annuity** payment will depend on whether you are married or single.

If you are married, the automatic form of **Annuity** purchased for you will be a 50 percent qualified joint and survivor annuity. Under a “**50 percent qualified Joint And Survivor Annuity**,” monthly payments are made to you for your life with monthly payments continuing to your surviving spouse after your death equal to 50 percent of the monthly amount you were getting at death. These monthly payments continue to your surviving spouse for your spouse’s life and end on your spouse’s death. To receive these continuing payments, your surviving spouse must be the same spouse to whom you were married at the time **Distribution** of your **Account** was made.



If you are not married, the automatic form of **Annuity** purchased for you will be a **Life Annuity**. Under the **Life Annuity** payment form, monthly payments are made to you for your life with no payments after your death. You may elect a form of payment other than the automatic form. If you are married, your spouse must consent to the election.

If you have waived the automatic form of **Annuity** under the **Plan**, with spousal consent if you are married, you may elect **Distribution** of your **Account** in one of the optional forms of payment described above.

Spousal Consent

If you are married, and your **Account** was established before July 1, 1995, your spouse will need to agree to your choice of any payment option other than a **Joint And Survivor Annuity**. Your spouse's consent must meet certain rules:

- He or she must sign a consent form.
- Either the signature must be notarized or a representative from the **Plan** must sign the form witnessing your spouse's signature.
- The form must state what your spouse has agreed to.

Spousal consent can be waived when the **Plan Administrator** receives adequate proof that your spouse cannot be located.

If you have additional questions about spousal consent requirements, you may call the **Interactive Voice Response service** or contact the **Plan Administrator**.

Timing of Payment Options

If your **Account** was established on or after July 1, 1995, **Distributions** may commence earlier than the 30-day minimum notification requirement, as described in the previous chapter, as long as the **Plan Administrator** informs you that you have at least 30 days after receiving the notice to consider the decision of whether or not to elect a **Distribution** (and a particular option) and you affirmatively elect a **Distribution**.

If your **Account** was established before July 1, 1995, **Distributions** may commence any time after the seventh day following the date that notification is given, provided that the **Plan Administrator** informs you that you have at least 30 days after receiving the notice to consider the decision and revoke the **Distribution** election prior to the later of the first day you are eligible to receive a **Distribution** or the end of the seven-day period and you affirmatively elect a **Distribution**.

8. Tax Rules Affecting Plan Payments

Mandatory 20 Percent Withholding

Whenever you receive a **Distribution** from the **Plan**, other than periodic **Annuity** payments or installment payments of ten years or more, and there is no direct rollover to an **IRA** or another **Qualified Plan**, the **IRS** requires your **Plan Administrator** to withhold 20 percent of the **Distribution**. This 20 percent withholding is not a tax; it is credited to any future federal income tax that you may owe. This amount will automatically be deducted from the amount paid to you.

Note: Your actual tax (if any) on the **Distribution** you receive will be computed on your federal income tax return for the year in which you receive the **Distribution**.

Ten Percent Additional Penalty Tax

Any payment of *taxable* money from your *Account* is generally subject to an additional 10 percent federal tax penalty if you take it out “early,” which is defined as:

- Before you reach the age of 59½.
- For reasons other than permanent *Disability* or death.

This penalty tax does *not* apply to the following types of payments:

- Any *Distributions* made when you terminate employment at or after age 55.
- Any *Withdrawals* used to pay unreimbursed medical expenses for you or your dependents, as long as those unreimbursed medical expenses are more than 7.5 percent of your adjusted gross income, as reported on your Form 1040 federal tax return.
- Any *Distribution* made under the terms of a *Qualified Domestic Relations Order*, which is a court order creating or recognizing an alternate payee’s (e.g., spouse, former spouse, child) right to part or all of your *Plan* benefits. See Events That May Affect Your Account, for more information about *Domestic Relations Orders*.
- Any corrective *Distributions* necessary to comply with IRS contribution limits.

If you have questions about tax rules affecting *Plan* payments, please contact your tax advisor.

9. Survivor Benefits

Survivor benefits are an important part of the financial security and peace of mind this *Plan* provides. In this section, we discuss these benefits in more detail as well as the decisions you’ll need to make about them before you retire.

Choosing a Beneficiary

If you are unmarried, you may designate a *Beneficiary* on the form provided to receive distribution of your *Account* if you die. Unless you marry (or remarry), your *Beneficiary* will not change until you file a new designation of *Beneficiary* form designating a different *Beneficiary*.

If you are married, your spouse is automatically your *Beneficiary* to receive distribution of your *Account* if you die, unless you designate a different *Beneficiary* and your spouse consents to a designation other than him or her.

If you designate a non-spouse *Beneficiary* and then get married, your prior *Beneficiary* designation will be ineffective and your spouse will automatically become your *Beneficiary*, unless your new spouse consents to a designation other than him or her.



If you die without designating a **Beneficiary** or if no **Beneficiary** survives you, your **Beneficiary** will be as follows:

- your surviving spouse; or if none
- natural and adopted children, in equal shares; or if none
- your parents; or if none
- your siblings; or if none
- your estate.

Generally, this **Plan** requires that 100 percent of your **Account** balance be used to provide benefits for your spouse. You may name someone other than your spouse as **Beneficiary** at any time, provided that your spouse consents to this change in writing and the consent is notarized.

If your spouse consents to waive his or her right to a survivor benefit, you may cancel this waiver at any time before your death. If you do so, your spouse again becomes your **Beneficiary**. If you wish, you may also make a new choice, subject to the same consent provisions discussed above.

You and your spouse need to understand your respective rights and obligations concerning the benefits payable at your death, particularly the financial impact a waiver will have on your spouse.

Of course, it is very important that you keep the **Plan Administrator** informed of any changes in your marital status and of the proper name and address of your **Beneficiary**.

Payment of Survivor Benefits to Your Spouse

If you die *before* you've started to receive payment of your benefit, and if your **Vested Account Balance** is more than \$1,000, your spouse is entitled to:

- A lump sum payment of your **Account**; or
- A **Preretirement Survivor Annuity**, which will provide your spouse with lifelong **Annuity** payments beginning immediately after your death.

If your spouse is eligible for and consents to the **Preretirement Survivor Annuity**, it will be purchased using 100 percent of your **Account** balance.

Your spouse may elect another payment option. Your spouse's choice of payment options will be limited to what is offered by the **Plan** and may be limited by certain IRS tax rules.

Depending on the actions taken by your spouse, the following provisions may apply:

- If your spouse is eligible for and consents to the **Preretirement Survivor Annuity** or chooses another form of **Annuity**, he or she may elect to postpone payment until the later of the December 31 of the calendar year after your death or the December 31 of the calendar year you would have attained age 70^{1/2}; or
- If your spouse chooses cash payment, the **Distribution** of your entire **Account** balance must be paid by the December 31 of the calendar year containing the fifth anniversary of your death; or
- If your spouse is not eligible for the **Preretirement Survivor Annuity** and does not consent to a **Distribution** of any type, he or she will receive your **Account** balance in the form of a lump sum cash payment and will be paid by December 31 of the calendar year containing the fifth anniversary of your death.

If you die *after* you've started to receive payment of your **Retirement Benefit**, your spouse will receive payment in the form you selected during the benefit election period (see Choosing Your Payment Options).

Payment of Survivor Benefits to a Nonspouse Beneficiary

If you die *before* you've started to receive payment of your **Account**:

Your **Beneficiary** will receive payment of your **Account** balance within a reasonable period after the **Plan Administrator** has been notified of your death. If your **Account** balance is more than \$1,000 the following provisions will apply to your **Beneficiary**:

- If your **Beneficiary** chooses a form of **Annuity**, he or she must begin payments by the December 31 after your death; or
- If your **Beneficiary** elects cash payment, the **Distribution** of your entire **Account** balance must be paid by the December 31 of the calendar year containing the fifth anniversary of your death; or
- If your **Beneficiary** does not consent to a **Distribution** of any type, he or she will receive your **Account** balance in the form of a lump sum cash payment and will be paid by December 31 of the calendar year containing the fifth anniversary of your death.

If you die *after* you've started to receive payment of your **Retirement Benefit**, your nonspouse **Beneficiary** will receive payment in the form and manner you selected during the benefit election period (see Choosing Your Payment Options).

10. Events That May Affect Your Account

Here are some of the events that could have an impact on your **Account**. Please note how your contributions and/or benefits would be affected in each case.

Operational and Administrative Expenses

Generally, operational and administrative expenses of the **Plan** are paid from **Plan** assets. In addition, your **Account** may be charged for the cost of administrative expenses that are attributable directly to your **Account**. The **Trustees** establish an **Account** fee to cover administrative expenses and may increase or decrease the **Account** fee as they determine to be appropriate.

If the Plan Is Terminated

It is expected that your **Plan** will continue indefinitely; however, the **Trustees** may amend, modify, suspend, or terminate the **Plan** at any time. If this **Plan** is terminated you will be entitled to receive payment of your **Account** as permitted under federal law.

If Circumstances Require the Delay of a Withdrawal

All **Withdrawals** may be delayed by the **Insurance Company** under certain circumstances. Regardless of the circumstances, there will be no delay in payment in cases of death, retirement, termination of employment, or total and permanent **Disability**.



If a Court Issues a Domestic Relations Order

If you become divorced or separated, the court may assign part or all of your benefit to an alternate payee (such as your spouse, former spouse, child or other dependent) through a **Domestic Relations Order**. This is a court order that recognizes the alternate payee's right to part or all of your accrued benefit. While **ERISA (the Employee Retirement Income Security Act of 1974)** generally protects **Plan** benefits against creditors, **Domestic Relations Orders** that are deemed qualified by the **Plan Administrator** are an exception.

A **Qualified Domestic Relations Order (QDRO)** can force payment of benefits to an alternate payee even though the **Plan** prohibits **Distributions** earlier than retirement, termination, death, or **Disability**. The law requires that your **Plan Administrator** determine, within a reasonable amount of time, whether the **Domestic Relations Order** is qualified. During such time that your **Plan Administrator** is determining the qualification of the **Domestic Relations Order**, that portion of your **Account** that is affected by the **Domestic Relations Order** will be accounted for on a separate basis. In order to begin the separate accounting, we must receive certain information from your **Plan Administrator**.

- Any court executed order that states the name of the **Plan**;
- Any court executed order which indicates a division of benefits;
- Any divorce decree;
- Any restraining order; and/or
- Any preliminary injunction.

Your **Plan Administrator** must follow specific procedures to ensure that your benefits are properly distributed. This can sometimes be a time-consuming process. You and each alternate payee will be notified of the **Plan Administrator's** decision.

It is important to note that once the **Plan** receives notification of a **QDRO**, no **Distributions** will be permitted until the Order is qualified. Upon written request to the **Plan Administrator**, **Participants** and **Beneficiaries** may obtain, without charge, a copy of the **Plan's** procedures governing **QDROs**.

If the Plan Is Determined to Be Top Heavy

A **Plan** is termed **Top Heavy** if the value of the **Accounts** held by **Key Employees** is 60 percent or more of the total current value of all **Accounts** under the **Plan**. **Key Employees** are generally defined as certain officers and owners of the company. Should this **Plan** become **Top Heavy**, you will be notified.

11. Your ERISA Rights

Participants in the **Plan** have certain rights and protection under the **Employee Retirement Income Security Act of 1974**, commonly known as **ERISA**. **ERISA** states that, as a **Plan Participant**, you are entitled to:

- Examine, without charge, all **Plan** documents at the **Plan Administrator's** office and other specified locations. These documents include insurance contracts, **Collective Bargaining Agreements** and copies of all documents, such as annual reports (Form 5500 Series) and **Plan** descriptions, filed by the **Plan** with the U.S. **Department of Labor**;

- Obtain copies of all **Plan** documents governing the operation of the **Plan**, including insurance contracts and **Collective Bargaining Agreements**, and copies of the latest annual report (Form 5500 Series) and updated summary plan description, upon written request directed to the **Plan Administrator**. The **Plan Administrator** may charge a reasonable amount for the copies;
- Receive a summary of the **Plan's** annual financial report. The **Plan Administrator** is legally required to give **Participants** a copy of this summary annual report; and
- Obtain a statement, free of charge, telling you the amount of your **Vested Account Balance**. This statement must be requested in writing and the **Plan Administrator** is not obligated to provide it more than once a year.

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 your benefits or exercising your rights under **ERISA**.

Enforce Your Rights

If your claim for benefits 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 decision without charge, and to appeal any denial, all within certain time schedules.

Under **ERISA**, there are steps you can take to enforce your 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 documents and pay you up to \$110 a day until you receive them—unless you did not receive the materials for reasons beyond the **Plan Administrator's** control.

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, however, or if the court finds your claim to be frivolous, the court may order you to pay these costs and fees.

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**, you should contact the nearest Area 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.



Claims Procedures

Filing a Claim for Benefits

Any request or claim for a benefit payable under the *Plan* shall be made in writing by you (or your authorized representative), as the case may be, and shall be delivered to the *Claims Administrator*. A claim shall be deemed filed when a written communication is received by the *Claims Administrator*. Upon receipt of your application, the *Claims Administrator* may request certain documents. You must submit such documents to the Claims Administrator within 45 days from the date of the *Claims Administrator's* request for such documents. Payment of claim of benefits shall be made when satisfactory documents, if any is required, is received. If the required documents are not submitted within the forty five (45) days, the claim shall be denied.

If Your Request for Retirement Income Is Denied

ERISA regulations describe steps that must be taken in the rare cases when a claim for payment is denied, either in whole or in part. A claim might be denied if:

- The *Claims Administrator* does not believe that you are entitled to payment;
or
- The *Claims Administrator* disagrees with the payment amount to which you believe you are entitled.

If you disagree with the *Claims Administrator's* determination of the amount of your benefits under the *Plan* or with respect to any other decision the *Claims Administrator* may make regarding your interest in the *Plan*, you, or a duly authorized representative may appeal by following the *Plan's* appeal procedures.

Timeframes for Notification of Initial Benefit Determination

A decision regarding the status of a claim for pension benefits (other than a claim that is based on your *Disability*) will be made by the *Claims Administrator* within 90 days after receipt of the claim, unless the *Claims Administrator* determines that special circumstances require an extension of time for processing the claim. If special circumstances exist, the 90-day period may be extended to 180 days after receipt of your claim, but in this event you will receive notification of the extension prior to the termination of the initial 90-day period. The extension notice will indicate the special circumstances requiring the extension of time and the date by which the *Plan* expects to render the benefit determination.

In the case of a claim for a benefit that is based on your *Disability*, a decision regarding the status of such claim for benefits will be made by the *Claims Administrator* within 45 days from the date the claim is received by the *Claims Administrator*. This period may be extended for up to an additional 30 days, provided that the *Claims Administrator* determines that such an extension is necessary due to matters beyond the control of the *Plan* and you are notified, 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 *Claims Administrator* 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 *Claims Administrator* 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. The notice of extension shall 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 you will have at least 45 days within which to provide the specified information. If the extension is required because of your failure to submit information necessary to decide the claim, the period for making the determination will begin from the date on which the extension notice is sent to you and end on the date on which you respond to the *Claims Administrator's* request for information. You will be afforded at least 45 days within which to provide any additional information so requested.

Manner and Content of Notification of Initial Benefit Determination

If your claim for pension or *Disability* benefits under this *Plan* has been denied, in whole or in part, you will be provided with adequate notice in writing setting forth:

- the specific reason(s) for such denial with references to the specific *Plan* provisions on which the denial is based;
- a description of any additional material or information necessary for you to perfect the claim (including an explanation as to why such information is necessary);
- 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*;
- for *Disability* claims, if an internal rule, guideline or other protocol was relied upon in making the adverse determination, you will receive a copy of the specific rule, guideline or protocol, or a statement that such a rule, guideline or protocol is available free of charge upon request; and
- for *Disability* claims, if the determination was based on a medical necessity or experimental treatment or similar exclusion or limit, you will receive an explanation of the scientific or clinical judgment for the determination, applying the terms of the *Plan* to your claim, or a statement that such explanation will be provided free of charge upon request.

Appeal of Adverse Benefit Determination

If you disagree with the *Claims Administrator*, you, or a duly authorized representative, may request an appeal of such denial of pension benefits by the *Trustees* (or designated committee), by written request filed with the *Claims Administrator* within 60 days after the receipt of the notice of denial of benefits. With respect to a claim for benefits based on your *Disability*, you may appeal the denial of benefits by written request filed with the *Claims Administrator* within 180 days after receipt of the notice of denial.

In connection with the request for review, you may submit written comments, documents, records, and other information relating to the claim for benefits. You shall 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, as determined under Labor Regulation Section 2560.503-1. The review by the *Trustees* (or designated committee) shall take into account all comments, documents, records and other information submitted relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

Timing of Notification of Benefit Determination on Review

A decision on review based on a pension or *Disability* benefits determination shall be made by the *Trustees* (or a committee designated by the *Trustees*) at its next regularly scheduled meeting following receipt of the request for review, unless the request is filed less than 30 days prior to the next regularly scheduled meeting, in which case a decision will be made at the second regularly scheduled meeting following receipt of such request for review. If special circumstances require a further extension of time for processing the request for review, a benefit determination shall be made no later than the third meeting following the *Plan's* receipt of the request for review, in which case the *Claims Administrator* shall notify you, before the commencement of the extension, of the need for the extension of time and the special circumstances and the date as of which the benefit determination will be made. If the extension is required due to your failure to submit information necessary to decide the claim, the period for making the determination will begin from the date on which the extension notice is sent to you and end on the date on which you respond to the *Claims Administrator's* request for information. The decision of the *Trustees* (or designated committee) shall be communicated to you in writing within five days after the benefit determination is made.



With respect to a claim hereunder based on your *Disability*, if the *Trustees'* decision is based in whole or in part on a medical judgment, the *Trustees* shall consult with a health-care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. The health care professional engaged for purposes of consultation by the *Trustees* shall be an individual who 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 individual.

Manner and Content of Notification of Benefit Determination on Review

If your pension or *Disability* appeal under this *Plan* has been denied, in whole or in part, you will be provided with adequate notice in writing setting forth:

- the specific reasons for the decision;
- references to the specific *Plan* provisions on which it was based;
- a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits;
- a statement describing your rights to obtain additional information regarding the *Plan's* voluntary appeals process, including a statement of your right to bring a civil action under section 502(a) of *ERISA*;
- for *Disability* appeals, if any internal rule, guideline or protocol was relied upon in making the adverse determination, you will receive a copy of the specific rule, guideline or protocol, or a statement that such a rule, guideline or protocol will be provided to you free of charge, upon request;
- for *Disability* appeals, identification of any medical or vocational experts whose advice was obtained on behalf of the *Plan* in connection with your adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and
- for *Disability* appeals, the following statement: "You and your *Plan* may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. *Department of Labor* Office and your State insurance regulatory agency."

12. Additional Information

Approval by the IRS

This *Plan* is intended to be a "qualified" plan under *Internal Revenue Code* section 401(a). Therefore, certain contributions made to the *Plan* are not taxable to you until distributed. In the unlikely event that the IRS determines that the *Plan* does not meet its qualification requirements, all contributions will cease. At such time, some or all of your contributions may be returned. Any contributions that are returned to you are taxable to you in the year that the *Distribution* is made from the disqualified *Plan*.

Description of Entity That Maintains the Plan

The *Insurance Company* has been retained to assist us with the operation of our *Plan*. This *Plan* operates under a contract administration. This means that *Plan* contributions accumulate and benefit payments are payable under a group annuity contract. Our contract is with the *Insurance Company*.

Pension Benefit Guaranty Corporation

The Pension Benefit Guaranty Corporation (PBGC) is operated under the U.S. *Department of Labor* to insure plan benefits. Because our *Plan* maintains individual *Participant Accounts*, it is not covered by PBGC insurance.

Additional Information

The fact that the *Trustees* have established this *Plan* does not confer any right to future employment. Furthermore, you may not assign your interest in the *Plan* to another person or use your *Plan* interest as collateral for a loan from a commercial lender.

13. Glossary

ACCOUNT

An individual account is maintained for you under the Plan. An account contains all contributions made on your behalf and includes earnings or losses on those contributions.

ANNUITY

An annuity is a series of payments that are made over a specified period of time, such as over your lifetime or the joint lifetime of you and your spouse, to provide income during that time.

BENEFICIARY

The person to whom the funds in your account will be distributed in the event of your death. If no beneficiary designation is in effect at the time of your death or no beneficiary survives you, the death benefit, if any, will be made to your surviving spouse, if any, as beneficiary, or if you do not have a surviving spouse, the following persons (if then living) in the following order: (i) natural and adopted children, in equal shares, (ii) parents, (iii) siblings or (iv) the participant's estate.

CLAIMS ADMINISTRATOR

The person or persons designated by the Trustees to administer claims under the Plan.

COLLECTIVE BARGAINING AGREEMENT

An agreement or collective bargaining agreement between a contributing employer and the District Council or the Trustees which requires contributions to the Plan, including a collective bargaining agreement, member employer addendum or participation agreement. A copy of any such agreement may be obtained by participants and beneficiaries upon written request to the Plan Administrator and is available for examination by participants and beneficiaries.

CONTRIBUTING EMPLOYER

Means any company that employs persons covered under a collective bargaining agreement, member employer addendum, participation agreement or other written agreement requiring contributions to the Plan.

CONTRIBUTION PERIOD

The regular period (not less than four weeks—not more than one year) for which the employer will make contributions to the Plan. The contribution period is the period stated in the collective bargaining agreement, member employer addendum, participation agreement or other written agreement requiring contributions to the Plan.

COVERED EMPLOYMENT

Covered Employment is work covered by a collective bargaining agreement, member employer addendum, participation agreement or other written agreement between your Contributing Employer and the Local Union, or between your Contributing Employer and the Trustees.

DISABLED

You are disabled if the Trustees have determined that you are incapable of continuing to work in covered employment for an indefinite period of time due to a physical or mental impairment. You will be considered disabled only after you have submitted a written application for disability benefits with the Trustees and such disability has been certified by a licensed physician satisfactory to or selected by the Trustees or you are eligible to receive a disability benefit under the terms of the Social Security Act.



DISTRIBUTION

Any payments made from your account.

DISTRICT COUNCIL

The New York City District Council of Carpenters.

DOMESTIC RELATIONS ORDER (See QUALIFIED DOMESTIC RELATIONS ORDER)

EARLY RETIREMENT

You have a right to the full value of your account balance if you terminate service after age 55.

ELIGIBLE EARNINGS

Eligible earnings (or compensation as the term is used in the Plan) are your wages for the plan year, excluding overtime or bonuses. Depending on the exact definition of eligible earnings the Plan uses, certain other items, like fringe benefits, expense allowances, moving expenses and welfare benefits may be included or excluded. The rules for determining eligible earnings (or compensation) can be complicated. See your Plan Administrator if you wish to have a complete definition of how eligible earnings are applied.

If you join the Plan within the plan year, the amount of your eligible earnings used for Plan purposes will be for the time you are a participant.

The Plan does *not* recognize compensation amounts that exceed an inflation-adjusted annual limit, which is \$225,000 for 2007. If you join the Plan within the plan year, your limit will be adjusted accordingly.

EMPLOYEE

An employee of the District Council or a Related Organization.

EMPLOYER CONTRIBUTION

This contribution will be based on the amount specified in the collective bargaining agreement, participation agreement, or such other written agreement in effect at the time.

FIDUCIARY

A person who has discretionary control over or responsibility for a plan's administration and/or its assets.

HIGHLY COMPENSATED EMPLOYEES

Under the Internal Revenue Code, an employee is regarded as "highly compensated" if he or she meets any of the criteria listed below. The dollar amounts shown below are adjusted annually based on cost of living factors determined by the government.

- Owns at least 5 percent of the company for the current or preceding year; or
- Earns more than \$100,000 (for the 2006 determination year) in the preceding year and, if elected for the plan year, was in the top 20 percent of the employees for the preceding year.

HOUR OF SERVICE

You will be credited with one hour of service for (i) every hour that you are directly or indirectly paid for the performance of duties for your employer, (ii) you are entitled to payment by any division of your employer, or for other employers that have the same common ownership as your employer (iii) each hour you would have worked, but are absent because of duty in the Uniformed Services of the United States if you are reemployed within 90 days after your active duty ends, (iv) each hour you are directly or indirectly paid by your employer for reasons other than the performance of duties (such as vacation, holidays, sick days, disability leave, temporary lay-offs, military duty, jury duty or leave of absence); and (v) each hour for which back pay is awarded or agreed to by your employer. You will not be credited for the same hours of service under paragraph (i) or (ii) or (iii) or (iv) or (v).

If your absence from employment is due to maternity or paternity leave, you will receive credit for unpaid hours of service related to your leave, not to exceed 501 hours. The Plan Administrator will credit these hours of service entirely in the plan year in which the absence began if such hours are necessary to prevent a break in service in such year or in the following plan year.

INDIVIDUAL RETIREMENT ACCOUNT (IRA)

An IRA is an individual retirement account established to save money for retirement. With an IRA, taxes are deferred on the interest your investment earns, and, if you meet certain criteria, taxes on the contributions are also deferred.

INSURANCE COMPANY

Prudential Retirement Insurance and Annuity Company.

INTERACTIVE VOICE RESPONSE (IVR) SERVICE

The 877-PRU-2100 (877-778-2100) toll-free telephone service enables you to perform certain transactions, investment transactions, and investment changes in accordance with the terms of your Plan. You should contact the Administrator for materials that describe the features and options that are available.

JOINT AND SURVIVOR ANNUITY

A joint and survivor annuity provides fixed monthly payments to you for life. Upon your death, the person to whom you were married at the time the annuity was purchased will receive a fixed monthly payment for his/her life. This payment will be 50 percent (or 100 percent, depending on your election) of the amount that was payable to you. Effective January 1, 2008, you may elect the payment to be continued in one of the following percentages: 75 percent or 100 percent.

KEY AND NON KEY EMPLOYEES

Key employees are generally certain officers, managers and owners of the employer. If a plan becomes top heavy in any plan year, the benefits earned by that year's non key employees may be increased.

LIFE ANNUITY

A form of retirement benefit in which payments are made on a monthly basis and continue for life.

LOAN

A portion of your vested account balance which you borrow and agree to repay with interest.

LOCAL UNION

A local union of the United Brotherhood of Carpenters and Joiners of America affiliated with the New York City District Council of Carpenters.

MEMBER

A member of the District Council or a Local Union or an individual who has worked in Covered Employment.

NORMAL RETIREMENT DATE

The first day of the month following the date you attain the normal retirement age specified in the Plan. The normal retirement age under your plan is 65.

PARTICIPANT

A participant is an employee or member who is actually receiving contributions under the Plan or any person who has an account.



PLAN

The Plan that your employer is maintaining to help you save for your retirement years.

PLAN ADMINISTRATOR

Your Plan Administrator is the person or entity who is responsible for the operation of your Plan.

PLAN YEAR

The period of 12 consecutive months for which records are kept and assets are valued. The plan year begins July 1 and ends June 30.

PRERETIREMENT SURVIVOR ANNUITY (PSA)

A life-long annuity to which your spouse may be entitled if you die before you have started to receive your retirement benefit. The value of a preretirement survivor annuity must be the actuarial equivalent of at least 50 percent of your vested account balance as of the date of your death.

PROFIT SHARING PLAN

A type of defined contribution plan. The Plan is a defined contribution plan because an employer makes contributions to the Plan based upon the percentage set forth in the collective bargaining agreement or other written agreement at the time the contribution is due. The amount is credited to your account.

PRUDENTIAL RETIREMENT® ONLINE RETIREMENT CENTER

Prudential's Internet Service website located at www.prudential.com/online/retirement. This website is available 24 hours a day, 7 days a week. Through this site you can access your Plan information, review information on investment options, and perform transactions.

QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)

A domestic relations order deemed qualified by a Plan Administrator. A qualified domestic relations order can force payment of plan benefits to an alternate payee (e.g., spouse, former spouse, child), even though the Plan normally prohibits distributions earlier than retirement, termination, death, or disability.

RELATED ORGANIZATIONS

The following organizations are Related Organizations:

- New York City District Council of Carpenters Welfare Fund
- New York City District Council of Carpenters Pension Fund
- New York City District Council of Carpenters Annuity Fund
- New York City District Council of Carpenters Vacation Fund
- New York City District Council of Carpenters Apprenticeship, Journeymen Retraining, Educational and Industry Fund
- New York City and Vicinity Carpenters Labor-Management Corporation
- The Local Unions
- New York State Carpenters Labor and Management Committee
- Any other group or organization, with a sufficient nexus to the District Council as determined by the Trustees in their sole discretion, which is approved for participation in the Annuity Fund.

RETIREMENT BENEFIT

The funds paid to you or your designated beneficiary once you separate from service after reaching the earliest retirement date described under the terms of the Plan.

ROLLOVER CONTRIBUTIONS

Contributions from a Qualified Plan, a 403(b) annuity contract or a governmental 457(b) plan established by a former employer or contributions from an IRA, which are “rolled over” to the current plan directly. If the money is rolled directly from one retirement plan to another, or from an IRA the money is not actually distributed to you and is not subject to income tax withholding.

SERVICE

Your length of employment with the employer. Service is used to determine when a participant becomes eligible to participate, whether a participant may receive contributions for a plan year, and when a participant may make a withdrawal.

TOP HEAVY

A plan is regarded as top heavy when the current value of accounts attributable to key employees is 60 percent or more of the total current value of all accounts in the plan.

TRUSTEES

A Joint Board of Trustees composed of twelve Trustees, six Union Trustees and six Employer Trustees who hold title to plan assets and may be responsible for managing the assets.

VESTED

Having a nonforfeitable ownership right to a portion or all of your account.

VESTED ACCOUNT BALANCE

The portion of your account to which you have a nonforfeitable ownership right.

WITHDRAWAL

Money taken out of the vested interest of your account before you qualify for a distribution.



14. Index of Acronyms and IRS Terms

ANNUAL ADDITIONS/415 LIMITATIONS

A limit on all employer and employee contributions (pre-tax and post-tax) and forfeitures allocated to a participant's account. The annual additions limitation is the lesser of \$45,000 (as indexed) or 100 percent of eligible earnings for each year.

DEPARTMENT OF LABOR (DOL)

A U.S. Government agency that, among other responsibilities, administers the labor, regulatory, and administrative provisions of ERISA.

EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)

ERISA is the law designed to protect the rights of participants and beneficiaries of employee benefit plans. ERISA imposes various plan qualification standards and fiduciary responsibilities.

ERISA SECTION 404(c)

A section of ERISA which provides relief of fiduciary liability for losses that are a direct and necessary result of investment instructions.

INTERNAL REVENUE CODE (IRC)

The Internal Revenue Code is the body of law governing the federal taxation of individuals and business entities.

INTERNAL REVENUE SERVICE (IRS)

The agency of the Federal Treasury Department charged with administering, interpreting, and enforcing the tax code. The IRS also determines whether a plan complies with federal tax regulations for qualified plans.

QUALIFIED PLAN

A pension or profit sharing plan that meets the requirements of Internal Revenue Code section 401(a) and qualifies for special tax considerations.

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Printed 03/2008