

A Guide to Your Annuity Plan

Summary Plan Description

Effective January 1, 2018

LOCAL UNION NO. 373 U.A.

ANNUITY PLAN

Summary Plan Description

Plan Highlights

Normal Annuity

- ◆ Eligibility: At any time after your 55th birthday when you have stopped working in covered employment under the Plan.
- ◆ Benefit: Various forms determined by the size of your Annuity Account. Your spouse's consent is required for certain forms.

Termination Benefit

- ◆ Eligibility: At any time before age 55 when you don't work under the Plan for 30 consecutive calendar days.
- ◆ Benefit: A percentage of the amount in your Annuity Account. The percentage may be 25%, 50%, 75% or 100%. Your spouse's consent is required for this benefit.

Military Benefit

- ◆ Eligibility: At any time after you enter the armed forces of the U.S.A. provided you are not yet age 55.
- ◆ Benefit: A percentage of the amount in your Annuity Account. The percentage may be 25%, 50%, 75% or 100%. Your spouse's consent is required for this benefit.

Spouse's Benefits

- ◆ Eligibility: Your eligible spouse will be entitled to a survivor's annuity in the event of your death after your annuity starts (unless your spouse has waived this benefit). If you die before your annuity starts, your eligible spouse is entitled to an annuity also.
- ◆ Benefit: Determined by the size of your Annuity Account.

Death Benefit

- ◆ Eligibility: Applicable to any participant in Plan who is active or retired.
- ◆ Lump Sum Benefit: The amount in your Annuity Account.

Vesting

- ◆ Eligibility: Once you are a participant in the Plan.
- ◆ Benefit: You are 100% vested in your Annuity Account.

IMPORTANT: THIS PAGE CONTAINS ONLY A BRIEF OUTLINE OF THE PLAN BENEFITS. PLEASE READ THE WHOLE BOOKLET.

Local Union No. 373 U.A. Annuity Plan

76 Pleasant Hill Road, PO Box 58 Mountainville, New York, 10953

Telephone: 845-534-9522 or 888-458-6777

January 1, 2018

Dear Participant:

This booklet is intended to describe, fully, the various provisions of the Annuity Plan as it is in effect on January 1, 2018. This booklet has two (2) sections:

Section 1. Questions & Answers – this section provides the answers to the most commonly asked questions regarding your Plan. You will be given answers to questions which we think will first come to your mind and which will give you, in non-technical terms, an outline of the most important provisions of the Plan.

Section 2. Technical Details – this section of the booklet is provided under the terms of the Employee Retirement Income Security Act of 1974 and contains many technical details of the Plan intended to insure that you will be able to enjoy all the rights to which you are entitled under the provisions of the Plan.

The Annuity Plan is designed to provide funds at retirement and, also, for a member (or beneficiary) at certain other times. The types of situations in which distributions can be made are governed by federal tax regulations. This is why not all situations can be covered.

Benefits from this Plan, together with benefits from your Pension Plan and Social Security, hold out the hope of a very comfortable retirement - - a just reward after a long and productive career. As your Trustees, we pledge to do all that we can to assure that the expectations that we all have for this Plan are realized.

The daily operation of the Plan is maintained by the Fund Manager located at the Fund Office. You are encouraged to make use of the facilities of the Fund Office where you will find assistance in understanding your benefits, and in complying with the requirements in order to achieve your benefits.

If, after having gone through the booklet thoroughly, you have any questions regarding the Plan or its operation, please do not hesitate to contact the Fund Office.

Sincerely,

Board of Trustees
Local Union No. 373 U.A. Annuity Plan

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Important Notice

In the event that there appears to be a conflict between the description of any Plan provision in this booklet and its statement in the Plan Of Benefits, the language contained in the Plan Of Benefits is the official and governing language. The Plan Of Benefits may be inspected at the Fund Office.

Nothing in this booklet is meant to interpret, or extend, or change, in any way, the provisions contained in the Plan Of Benefits.

The Trustees reserve the right to amend, modify or discontinue all or part of this Plan whenever in their judgment, conditions so warrant.

Caution

This booklet and the personnel at the Fund Office are authorized sources of Plan information for you. The Trustees of the Plan have not empowered anyone else to speak for them with regard to the Plan. No employer, union representative, supervisor or shop steward is in a position to discuss your rights under this Plan with authority.

Communications

If you have a question about any aspect of your participation in the Plan, you should, for your own permanent record, write to the Fund Manager or Trustees. You will then receive a written reply, which will provide you with a permanent reference.

No Guarantee Of Income Tax Consequences

Neither the Board of Trustees nor the Fund Office makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under this Plan will be excludable from the Participant's gross income for Federal or State income tax purposes, or that any other Federal or State tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for Federal and State income tax purposes, and to notify the Fund Office if the Participant has reason to believe that any such payment is so excludable.

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Section 1.

Questions & Answers

General Information

The Plan has been designed by the Trustees, submitted to, and approved by the Internal Revenue Service as a qualified retirement plan.

1. *What is the purpose of the Plan?*

The purpose of the Plan is to provide an income for you, in addition to your Social Security benefits, if any, following the time that you retire from active employment in the geographical jurisdiction of Local 373 in plumbing and pipefitting trades.

2. *When did the Plan start?*

The Plan started July 1, 1982.

3. *What is considered a Plan Year?*

A Plan Year means the 12 consecutive months, January through December. Whenever “year” is mentioned, this is the period of time that is meant.

4. *What kind of Plan is the Plumbers & Pipefitters Local 373 Annuity Plan?*

The Annuity Plan is a type of qualified defined contribution plan classified by the IRS as a profit sharing plan. The participants direct the investment monies in their individual accounts.

5. *Who is responsible for the operation of the Plan?*

The Board of Trustees is composed of both Employer and Union Trustees who are appointed in accordance with the terms of the Trust Agreement. Local 373 and the contributing employers are equally represented on the Board of Trustees.

In order to carry out this responsibility, the Trustees, (or their designee) have exclusive authority and discretion:

- to determine whether any individual is eligible for any benefits under this Plan;

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- to determine the amount of benefits, if any, an individual is entitled to from this Plan;
- to determine or find facts that are relevant to any claim for benefits from this Plan;
- to interpret all of the provisions of the Plan document and this Summary Plan Description booklet
- to interpret the provisions of any Collective Bargaining Agreement or written Participation Agreement involving or impacting this Plan;
- to interpret the provisions of the Trust Agreement governing the operation of this Plan;
- to interpret all of the provisions of any other document or instrument involving or impacting this Plan or the Fund; and
- to interpret all of the terms used in this Summary Plan Description booklet, the Plan Document, and all of the other previously mentioned agreements, documents, and instruments.

All such determinations and interpretations made by the Trustees, or their designee:

- shall be final and binding upon any individual claiming benefits under the Plan and upon all participants, all beneficiaries, the Union, and any party who has executed any agreement with the Trustees or the Union;
- shall be given deference in all courts of law, to the greatest extent allowed by applicable law; and
- shall not be overturned or set aside by any court of law unless the court finds that the Trustees, or their designee, abused their discretion in making such determination or rendering such interpretation.

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Financing

A most important element of your Plan is money. Where it comes from, how it is managed and to what uses it may be put should be of interest to you.

6. *Who pays for the Plan?*

The Employers who have collective bargaining agreements with Local 373 that call for contributions to the Plan pay for the Plan. Also, in accordance with any reciprocity agreement that might exist between this Plan and another, money may be transferred to this Plan when you work in the other plan's jurisdiction.

7. *How are the Plan assets managed?*

Contributions actually made to the Plan, by your employer for the hours that you work, are credited to your Individual Account within the Annuity Fund. Contributions made for you are invested as you direct.

8. *May I borrow against my account?*

Yes. The Annuity Plan adopted a loan provision effective 12/1/04.

9. *When I retire, may I take a cash settlement instead of monthly payments?*

Yes. This option is available to you, with your spouse's consent, if you are applying for a Normal, Termination or Military Annuity Benefit.

10. *If the Plan is discontinued, what will happen to the assets of the Plan?*

Under the terms of federal law, the assets of the Plan are to be used for the benefit of the participants in an order of priority that is set forth in federal law. If all of the Plan benefits are provided by the assets of the Plan, and there is still money left over, the money is to be used to increase the benefits of everyone. Under no circumstances may money which has been properly contributed to the Plan ever be returned to any Employer or to the Union.

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Joining The Plan

A contribution is required to be made to the Plan before you are a participant in the Plan. Being a participant entitles you to receive certain documents explaining the Plan and reports dealing with the Plan's operation. You should be interested in how you become a participant and how your participation can stop.

11. *How do I become a participant in the Plan?*

As soon as you work an hour in employment for which the employer is required to contribute to the Plan, you will be a participant in the Plan.

12. *Can my participation in the Plan ever stop?*

Yes. Your participation will stop if you die, if your Annuity Account is reduced to zero, or, if you are receiving a periodic benefit from the Plan, when such periodic benefit ceases permanently.

13. *Does self-payment count?*

No. Under no circumstances will you receive any credit, for any purpose, under the Plan, for work in self-employment.

Certain federal laws may require that you are prohibited from earning credit under the Plan as a result of your ownership or position in a contributing employer. If you have a question on this point, you should contact the Plan Manager.

14. *Suppose my employer (or I) wishes to contribute to the Plan for me, even though the employer is not required to do so in a collective bargaining agreement, is it allowed?*

No! Unless it is covered in a written agreement between your employer and Local 373, or between your employer and the Plan Trustees, no credit can be given to you (even if your employer, or you, contributes to the Plan) for any work you do.

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Participants' Accounts - Vesting

Your benefits under the Plan come only from your Annuity Account.

15. What is an Annuity Account?

As contributions from your employer start coming into the Plan, the Trustees will set up an account for you. This is called your Annuity Account.

16. How does my Annuity Account change?

As more contributions are received by the Plan on behalf of your work, they are added to your Annuity Account. If any benefits (more later on benefits) are paid to you, or your beneficiary, these are subtracted from your Annuity Account. Administration expenses are subtracted from your account monthly. Further, your account will be adjusted daily to reflect the investment results.

17. Do I own my Annuity Account?

Technically, the Trustees of the Plan own your (and everyone else's) Annuity Account. However, once you are a participant in the Plan, you are 100% vested in your Annuity Account. This means that you, or your beneficiary, will receive the value of your Annuity Account (less any administrative charges that might be levied) no matter what happens in the future.

18. What investment options do I have for my account?

Each participant will direct the investment of contributions made on his or her behalf. Currently your investment options are provided through Transamerica.

The Plan is intended to be a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974. At the time of your initial participation in this Participant-directed account program, representatives of Transamerica will provide you with basic investment descriptions regarding your investment options so that you may make informed decisions regarding the options in which you choose to invest. A full prospectus will be mailed to you automatically the first time you invest in a particular fund.

However, you are not required to direct the investment of your account. If you choose not to direct investments, then the Trustees are responsible for investing your account in a prudent manner. Presently, such undirected accounts will be invested in a lifestyle fund based upon your age and expected retirement age.

You may invest all of your account in as few as one and in as many as all of the funds being offered. However, there may be minimum investment amounts, depending upon the investment option you choose. You may make investment transfers among the investment options on a daily basis. These transfers may be made through the automated benefit inquiry line or the internet website.

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In directing your investments, you should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. If you choose investments which produce gains and other earnings, your account will tend to increase in value over the period your investments perform accordingly. Conversely, if you choose investments that have losses, your account will tend to decrease in value over the period your investments perform accordingly. Losses can occur. There are no guarantees of performance, and neither the Board of Trustees, the Fund Manager, nor any of their representatives provide investment advice or insure or otherwise guarantee the value or performance of any investment you choose.

All participants will receive individual periodic statements containing details of any activity in the investment options. Your account will be valued on a daily basis.

19. Does the Plan accept Rollover Contributions from other retirement plans?

With the Trustees' approval, and your timely compliance with the Plan's rollover procedure, you may rollover to the Plan all or any portion of an Eligible Rollover Distribution that you may receive from another Eligible Retirement Plan. This Eligible Rollover Distribution may be either a Direct Rollover (trustee-to-trustee transfer) from the other Plan to this Plan, or you may transfer all or any portion of your Individual Retirement Account to this Plan within sixty (60) days following your receipt of your Individual Retirement Account Funds.

The transferred funds shall be credited to a Rollover Account that will be invested in the same manner as the other monies in your Individual Account.

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Normal Annuity

The purpose of the Plan is to arrange for a lump sum distribution, or a monthly payout, of your Annuity Account after your working career is completed. Normally, this is anytime after age 55 at your option.

20. When may I draw on my Annuity Account as a Normal Annuity?

Once you are at least age 55 and permanently withdraw from covered employment in the Plan area, you may apply for a distribution of the balance in your Annuity Account, if your spouse consents.

21. Are there optional ways to receive my Normal Annuity benefit?

Yes. There are several. These are the “temporary” annuity, the “married couple life” annuity and the “life” annuity.

22. What is the “temporary” annuity?

If your spouse consents, you may elect any size monthly payment, that is a multiple of \$50 which lies between \$100 and 2 ½% of the value of your Annuity Account, that will be paid to you as long as your Annuity Account lasts. This will be paid to you directly by the Plan. However, the monthly amount you choose under this option cannot be smaller than the monthly amount that can be reasonably expected to liquidate your Annuity Account during your anticipated remaining life.

23. What is the “married couple life” annuity?

Under this form, monthly annuity payments will be made to you for life. If you die before your spouse (to whom you were married at the effective date of your annuity), your spouse will continue to receive a monthly annuity, for life, equal to 50% of the monthly annuity you had been receiving. This protection exists for your spouse even if you become divorced after your benefit payments start.

The amount of your monthly Normal Annuity will be determined by the effective date of your annuity, your age, the age of your spouse, and the amount of your Annuity Account. Your monthly annuity will be paid by an insurance company to which your Annuity Account will be transferred. Your transferred Annuity Account will “buy” your annuity from the insurance company.

24. What is the “life” annuity?

If your spouse consents, you may elect to receive a lifetime Normal Annuity without the “married couple” feature, that is, one that stops at your death and does *not* provide for a continuation to your spouse. This benefit would also be provided through an insurance company.

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Termination Benefit

In the event you separate from the Plan before you are eligible for a Normal Annuity, a Termination Benefit is available.

25. How do I become eligible for a Termination Benefit?

If you are not eligible for a Normal Annuity and go through a period of 30 consecutive calendar days during which you do not work at least one hour for which your employer is required to contribute to the Plan, you are eligible to apply for a Termination Benefit. You must be out of work at the time you apply for your Termination Benefit.

Your spouse's consent is required before this benefit can be paid.

26. How much is the Termination Benefit?

The Termination Benefit you will receive will be the lump sum equal to a percentage of your Annuity Account. Once again, your spouse's consent is required before this benefit can be paid.

You will choose the percentage of your Annuity Account that you want as a Termination Benefit. You may choose a lump sum of 25%, 50%, 75% or your entire Annuity Account.

In order to be eligible for a subsequent Termination Benefit distribution, you must, as a minimum requirement, return to covered employment.

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Military Benefit

In the event you enter the Armed Forces of the U.S.A. before gaining eligibility for a Normal Annuity, a Military Benefit is available.

27. How do I become eligible for a Military Benefit?

If you are not age 55 and enter the Armed Forces of the U.S.A., you are eligible to apply for a Military Benefit.

Your spouse's consent is required before this benefit can be paid.

28. How much is the Military Benefit?

The Military Benefit you will receive will be the lump sum value of your entire Annuity Account. Once again, your spouse's consent is required before this benefit can be paid.

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Spouse's Consent

29. What is meant by "Spouse's Consent"?

Under the law, your annuity benefit must be paid as a lifetime annuity to you, by an insurance company, with the provision that, if you die (after your annuity starts) before your spouse does, your spouse must receive a lifetime annuity equal (monthly) to no less than 50% of what you had been receiving. The only way by which you may receive your benefit in a different form (for example, lump sum, temporary, termination or military benefit) is for your spouse to consent to waive her rights to the married couple protection.

Such consent must be in writing and notarized and must be made during the 180 days immediately preceding the effective date of the benefit distribution to you. Forms are available at the Fund Office for this purpose.

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Work After Annuity Starts

30. *Are there any circumstances under which my annuity payments can be suspended if I work after satisfying the eligibility requirements for a Normal Annuity?*

No. Once you become eligible for a Normal Annuity the payments are non-forfeitable. Furthermore, if you return to covered work under the Plan after satisfying the eligibility requirements for a Normal Annuity, you will receive credit for the additional contributions made to your account by your contributing employer. You may draw these contributions annually, subject to the options available in the Normal Annuity section, on the April 1st following the calendar year that such contributions were made to your account.

Summary Plan Description

Death Benefit

There is a death benefit also under the Plan.

31. *What is the death benefit under the Plan?*

In the event you pass away while you are a participant in the Plan and are not receiving an annuity payment from the insurance company, your beneficiary may apply for the lump sum death benefit equal to the balance in your account. See question 33 for restrictions regarding your spouse.

32. *Who is my beneficiary under the Plan?*

You may choose anyone you like to be your beneficiary, but see question 33 for restrictions regarding your spouse. Such designation must be made in writing and delivered to the Trustees before your death. You may also change your designated beneficiary at any time, once again, in writing and delivered to the Trustees before your death.

In the event you pass away and there is no beneficiary designated still alive, your death benefit will be paid to your estate or, if there is no estate, to your heirs as defined by the laws of the state having jurisdiction.

33. *How is my spouse's interest in the Plan affected by the death benefit provisions?*

If you die before you start receiving an annuity, your spouse, if you have been married for at least one year prior to your death, must be the beneficiary for at least one-half of your account. Your spouse is entitled to elect to receive the death benefit in a lump sum or as an annuity to be provided by an insurance company as soon after your death as practical.

If your surviving spouse elects to receive the benefit, resulting from your death before your annuity commences, as an annuity, there is no lump sum death benefit associated with your spouse's benefit.

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Applying For Benefits

All benefits must be applied for under the Plan. This rule applies to employees, spouses and beneficiaries. It is important that all information asked for be given as accurately as possible. Any payments made in error to anyone will be owed to the Plan, and must be repaid. We suggest you make an appointment with the Fund Office Staff when you wish to apply for a benefit.

34. *When should I submit an application for my annuity?*

Normally, your application should be filed at least three months in advance of the date you wish to have your annuity start. This will enable the Trustees to process your application and be ready to pay benefits promptly on the first day of the month that you wish. You may file an application while you are still working. Annuity benefits cannot commence prior to the first day of the month following 30 days after the day that the Fund Office receives your signed application for benefits. However, read question 39.

35. *Do I have to take a medical examination?*

No medical examination is required to qualify for a benefit under the Plan.

36. *Will proof of age be required?*

Yes. In order to receive an annuity benefit, proof of age must be submitted to the Fund Office. A birth certificate is the best proof; however, if you cannot obtain a birth certificate, the Fund Office will tell you what will be required. The same rule applies to a surviving spouse entitled to a benefit under the Plan.

You need not wait until your application for a benefit to submit evidence of your date of birth; the earlier you submit evidence, the better.

37. *Must I apply as soon as I am eligible for benefits?*

No. You may postpone receiving your annuity. But under no circumstances may you postpone the start of your benefits beyond the April 1st following the calendar year in which you reach age 70 ½, whether or not you are still working.

38. *Must my beneficiary apply for the death benefit?*

Yes, your beneficiary must apply for the death benefit just as you must apply for any other benefit. There are forms available at the Fund Office.

39. *When will my payments start once I have applied?*

If you have satisfied all of the requirements, your annuity will start the first day of the calendar month you choose but not before the month following 30 days after the date the Fund Office receives your application.

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However, you must notify the Fund Office of your intent to apply for a benefit early enough so that you will have at least 30 days prior to the effective date of your benefit to consider the provisions dealing with a spouse's rights.

40. Do I have to pay taxes on my benefits under this Plan?

Yes. As mentioned earlier, you do not pay income taxes on contributions at the time they are paid into the Fund for you, and the investment income earned in the Fund is exempt from taxes when it is earned. When you receive benefit payments from the Plan, however, they are taxable; but at that time you may be retired and in a lower tax bracket.

CAUTION: You should get tax advice from your tax advisor before telling the Trustees how you would like your benefits paid to you.

41. How often will I receive my annuity payments?

Annuity payments are made monthly at the beginning of the month for the month then starting.

42. Are there any special provisions regarding small accounts?

Yes. If your Annuity Account balance is less than or equal to \$1,000 when you reach Normal, Military or Termination Annuity age, the Trustees will distribute it to you in a lump sum regardless of any other Plan provision. Your spouse's consent for any type of benefit distribution is not required if your Annuity Account balance is less than \$5,000 at the time of distribution.

Finally, if the amount of the death benefit payable to your eligible surviving spouse if you die before your Normal Annuity date is less than \$5,000, your spouse must take it in a lump sum; your spouse does not have an annuity option.

43. Will any of my benefits be distributed to my spouse, child or other dependent in the event I am divorced?

If, pursuant to an order issued by a court, your spouse, child or other dependent is awarded all or a portion of your benefits under the Plan, and such court order meets the requirements of a Qualified Domestic Relations Order (QDRO), your benefits must be paid in accordance with such court order. You should understand that the Trustees are required by law to obey the order of the court if it meets the requirements to be a QDRO.

The person claiming entitlement to your benefits must furnish the Trustees with a certified copy of the court order, which will be reviewed by the Trustees and the Plan Attorney to determine if it meets all requirements to be a QDRO. Once the Trustees receive a certified copy of a QDRO, you will be notified of its receipt and a copy of the provisions of the Plan relating to QDRO will be provided to you.

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44. May I transfer a distribution from this Plan directly into another qualified retirement plan or to an individual retirement account?

All or part of certain distributions may be transferred (“rolled over”) directly from this Plan to another qualified retirement plan or to an individual retirement account. These are referred to as eligible distributions. However, the following ARE NOT eligible distributions:

- A. Any distribution which is one of a series of payments to be made for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your spouse or other beneficiary; or
- B. Any distribution which is one of a series of payments being made over a period of at least ten years; or
- C. Any distribution which is a minimum distribution required to be made by law after you attain age 70 ½; or
- D. The portion of any distribution which is not includable in your gross income.

A beneficiary other than a surviving spouse or an Alternate Payee may elect a direct transfer of inherited assets into an “inherited IRA”. However, such beneficiary cannot roll the distribution over himself or herself after receipt of the distribution. An inherited IRA is an IRA established on behalf of the designated beneficiary and in a manner that identifies it as an IRA with respect to a deceased individual. It must also identify the deceased individual and the beneficiary, for example, “Tom Smith as beneficiary of John Smith”.

If you make a direct transfer of an eligible distribution, you will not generally be liable at that time for income taxes on the amount transferred and the Plan will not be required to withhold taxes from the distribution. Even if you do not make a direct transfer of an eligible distribution, you can generally defer paying income taxes on the eligible distribution if you pay that amount to another qualified retirement plan or to an individual retirement account within 60 days after you receive it. Such a payment is referred to as a “Rollover Distribution”.

When you are entitled to receive a distribution from the Plan, the Fund Manager will provide you with information about the distribution transferred directly to another qualified retirement plan or to an individual retirement account. You should consult your tax advisor to get more specific information about the tax consequences of any distribution.

45. May Plan Benefits be assigned or alienated?

No. Your interest in this Plan is not subject to assignment or alienation, whether voluntary or involuntary. Your benefits cannot be sold, assigned or pledged to anyone, nor can they be security for a loan. However, this rule does not apply to a Qualified Domestic Relations Order. Also, under most circumstances, your benefits are not subject to attachment or execution under any court order, unless they are in pay status.

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46. What is a Qualified Domestic Relations Order?

A “Qualified Domestic Relations Order” is a judgment, decree, or order (including approval of a Property settlement agreement) that relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a Participant (“Alternate Payee”) and is made pursuant to a state domestic relations law, including community property law, and which:

- A. creates or recognizes the existence of an Alternate Payee’s right to, or assigns to an Alternate Payee the right to receive all or a portion of the benefits payable to a Participant under the Plan; and
- B. clearly specifies:
 - the name and the last known mailing address, if any, of the Participant and each Alternate Payee covered by the order,
 - the amount or percentage of the Participant’s benefits to be paid by the Plan to such Alternate Payee, or the manner in which such amount or percentage is to be determined,
 - the number of payments or period to which such order applies, and
 - each plan to which such order applies; and
- C. does not require the Plan to:
 - provide any type or form of benefits, or any option, not otherwise provided under the Plan,
 - provide increased benefits (determined on the basis of actuarial value), or
 - make payments 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.

For purposes of this Plan, an Alternate Payee who had been married to the Participant for at least one year may be treated as an Eligible Spouse with respect to the portion of the Participant’s benefit in which such Alternate Payee has an interest provided that the Qualified Domestic Relations Order provides for such treatment. However, under no circumstances may the spouse of any Alternate Payee (who is not a Participant hereunder) be treated as an Eligible Spouse under the terms of the Plan.

Upon the election of the Alternate Payee, the Alternate Payee may receive a lump sum benefit prior to the Participant obtaining the earliest annuity age under the Plan. However, application for election of this option must take place within sixty (60) days after the Fund accepts and approves a Qualified Domestic Relations Order and the Alternate Payee is advised, by certified mail at the address stated in the order, of his/her opportunity to exercise such a payment option.

Local Union No. 373 U.A. Annuity Plan

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“Alternate Payee” means any spouse, former spouse, child or other dependent or a Participant who is recognized by a Qualified Domestic Relations Order as having a right to receive all, or a portion of, a Participant’s benefits payable under the Plan.

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Loans

The Annuity Plan permits loans under certain circumstances. The loan program became effective December 1, 2004. If you are considering applying for a loan, you should first read this section carefully and then contact the Fund Office for more specific information.

47. Is there a loan provision in the Plan?

Yes, you may borrow from the Annuity Fund under certain conditions. By applying for a loan, you are certifying that the proposed borrowing is for your own purposes and not for the benefit of any other party-in-interest to the Plan (such as an Employer or any Plan Fiduciary). Loans will be issued only for the following reasons, demonstrated to the satisfaction of the Fund Manager:

- Expenses incurred in the purchase of a home or similar residence of which the Participant is an owner and in which the Participant resides, including down payment, contract and title expenses. A loan of this nature will be granted only once.
- Tuition (including room and board) expense for the Participant, his spouse or a dependent child attending an educational institution beyond the high school level.
- Mortgage payments, of which if not paid, would result in the foreclosure and/or sale of the home of which the Participant is an owner and in which the Participant resides.
- Expenses for medical care incurred by the Participant, his spouse, or dependents, or necessary for any of those persons to obtain such medical care.
- Expenses associated with the death of a member of the employee's family, which shall include his or her spouse, children, parents, grandparents, parents-in-law, grandparents-in-law, or such other family member as the Trustees may determine appropriate.

The maximum number of outstanding loans at any time is two. If you have two loans from the Annuity Fund already outstanding, you cannot make another loan until one of the loans is satisfied.

48. How much may I borrow?

For an initial loan you may borrow up to 50% of the value in your annuity account at the time the loan is made. The maximum amount you can borrow as a second loan is equal to approximately 50% of your account balance at the time of the second loan minus your outstanding loan amount. The exact amount will be computed by the Fund Manager. However, the maximum amount of any loan is limited to \$50,000. There is a minimum loan amount of \$1,000.

49. What are the terms for repayment?

- **Timing of Repayment.** You will be sent a loan coupon each *month*. You will receive your first loan coupon approximately 30 days following the loan issuance. You must begin remitting your repayments immediately thereafter.

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- **Duration.** The repayment period of any general purpose loan will be no more than 5 years. The repayment period of any primary residence loan will be no more than 10 years. The repayment period you choose must be in monthly increments.
- **Interest Rate.** As determined by the Trustees and/or Fund Manager, the interest rate for a loan will be the Prime Rate as listed in The Wall Street Journal on the business day of the month in which you request the loan, plus 1%. The interest rate so determined will remain fixed throughout the duration of the loan. Loans granted at different times may bear different interest rates.

50. What happens if I default on a repayment?

If you fail to make an installment payment on your loan when due, the Fund Manager will give you written notice of your right to cure this failure by making up missed payments or repaying the loan in full. If your failure to make an installment repayment continues after such written notice has been provided, the Fund Manager shall inform Transamerica of a default in your repayment of the loan. Such default will occur no later than the last business day of the calendar quarter following the calendar quarter in which your last payment was received. This will result in a deemed distribution for federal income tax purposes (i.e., a distribution subject to applicable taxes and penalties), and the Internal Revenue Service will be notified of such distribution. The amount of the distribution equals the entire outstanding balance of the loan at the time of the default. The Plan is authorized to offset the entire outstanding amount of the loan against your account at the time you are eligible for a distribution from the Plan.

51. Why do I have to repay a loan that was borrowed from my own account?

It's true, you are 100% vested in your annuity account. However, it's important to remember that your annuity account is a product of pre-tax employer contributions and pre-tax investment yield. Neither you nor the Fund pays taxes on the money in your annuity account. These tax advantages are allowed because the IRS considers your annuity account to be part of a "Qualified Plan". Qualified Plans must follow certain guidelines to maintain their qualified status.

Money from a Qualified Plan may be distributed to you without affecting the overall tax deductible nature of the program only under specific and restrictive conditions. If enough loans are not repaid to the Fund, the IRS can disqualify the entire Annuity Plan. This would do away with the income tax advantages that you enjoy as a Participant in the Plan.

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Appeal Procedure

Each claim for any benefit disbursement under this Plan is reviewed under the direction of the Board of Trustees. The facts that are presented with the claim are considered in evaluating it. Sometimes the Fund Office will not receive all the pertinent details when a claim is presented. However, regardless of the reason for the denial, you are entitled to a review of your denied claim.

52. How can I appeal a decision by the Trustees to deny my application for a benefit under the Plan?

If your claim for benefits or request for any other right or entitlement is denied in whole or in part, for any reason, then within 90 days after this Plan receives your claim or request (or 180 days in special circumstances), this Plan will send you written notice of its decision, including: the specific reason for the denial; the specific reference to pertinent Plan provisions on which the denial is based; a description of any additional material or information necessary for you to complete your claim or request and an explanation of why such information or material is necessary (if applicable); and, appropriate information as to the steps to be taken if you wish to submit your claim for review.

If you are not satisfied with the reason why your claim or request was denied, then you may appeal to the Board of Trustees. To appeal, you must write to the Trustees within 60 days after you receive this Plan's denial notice. Your correspondence (or your representative's correspondence) must include the following statement: "I AM WRITING IN ORDER TO APPEAL YOUR DECISION TO DENY ME BENEFITS OR MY REQUEST FOR ANY OTHER RIGHT OR ENTITLEMENT". If this statement is not included, then the Trustees may not understand that you are making an appeal, as opposed to a general inquiry. If you have chosen someone to represent you in making your appeal, then your letter (or your representative's letter) must state that you have authorized him or her to represent you with respect to your appeal, and you must sign such statement. Otherwise, the Trustees may not be sure that you have actually authorized someone to represent you, and the Trustees do not want to communicate about your situation to someone unless they are sure he or she is your chosen representative. If you appeal, then you or your duly authorized representative may review pertinent documents concerning your denial, and submit any issues and/or comments you may have in writing to the Trustees.

You may also appeal to the Trustees to review your claim, in the same manner, if you do not receive any decision at all from the Fund with respect to your claim for benefits within 90 days from the date you submitted the claim (or 180 days in special circumstances).

The Trustees' final decision with respect to their review of your appeal shall be final and binding upon you, since the Trustees' have exclusive authority and discretion to determine all questions of eligibility and entitlement under this Plan. However, if you disagree with the final decision of the Trustees with respect to your appeal, then you may start a legal action against this Plan. However, no legal action may be commenced or maintained against the Plan more than 90 days after the Plan Trustees' final decision on appeal is deposited in the mail to the Participant's or Beneficiary last known address, or else it is waived. If you fail to appear and participate at a scheduled hearing, and/or file an appeal within the required time limits, any claim is barred and no action may be brought. Any legal action related to the Plan may only be brought in the United States District Court for the Southern District of New York.

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Reciprocal Agreements

If you work out of this Fund's area for an employer required to contribute to another retirement fund, you may be able to have all or a part of such contributions credited to your account under this Plan. The mechanism permitting such crediting is called a reciprocal agreement.

53. *What are reciprocal agreements?*

The Annuity Fund participates in the United Association Reciprocity System (UARS).

In accordance with the terms of this agreement, when a participant of the Local 373 Annuity Plan works in the area of another signatory plan, payments are sent by the other plan to this Annuity Plan. You receive no credit of any kind under the other plan, but your account under this Annuity Plan is credited with the payments sent by the other plan on your behalf.

Likewise, if you work in this Annuity Plan's area, and are a permanent member of a retirement plan that is also signatory to UARS, you will receive no credit of any kind under this Annuity Plan. Your credit for your work here will be determined by the rules of the other plan.

Section 2.

Technical Details

(As required by the Employee Retirement Income Security Act of 1974)

1. **PLAN NAME:** Local Union No. 373 U.A. Annuity Plan
2. **EDITION DATE:** This Summary Plan Description is produced as of January 1, 2018.
3. **PLAN SPONSOR:** Board of Trustees of Local Union No. 373 U.A. Annuity Fund.
4. **PLAN SPONSOR'S EMPLOYER IDENTIFICATION NUMBER:** 13-3323430.
5. **PLAN NUMBER:** 001.
6. **TYPE OF PLAN:** A defined contribution pension plan, the contributions to which are negotiated.
7. **PLAN YEAR ENDS:** December 31.
8. **PLAN ADMINISTRATOR:** Board of Trustees of Local Union No. 373 U.A. Annuity Fund, PO Box 58, 76 Pleasant Hill Road, Mountainville, NY 10953. Phone # (845) 534-9522.
9. **AGENT FOR THE SERVICE OF LEGAL PROCESS:** Riccardo Iaccarino, Esq., Barnes, Iaccarino, & Shepherd, LLP, Three Surrey Lane, Hempstead, NY 11550. Phone # (516) 483-2990.
10. **TYPE OF PLAN ADMINISTRATION:** Third Party Administrator.
11. **TYPE OF FUNDING:** Self-administered.
12. **SOURCES OF CONTRIBUTIONS TO PLAN:** Employers required to contribute to the Local Union No. 373 U.A. Annuity Fund.
13. **COLLECTIVE BARGAINING AGREEMENT:** This Plan is maintained in accordance with a collective bargaining agreement. A copy of this Agreement may be obtained by you upon written request to the Fund Manager and is available for examination by you at the Fund Office.

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14. **PARTICIPATING EMPLOYERS:** You may receive from the Fund Manager, upon written request, information as to whether a particular employer participates in the sponsorship of the Plan. If so, you may also request the employer's address.
15. **PLAN BENEFIT PROVIDED BY:** The Local Union No. 373 U.A. Annuity Fund.
16. **ELIGIBILITY REQUIREMENTS, BENEFITS & TERMINATION PROVISIONS OF THE PLAN:** See Section I. of this booklet.
17. **HOW TO FILE A CLAIM:** Application for all benefits must be made in writing on forms that should be obtained from the Fund Office. You may secure such forms by writing, telephoning, or visiting, (during the hours of 8:30 A.M. to 4:30 P.M., on regular business days) the Fund Office. The address is:

PO Box 58
76 Pleasant Hill Road
Mountainville, NY 10953
Phone#: (845) 534-9522

18. **REVIEW OF CLAIM DENIAL:** If you submit a benefit application to the Fund Office and it is denied, in whole or part, you will be so notified.

If a denial takes place, you are entitled to appeal the decision by writing to the Trustees, within 60 days of the denial, at the Fund Office, asking that a review of the denial be made. You or your representative may review the pertinent records and documents.

After the review, you will be notified of the results of the review.

More specific information regarding this procedure may be obtained from the Fund Manager.

19. **RIGHTS AND PROTECTIONS:** As a Participant in this 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 Fund 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 Fund Manager, 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 Fund Manager may make a reasonable charge for the copies.

Summary Plan Description

Receive a summary of the Plan's annual financial report. The Fund Manager is required by law to furnish each Participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age of 65 (or age 62, if eligible) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants ERISA imposes duties upon the people who are responsible for the operation of the 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 Fund Manager 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 Fund Manager. 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.

Summary Plan Description

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Fund Manager. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Fund Manager, 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.

- 20. PENSION BENEFIT GUARANTY CORPORATION (PBGC) INSURANCE:** benefits under this Plan are not insured by the PBGC if the Plan terminates because it is not a defined benefit pension plan.
- 21. THE PLAN SPONSOR AND PLAN ADMINISTRATOR IS THE BOARD OF TRUSTEES OF THE LOCAL UNION NO. 373 U.A. ANNUITY FUND:** The following are the individual Trustees that make up the Board as of January 1, 2018:

Employer

Kane P. Armistead
Armistead Mechanical, Inc.
168 Hopper Avenue
Waldwick, NJ 07643

James Estabrook, Esq.
Lindabury, McCormick, Estabrook & Cooper
P.O. Box 2369
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Mark Kempton
Thomas J. Kempton, Jr. Inc.
1750 Route 211 E.
Middletown, NY 10941

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Union

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Dana Moshier
12 McDowell Place
Newburgh, NY 12550

Richard G. Pforte
283 Washington Street
Tappan, NY 10983

Summary Plan Description

- 22. LOSS OF BENEFITS:** Under certain circumstances you may lose all or part of your benefits. Some situations are:
- A. if any detail regarding your participation under the Plan has been misstated, or a clerical error occurs, which causes a higher benefit to be paid than that to which you are entitled, an adjustment in your benefit will be made, based upon the facts;
 - B. because current federal legislation places a maximum on how much retirement benefit an employee is permitted to receive from one or more qualified retirement plans, it is possible, in unusual circumstances, that a reduction may take place in your benefit under this Plan;
 - C. the terms of a qualified domestic relations order may take away part, or all, of your benefits; and
 - D. if you are judged guilty of causing a loss in Plan assets, you may, under certain circumstances, forfeit all or part of your benefits.