

# **SUMMARY PLAN DESCRIPTION**

## **HEATING, PIPING AND REFRIGERATION PENSION PLAN**

*Steamfitters Local Union No. 602  
United Association*

*Mechanical Contractors Association  
Metropolitan Washington, Inc.*

Updated: May 1, 2024

For Information Call or Write:

**Heating, Piping and Refrigeration Pension Fund**

WPAS, Inc.

PO Box 21427, Eagan, MN 5512

(800) 618-2879

<http://HPRBenefitFunds.com>

# Heating, Piping, and Refrigeration Pension Fund

Physical Address: 8700 Ashwood Dr. Suite 150, Capitol Heights, MD 20743  
Phone: (410) 444-3756 or (800) 618-2879 • Fax: (240) 303-2484 • Website: HPRBenefitFunds.com

Administered by  
Welfare & Pension Administration Service, Inc.

December 12, 2025

## Summary of Material Modifications Heating, Piping and Refrigeration Pension Fund

***This is a Summary of Material Modification describing changes to your health plan recently adopted by the Board of Trustees. Please read this notice carefully and keep this document with your Summary Plan Description Booklet.***

The Board of Trustees of the Heating, Piping and Refrigeration Pension Fund ("Fund") is pleased to announce the following changes to the Plan:

**For Active Participants in the Fund as of September 1, 2024**, the Accrued Benefit Rate for each year of service for Plan Years beginning September 1, 2009 and ending on August 31, 2019, will be retroactively increased from \$100.00 to \$137.00, and for each year of service for Plan Years beginning September 1, 2019 through August 31, 2021, will be increased from \$125.00 to \$137.00. Thus, the Accrued Benefit Rate for each year of service for Plan Years beginning September 1, 2009 through August 31, 2022, will be \$137.00 for Active Participants in the Fund as of September 1, 2024.

**For Pensioners who retired on or after September 2, 2024, and received their first pension benefit payment on or after October 1, 2024**, and who are currently receiving benefit payments, you will receive an adjustment to your next and future monthly benefit payment to reflect the increased Accrued Benefit, as well as a one-time payment reflecting the increase in your monthly benefit payment retroactive to your effective date of benefits. For example, if your pension application was approved as of September 15, 2024, and your effective date of benefits and first monthly pension payment was issued on October 1, 2024, you will receive a retroactive payment reflecting the increase for monthly benefit payments issued from October 1, 2024 through January 1, 2026. You will receive the retroactive payment, and your increased monthly pension payment, with the February 2026 pension payment. Significantly, Participants who retired on or before September 1, 2024 previously received a 6% increase to their monthly pension benefit. Participants who retired on or after October 1, 2024, were not eligible for the 6% increase to their monthly pension benefit.

### **For Pensioners, effective January 1, 2026:**

- All Pensioners receiving a pension benefit from the Fund on January 1, 2026 will be eligible to receive a 7% increase to their monthly pension benefit amount. The 7% increase will be implemented on February 1, 2026 and will be applied to any payments received on and after the implementation date – *i.e.*, on and after January 1, 2026.
- Alternate payees receiving a monthly pension benefit as a result of a shared interest Qualified Domestic Relations Order ("QDRO"), will be eligible to receive the increase, provided the Participant is an eligible Pensioner meeting the below criteria. Alternate Payees who are receiving a monthly benefit as a result of a separate interest Qualified Domestic Relations Order, will NOT receive the increase, unless the QDRO explicitly requires that the Alternate Payee receive a share of such payment.

In addition, included with the February 1, 2026 monthly pension benefit amount, the Fund will make a **one-time payment** to Pensioners who meet the requirements set forth below, and any surviving spouses receiving a regular monthly pension payment from the Pension Fund irrespective of the requirements set forth below:

1. The Pensioner must have originally retired as an active Participant. For this purpose, the Pensioner must have worked in Covered Employment for at least one hour at any time during the period that consists of the Plan Year in which they retired plus the preceding two Plan Years; or
2. The Pensioner must have retired on the basis of Total and Permanent Disability at any time before age 62 and began receiving a Disability Pension at the time of retirement; and
3. The Pensioner must also have been sent a regular monthly pension payment for December 1, 2025, and have been alive on that date.

Each recipient will be sent a one-time, non-recurring payment equal to the greater of: 1) their current monthly benefit; or 2) a minimum amount of \$1,200.00. Alternate payees receiving a monthly pension benefit as a result of a shared interest Qualified Domestic Relations Order (“QDRO”), will receive a portion of the payment to the Participant, provided the Participant is an eligible Pensioner meeting the above criteria. The alternate payee’s share of the payment made to the Participant will be equal to the percentage of the Participant’s pension benefit granted to the alternate payee under the shared interest QDRO. Alternate Payees who are receiving a monthly benefit as a result of a separate interest Qualified Domestic Relations Order, will NOT receive any portion of the payment to an eligible Pensioner, unless the QDRO explicitly requires that the Alternate Payee receive a share of such payment.

If you have any questions about the contents of this notice, please feel free to contact the Fund Office at (800) 618-2879. In the event of a discrepancy between this notice and the official Plan documents, the official Plan documents, as interpreted and applied solely by the Trustees pursuant to their exclusive discretionary authority, will prevail.

Sincerely,

The Board of Trustees

# Heating, Piping, and Refrigeration Pension Fund

Physical Address: 8700 Ashwood Dr. Suite 150, Capitol Heights, MD 20743 • Mailing Address: PO Box 21427 Eagan, MN 55121  
Phone: (410) 444-3756 or (800) 618-2879 • Fax: (240) 303-2484 • Website: HPRBenefitFunds.com

Administered by  
Welfare & Pension Administration Service, Inc.

October 16, 2024

## Summary of Material Modifications Heating, Piping and Refrigeration Pension Fund

***This is a Summary of Material Modification describing changes to your pension plan recently adopted by the Board of Trustees. Please read this notice carefully and keep this document with your Summary Plan Description Booklet.***

The Board of Trustees of the Heating, Piping and Refrigeration Pension Fund (“Fund”) is pleased to announce the following changes to the Plan:

### **For Active Participants, effective September 1, 2024:**

- The Accrued Benefit Rate for each year of service will increase from \$200.00 to \$225.00, effective for hours worked on or September 1, 2024.
- The Joint & Survivor (J&S) factors will be applied based on updated mortality and interest rate assumptions for retirements on and after September 1, 2024. This change will result in a slightly lower reduction for Participants who elect a Joint & Survivor option for their benefits.

### **For Pensioners, effective September 1, 2024 and implemented on or before February 1, 2025:**

- All Pensioners receiving a pension benefit from the Fund on September 1, 2024 will be eligible to receive a 6% increase to their monthly pension benefit amount. The 6% increase will be implemented on or before February 1, 2025 and will be applied: 1) retroactively to monthly pension benefit payment(s) received on or after September 1, 2024; and 2) prospectively to any payments received after the implementation date – *i.e.*, on or before February 1, 2025. Specifically, on or before February 1, 2025, Pensioners will receive a one-time, lump-sum retroactive payment reflecting the 6% increase to payments received on and after September 1, 2024. Thereafter, the increase will be reflected in a Pensioner’s monthly pension benefit payments.
- Alternate payees receiving a monthly pension benefit as a result of a shared interest Qualified Domestic Relations Order (“QDRO”), will be eligible to receive the increase, provided the Participant is an eligible Pensioner meeting the below criteria. Alternate Payees who are receiving a monthly benefit as a result of a separate interest Qualified Domestic Relations Order, will NOT receive the increase, unless the QDRO explicitly requires that the Alternate Payee receive a share of such payment.

In addition, by year end, the Fund will make a **one-time payment** to Pensioners who meet the requirements set forth below, and any surviving spouses receiving a regular monthly pension payment from the Pension Fund irrespective of the requirements set forth below:

1. The Pensioner must have originally retired as an active Participant. For this purpose, the Pensioner must have worked in Covered Employment for at least one hour at any time during the period that consists of the Plan Year in which he retired plus the preceding two Plan Years; or
2. The Pensioner must have retired on the basis of Total and Permanent Disability at any time before age 62 and began receiving a Disability Pension at the time of retirement; and
3. The Pensioner must also have been sent a regular monthly pension payment for September 1, 2024, and have been alive on that date.

Each recipient will be sent a one-time, non-recurring payment equal to the greater of: 1) their current monthly benefit; or 2) a minimum amount of \$1,500.00. Alternate payees receiving a monthly pension benefit as a result of a shared interest Qualified Domestic Relations Order (“QDRO”), will receive a portion of the payment to the Participant, provided the Participant is an eligible Pensioner meeting the above criteria. The alternate payee’s share of the payment made to the Participant will be equal to the percentage of the Participant’s pension benefit granted to the alternate payee under the shared interest QDRO. Alternate Payees who are receiving a monthly benefit as a result of a separate interest Qualified Domestic Relations Order, will NOT receive any portion of the payment to an eligible Pensioner, unless the QDRO explicitly requires that the Alternate Payee receive a share of such payment.

In addition, the Boards of the Trustees are considering additional benefit improvements that may be forthcoming. A subsequent Summary of Material Modifications and additional information will be provided if additional benefit improvements are adopted with a concrete implementation date.

If you have any questions about the contents of this notice, please feel free to contact the Fund Office at (800) 618-2879. In the event of a discrepancy between this notice and the official Plan documents, the official Plan documents, as interpreted and applied solely by the Trustees pursuant to their exclusive discretionary authority, will prevail.

Sincerely,

The Board of Trustees

**Important Reminder** - You must advise the Administration Office of any changes in your basic demographic data, including changes in your name, marital status, designated beneficiary, home address, email address and telephone number. Provide information changes by completing and sending a new Enrollment Form or Beneficiary Designation Form to the Administration Office. If you divorce your spouse, please also provide a complete filed copy of your divorce decree and any accompanying court orders.

Failure to update your information on file may delay the timely payment of your benefits, and communication of important Plan information.

To All Participants:

We are pleased to present you with this revised Summary Plan Description of the Heating, Piping and Refrigeration Pension Plan. This revision includes all amendments through May 1, 2024.

This Summary describes the most important features of the Plan, along with your rights and obligations as a Participant in the program. In addition, this Summary includes information concerning the administration and operation of the Pension Plan and other important information as required by the Employee Retirement Income Security Act of 1974 (ERISA). We urge you to read this booklet carefully to become familiar with the Plan provisions. We would also suggest that you share this booklet with the members of your family since it may affect their security as well as yours.

Please keep in mind that this booklet represents only a brief summary of the Pension Plan, and, in case of doubt or conflict, the official Plan document as interpreted by the Board of Trustees will always govern. The Plan document is available for inspection at the Fund Office and the Local Union office. A copy of the Plan may be obtained upon request.

The Fund Office is available Monday through Friday, 9:00 a.m. to 5:00 p.m., to answer any questions you may have regarding the Plan. You may contact the office at (800) 618-2879. In addition, you can access information regarding your benefits online by using the Participant Portal. You must first register to utilize this resource. <http://HPRBenefitFunds.com>.

We sincerely believe this program provides a valuable contribution to your future security and we are proud to be involved in its continued operation.

Sincerely

BOARD OF TRUSTEES

**TABLE OF CONTENTS**

*Page*

**INTRODUCTION** ..... 1

**PARTICIPATION** .....2

**PENSION CREDITS** .....2

    Future Future Service Credit .....3

    Past Future Service Credit .....4

    Past Service Credit .....5

**VESTING SERVICE** .....5

**BECOMING VESTED** .....6

**CREDIT FOR TIME SPENT IN MILITARY SERVICE** .....7

**PENSION CREDIT AND VESTING SERVICE WHILE TRAVELING TO OTHER JURISDICTIONS** .....7

**BREAKS IN SERVICE** .....8

    Temporary (One-Year) Break in Service .....8

    Exceptions to the Break in Service Rules.....9

**BREAK IN CONTINUITY** .....9

**TYPES OF PENSION** ..... 11

    Regular Pension..... 11

    Early Retirement Pension ..... 11

    Deferred Vested Pension ..... 13

    Disability Pension..... 13

**AMOUNT OF PENSION** ..... 16

    Formula ..... 16

    Benefit Rates ..... 16

    Apprenticeship Periods..... 19

    Adjustment for Delayed Retirement..... 19

    Other Factors .....20

<b>FORMS OF PENSION PAYMENT</b> .....	20
Joint-and-Survivor 50% Pension .....	20
75% and 100% Joint and Survivor Options.....	23
Option for “Pop-Up” Protection .....	24
Single Life Pension.....	25
Automatic Lump Sum Payout of Small Pensions .....	25
<b>OTHER PLAN BENEFITS</b> .....	25
Death Benefits .....	25
Pro Rata/Partial Pension .....	27
Severance Benefit.....	27
<b>DESIGNATION OF BENEFICIAR(IES)</b> .....	28
<b>WORKING AFTER RETIREMENT</b> .....	28
Disqualifying Employment .....	29
Notifying the Plan .....	30
Recovery of Overpayments .....	30
Benefit Payments Following Suspension .....	31
Right to Appeal Suspension of Benefits.....	31
<b>CONTRIBUTIONS</b> .....	32
Employer Contributions .....	32
Employee Contributions.....	32
Vested Status of Self-Contributions .....	33
<b>APPLYING FOR BENEFITS</b> .....	34
Filing Your Application and Commencement of Benefits .....	34
Required Commencement of Benefits.....	35
<b>CLAIMS AND APPEALS PROCEDURES</b> .....	35
<b>ADDITIONAL INFORMATION</b> .....	38
Type of Plan .....	38
Fund Administration.....	38
Employers Participating in the Plan .....	40
Funding Medium .....	40
Contribution Source.....	40
Amendment to the Plan .....	41
Action of the Trustees .....	41

Selling, Assigning or Pledging Benefits.....41  
Procedures for Processing Qualified Domestic Relations Orders .....41  
Benefit Increases to Retirees .....41  
Plan Termination .....41  
Termination Insurance.....43

**STATEMENT OF RIGHTS UNDER ERISA .....44**

**ANSWERS TO FREQUENTLY ASKED QUESTIONS .....46**

## INTRODUCTION

The Heating, Piping and Refrigeration Pension Fund was established to provide retirement benefits for most employees who are represented by Steamfitters Local 602 for the purpose of collective bargaining. The Plan covers employees who are working in job categories covered by a Local 602 Collective Bargaining Agreement for whom contributions to the Plan are required by the employer.

The Plan is a multiemployer defined benefit pension plan that provides retirement benefits to employees who work for employers that contribute to the Plan. You accumulate credit under the Plan based on your years of employment covered by the Plan. Qualification for benefits and the amount of those benefits are based upon your years of service with contributing employers, your age at retirement, and other factors.

The following is a description of your Pension Plan. It is intended to provide you with information about the important features of the Plan. ***In general, this booklet applies to anyone with an Hour of Service on or after May 1, 2024.*** If you separated from service before that date, the rules of the Plan that were in effect when you left apply to you. This booklet includes amendments to the Plan through May 1, 2024.

The actual Pension Plan document, which is the final word on eligibility for benefits, pension amounts, filing requirements, etc. will control pensions and other benefits awarded from this Fund. If there is any inconsistency between this Summary and the actual language of the Plan, the Plan will be the governing document. The actual Plan document is available for your inspection at the Fund Office and the Local Union Office. A copy of the Pension Plan may be obtained upon written request. You may be asked to cover reasonable copying costs.

Please note that interpretations regarding participation in the Plan and eligibility for benefits, status of employers and employees, or any other matter relating to the Pension Plan, should only be obtained through the full Board of Trustees. The Trustees are not obligated by, responsible for, or bound by opinions, information or representations from any other sources. Also note that the Trustees have the discretion and authority to amend the Plan at any time.

## **PARTICIPATION**

The Plan covers you if you are an employee working in Covered Employment. Covered Employment is work for an employer who has agreed, in a Collective Bargaining Agreement with Steamfitters Local 602, to make contributions on your behalf for that work. In addition, work for such an employer, before the Plan became effective (September 1, 1955), is counted towards your accumulation of Pension Credits. Full-time employment by the Local Union or the Local Apprenticeship Fund is also considered Covered Employment subject to the terms of Participation Agreements between the Fund and those organizations.

You become a Participant on the earliest September 1<sup>st</sup> or March 1<sup>st</sup> after a period of 12 consecutive months during which you completed 1,000 Hours of Service. Once you become a Participant, you will receive Vesting Service and Pension Credit retroactive to your date of hire in Covered Employment.

In general, the Plan covers only employees who are working under the Collective Bargaining Agreement. However, coverage may continue for employees who are working for a Contributing Employer and who were previously covered by the Plan while in the bargaining unit, if the Employer signs a special participation agreement providing for such coverage and for Employer contributions for it. However, no such employee may be covered by the Plan unless he can still be treated as a collectively bargained employee under IRS regulations. Under no circumstances will coverage be provided to anyone who is self employed or a partner in an unincorporated partnership.

## **PENSION CREDITS**

Pension Credits determine your eligibility for a pension and the amount you will receive. They are based on your Hours of Service (hours for which you are paid or entitled to payment) in Covered Employment during each Plan Year (September 1 to August 31).

There are four types of Pension Credits which are granted for different periods of employment:

- Future Future Service Credit – for service on or after September 1, 1986
- Future Service Credit – for service from September 1, 1975 through August 31, 1986
- Past Future Service Credit – for service from September 1, 1955 through August 31, 1975

- Past Service Credit – for service before September 1, 1955

Your total number of Pension Credits will be determined by adding up the number of Pension Credits you have received in each of the categories. There is no limit to the number of Pension Credits you can accumulate.

### *Future Future Service Credit*

Pension Credits earned on and after September 1, 1986 are based on your hours in Covered Employment.

For employment on and after September 1, 2023, you will be granted One Future Future Service Credit for each Plan Year during which you have 1700 Hours of Service in Covered Employment. If you have more or less than 1700 Hours of Service in such a Plan Year, the amount of your Future Future Service Credit will be adjusted by a proportionate amount. For example: 1600 Hours of Service would yield .941 Future Future Service Credit ( $1600/1700$ ) and 1800 Hours of Service would yield 1.059 Future Future Service Credits ( $1800/1700$ ).

For employment on and after September 1, 2009 and prior to September 1, 2023, you will be granted One Future Future Service Credit for each Plan Year during which you have 1800 Hours of Service in Covered Employment. If you have more or less than 1800 Hours of Service in such a Plan Year, the amount of your Future Future Service Credit will be adjusted by a proportionate amount. For example: 1600 Hours of Service would yield .889 Future Future Service Credit ( $1600/1800$ ) and 1900 Hours of Service would yield 1.056 Future Future Service Credits ( $1900/1800$ ).

For employment from September 1, 1986 through August 31, 2009, you have one Future Future Service Credit for each Plan Year during which you had 1700 Hours of Service in Covered Employment. If you had more or less than 1700 Hours of Service in such a Plan Year, the amount of your Future Future Service Credit will be adjusted by a proportionate amount.

These Future Future Service Credits will count towards both your eligibility for and the amount of your pension.

### *Past Future Service Credit*

Past Future Service Credit was earned for periods of employment on or after September 1, 1955, but before September 1, 1975. The method for determining the amount of Past Future Service Credit you earned for purposes of *eligibility* for a pension and the method for determining the amount of Past Future Service Credit you earned for purposes of determining the *amount* of your benefit are different and are described below.

For the purpose of determining if you are *eligible* for a pension, you will be granted Past Future Service Pension *Eligibility* Credits for employment for each Plan Year from September 1, 1955 through August 31, 1975 according to the following schedule:

<u>Hours for which Contributions</u> <u>were Received</u>	<u>Past Future Service Pension</u> <u>Eligibility Credits</u>
fewer than 400	-0-
400-799	¼
800-1199	½
1200-1599	¾
1600-1999	1
2000 or more	1 ¼

For the purpose of determining the *amount* of your pension, you will be granted one Past Future Service Pension *Benefit* Credit for each Plan Year from September 1, 1955 through August 31, 1975, during which *any* contributions were made to the Pension Fund on your behalf.

#### **EXAMPLE**

Participant A worked in Covered Employment from September 1, 1970 through August 31, 1975. In each of the first four Plan Years, Participant A worked 1800 hours. In the Plan Year ending August 31, 1975, Participant A worked 1000 hours. For purposes of pension eligibility, Participant A earned 4 ½ Past Future Service Pension *Eligibility* Credits while, for purposes of calculating the pension benefit, Participant A earned 5 Past Future Service Pension *Benefit* Credits.

### *Past Service Credit*

You will be granted one Past Service Credit for each Plan Year before September 1, 1955 during which you worked as an employee under a Collective Bargaining Agreement between the Union and an Employer. Past Service Credits will count towards your pension eligibility and the amount of your pension. However, if you incurred a Break in Service of one year or more prior to September 1, 1955, you will lose all Past Service Credit worked prior to such Break in Service.

### **VESTING SERVICE**

Vesting Service is generally used to determine whether you will be entitled to a pension if you leave Covered Employment. You receive one year of Vesting Service for each Plan Year in which you earn at least 1000 Hours of Service in Covered Employment.

Hours of Service include all hours for which you receive pay from a Contributing Employer while working in Covered Employment, including time spent on paid vacations and periods when you are not working but are receiving weekly accident and sickness benefit payments from the Heating, Piping and Refrigeration Medical Fund due to disability. There is, however, a limit of 501 hours of credit allowable for any one period of paid non-work time.

You cannot get credit for Vesting Service for any non-work time during which you get paid as a result of the following:

- a workers' compensation law;
- an unemployment compensation law; or
- any plan provided by a mandatory disability benefits law.

There is another way you can receive credit for Vesting Service. Time spent working for a contributing employer in a job not covered by this Plan which is *continuous* with a job for the same employer that is covered by the Plan will count as Hours of Service. To be “continuous,” your covered and non-covered jobs with the same employer must follow each other without interruption. This rule applies only to work after August 31, 1976 and applies only to periods of employment while your employer is maintaining the Plan. The Vesting Service you earn in the non-covered job classification will count for the purpose of vesting, but it will not count in computing the *amount* of your pension.

You are not entitled to Vesting Service for periods preceding a Permanent Break in Service, or for years before January 1, 1971 unless you earn at least three years of Vesting Service after December 1, 1970.

### **BECOMING VESTED**

If you earn an Hour of Service on or after September 1, 1998 and you earn five (5) years of Vesting Service that have not been cancelled by a Permanent Break in Service, you are vested. This means that you have a nonforfeitable right to a pension benefit. Once you become vested, you keep this right to a pension even if you leave Covered Employment to work in some other field. This type of pension is called a Deferred Vested Pension because payment is deferred until you reach retirement age, and it is guaranteed because you have earned at least five (5) years of Vesting Service.

#### **EXAMPLE**

Let's say you started working in Covered Employment on September 1, 1996, and worked in Covered Employment for four (4) consecutive Plan Years. In each of those years, you worked over 1000 hours. In the fifth year, however, you worked only 800 hours. You are not vested, because you did not work 1000 hours in Covered Employment in your fifth year of Service.

If you do not have an Hour of Service in Covered Employment on or after September 1, 1998 the following vesting rules apply to you:

- Once you have earned ten (10) years of Vesting Service, you are vested.
- For employees with an Hour of Service on or after September 1, 1989 in Covered Employment *not* under a Collective Bargaining Agreement, 5 years of Vesting Service is required for vesting.

Another way you can become vested is by reaching Normal Retirement Age (the later of age 62 or the 5<sup>th</sup> anniversary of your participation, 10<sup>th</sup> anniversary if you had no hours after January 1, 1988) with any Future Service Pension Credit or Future Future Service Pension Credit which has not been canceled by a Permanent Break in Service. In such case, you are vested in a benefit based solely on the amount of your Future Future Service Pension Credit, your Future Service Pension Credit, and your Past Future Service Credit, which has not been canceled by a Permanent Break in Service.

## **CREDIT FOR TIME SPENT IN MILITARY SERVICE**

Vesting Service and Pension Credits will be given for time spent in the Armed Forces, provided you leave Covered Employment for military service and make yourself available to return to Covered Employment within the time prescribed by law. Pension Credit and Vesting Service will be given to the extent required by law.

## **PENSION CREDIT AND VESTING SERVICE WHILE TRAVELING TO OTHER JURISDICTIONS**

The Pension Fund participates in the United Association national reciprocity program. This includes a national “money-follows-the-worker” reciprocal agreement that may apply when you travel to a job under a collective bargaining agreement in the jurisdiction of another local union.

If the away-from-home pension fund is signed to the national reciprocity agreement, the away-from-home pension fund will forward contributions made for your hours as a traveler, and you will be credited with those hours under this Pension Plan.

For hours prior to August 1, 2003, you were given full Pension Credit and Vesting Service for reciprocated hours from away-from-home pension funds.

Effective for reciprocated hours earned on or after August 1, 2003, the Pension Fund will give Pension Credit for those hours based on the ratio that the received contribution rate bears to the then current contribution rate of the Pension Fund. If the away-from-home pension fund’s rate is higher, you will receive proportionately more hours for Pension Credit. If the away-from-home pension fund’s rate is lower, you will receive proportionately fewer hours for Pension Credit. However, for purposes of determining Vesting Service, you will still be credited with your actual reciprocated hours from the away from home pension fund.

## BREAKS IN SERVICE

Prior to when you become vested, you can lose both your Pension Credit and your Years of Vesting Service, if you have a Break in Service. A Break in Service may be temporary, subject to repair by a sufficient amount of subsequent service. A longer break may be permanent.

### *Temporary (One-Year) Break in Service*

A One-Year Break in Service occurs if you have less than 500 Hours of Service in a Plan Year (September 1 through August 31). This break causes a *temporary* cancellation of your Pension Credits and Vesting Service.

You can "repair" this cancellation of your Pension Credit and Vesting Service. If you return to a job covered by the Pension Plan and earn at least 1000 Hours of Service in a Plan year before you have a Permanent Break in Service, your temporary Break in Service is repaired, and your previously earned years of Vesting Service and Pension Credits are restored.

### *Permanent Break in Service*

A Break in Service can be "permanent," with the result that you *permanently* lose all Pension Credits and years of Vesting Service you accumulated before the Break in Service. The rules regarding Permanent Breaks in Service vary depending on when the Break in Service occurred.

- Participants with an Hour of Service on or after September 1, 1998. You incur a Permanent Break in Service if you have not reached Vested Status prior to a period of at least five (5) consecutive One-Year Breaks in Service.
- Participants with an Hour of Service after August 31, 1985 but no Hours of Service after August 31, 1998. If you have earned five or fewer Years of Vesting Service, you will have a Permanent Break in Service only after incurring five consecutive One-Year Breaks in Service. If you have at least six but less than ten Years of Vesting Service, you will incur a Permanent Break in Service if you have consecutive One-Year Breaks in Service that equal or exceed your earlier years of Vesting Service. Note, however, that a person who earns an Hour of Service on or after September 1, 1989 in Covered Employment not covered by a Collective Bargaining Agreement will have a Permanent Break in Service if, before he earns five (5) years of Vesting Service, he has five (5) consecutive One-Year Breaks in Service.

- Permanent Break in Service for the period August 31, 1976 through August 31, 1985. After August 31, 1976 but before September 1, 1985, you had a Permanent Break in Service if the number of consecutive One-Year Breaks in Service you incurred equaled or exceeded your prior years of Vesting Service. For this rule to apply, at least one of the One-Year Breaks in Service must have occurred after August 31, 1976.
- Permanent Break in Service for the period before September 1, 1976. You would have incurred a Permanent Break in Service during the period from September 1, 1972 to September 1, 1976 if during that period you failed to earn at least 400 Hours of Service within a period of two consecutive Plan Years.

### *Exceptions to the Break in Service Rules*

- If you are away from work because of service in the Armed Forces of the United States, this absence (for up to five years) will not be counted toward a Break in Service.
- For purposes of preventing a One-Year Break in Service only, you will be granted up to a maximum of 501 Hours of Service in case of absence due to maternity or paternity leave following childbirth or adoption. In order to receive such allowance, you must notify the Fund Office within one year of such absence. (This rule does not apply for purposes of Vesting Service or benefit accrual.)

## **BREAK IN CONTINUITY**

The Plan's Break in Continuity rules affect how your pension benefit will be calculated. These rules do not affect your Vested Status nor do they relate to the Plan's Break in Service rules described above. Moreover, unlike a Break in Service, you can experience a Break in Continuity even after you are vested in your pension.

Generally, you will incur a Break in Continuity if you fail to have contributions made on your behalf for at least 1700 hours during at least three consecutive Plan Years.

A Break in Continuity has the effect of "freezing" the benefit rates that are used in calculating all or part of your pension. If you incur a Break in Continuity and never return to Covered Employment, the credit you earned prior to the three-year

break period will be valued at the benefit rates in effect at the end of the Plan Year prior to such three-year period. Any credit you earned during the three-year period that constitutes the Break in Continuity will be valued at the benefit rates in effect during that time.

If you return to Covered Employment later (or increase your working schedule so that you earn at least 1700 Hours of Service during the following three years, as the case may be), any new benefit rates in effect when you retire or incur another Break in Continuity will apply to Pension Credits earned since your last Break in Continuity.

If you return to Covered Employment full time and you earn at least 1700 hours during the three years following a Break in Continuity, any new benefit rate in effect when you retire or incur another Break in Continuity will apply to Pension Credits since your last Break in Continuity

#### EXAMPLE

Let's say a Participant left Covered Employment in August 1991. At the time they left, they were vested and had accrued 4 Future Future Service Pension Credits and 8 Future Service Credits. The benefit rate in effect when they left Covered Employment was \$55.25 per Future Future Service Pension Credit and \$40.61 per Future Service Credit. Years later, after incurring a Break in Continuity, they returned to Covered Employment and earned five (5) additional Future Future Service Pension Credits. They then retire under the Regular Pension in July 2019 at a time when the rate of Future Future Pension Credits was \$100.00. Their benefit would be calculated as follows:

8 Future Service Pension Credits at \$40.61 = \$324.88  
4 Future Future Service Pension Credits at \$55.25 = \$221.00  
5 Future Future Service Pension Credits @ \$100.00 = \$500.00  
Regular Monthly Pension = \$1,045.88

*Special Rule in the Case of Disability.* If you suffer a Break in Continuity as a result of a disability that prevented you from performing regular gainful employment in the construction industry, benefit rates in effect at the *end* of the three-year period will be used in calculating any pension benefit attributable to employment before your Break in Continuity. You must provide satisfactory proof of such disability to the Trustees in order for this provision to apply.

## TYPES OF PENSION

### REGULAR PENSION

You are eligible to retire on a Regular Pension if you are:

- age 62; and
- have at least 10 Pension Credits.

The Regular Pension is paid on a monthly basis. The amount of your Regular Pension is calculated by multiplying the number of each of the types of Pension Credits you have earned by the benefit rate applicable to the period during which you earned the credit and adding up the resulting figures. Specific information about the amount of your monthly pension can be found below in the section entitled “Amount of Pension” on page 15.

### EARLY RETIREMENT PENSION

You are eligible to retire on an Early Retirement Pension if you are:

- age 55; and
- have at least 10 Pension Credits.

Like the Regular Pension, the Early Retirement Pension is paid on a monthly basis and uses the same formula for initially calculating the benefit amount. However, the monthly amount of the Early Retirement Pension is reduced from the monthly amount of the Regular Pension at the rate of  $\frac{1}{4}$  of 1% per month (3% per year) for each month that you retire before age 60. *There is no reduction for retirement between age 60 and 62*, provided you retire while working in Covered Employment. The reason for this reduction is that it is likely you will be receiving your pension for a longer period of time than if you started receiving it at age 60.

#### EXAMPLE

A Participant with over 10 Pension Credits chooses to receive their pension when they reach age 59. The amount of the monthly pension will be 3% less than the benefit payable under the Regular Pension at age 62.

Although the participant is starting their pension three years early (36 months before age 62), there is no reduction for the first 24 months (between 62 and 60); therefore, the reduction is only for 12 months (from age 60 to 59).

To determine the reduction, the Fund Office multiplies each month the retirement age precedes age 60 by  $\frac{1}{4}$  of 1%. Thus, because this participant is retiring 12 months before age 60, the result is a reduction of 3% ( $12 \times \frac{1}{4} \times 1\%$ ).

## DEFERRED VESTED PENSION

You are eligible for a Deferred Vested Pension if:

- You cease to be employed in Covered Employment prior to age 55; and
- You have at least five (5) years of Vesting Service that have not been previously canceled by a Permanent Break in Service.

(Note: If you have not completed an Hour of Service on or after September 1, 1998, you must have at least ten (10) years of Vesting Service or at least 10 Pension Credits to be eligible for a Deferred Vested Pension. However, if you have completed an Hour of Service on or after September 1, 1989 in Covered Employment not covered by a Collective Bargaining Agreement, you must have at least five (5) years of Vesting Service that have not been previously canceled by a Permanent Break in Service.)

Alternatively, if you are not otherwise eligible for a pension, you will be entitled to a Deferred Vested Pension if you attain Normal Retirement Age (the later of age 62 or the 5<sup>th</sup> anniversary of your participation, 10<sup>th</sup> anniversary if you had no hours of service after January 1, 1988) while you are a Participant. In that case, your Deferred Vested Pension will be based on any Pension Credits that were not cancelled by a Permanent Break in Service before you reached Normal Retirement Age.

A Deferred Vested Pension is generally payable at Normal Retirement Age (age 62). However, if you have earned ten (10) Pension Credits, you may be eligible to start your Deferred Vested Pension as early as age 55.

The amount of the Deferred Vested Pension is determined in the same manner as the Regular Pension. However, the monthly amount is reduced at the rate of ¼ of 1% per month (3% per year) for each month that you retire before age 62.

The benefit rates used in computing your Deferred Vested Pension will be those in effect when you last earned Pension Credit under the Plan, provided you have had a Break in Continuity. Your entire pension will not be based on higher benefit rates that may be in effect when you actually apply.

**EXAMPLE**

A Participant worked for 10 years in Covered Employment and earned 10 Years of Vesting Service and 10 Pension Credits, including 9 Future Service Pension Credits and 1 Future Future Service Pension Credit. In 1987, at the age of 47, the Participant left the area permanently to pursue a different trade in another city. The benefit rate for Future Service Pension Credit was \$36.86 and the benefit rate for Future Future Service Pension Credit was \$44.40 at the time he left the area. The Participant is now 62 years old.

The Participant is entitled to receive a Deferred Vested Pension since: (1) he has earned at least 10 Pension Credits (or 10 Years of Vesting Service), and (2) he has reached his Normal Retirement Age.

The amount of his Deferred Vested Pension would be \$376.14 per month (9 Future Service Pension Credits multiplied by \$36.86 and 1 Future Future Service Pension Credit multiplied by \$44.40, the benefit rates in effect when he left the area).

**DISABILITY PENSION**

You are eligible to receive a Disability Pension if:

- You are permanently and totally disabled at any time before age 62;
- You have at least 10 Pension Credits; and
- You have worked in Covered Employment or made self-contributions for a total of at least 2000 hours in the period consisting of the Plan Year in which you became permanently and totally disabled and the two previous Plan Years.

### *Disability Pension Amount*

The monthly amount of your Disability Pension is equal to the Regular Pension you would be entitled to based on your Pension Credits at the time you become disabled. There is no reduction for age.

### *Determination of Total and Permanent Disability*

The Trustees will rely exclusively upon the determination by either the Social Security Administration or the Civil Service Commission about whether you are totally and permanently disabled. For all disability benefits awarded by the Social Security Administration or Civil Service Commission before August 31, 2015, the date of disability is the date of disability stated in your Social Security or Civil Service Disability Award without regard to any waiting period.

For all disability benefits awarded by the Social Security Administration or Civil Service Commission on or after September 1, 2015, the date of disability shall be the earlier of: 1) date of disability, without regard to any waiting period, stated on the Participant's Social Security or Civil Service disability award; or 2) the application date stated on the Participant's most recent Social Security or Civil Service disability application associated with the same determination by the Social Security Administration or Civil Service Commission that the Participant is entitled to a disability award.

When a Participant's date of disability is determined to be the application date stated on the Participant's most recent Social Security or Civil Service disability application, the Participant must produce evidence, in the form required by the Trustees, demonstrating that they did not perform any work for which they received compensation during the period of time between the application date stated on the Participant's most recent Social Security or Civil Service disability application and the date of the Participant's Social Security or Civil Service disability award. In addition, the Trustees may, from time to time, require evidence of your continued total disability.

If you have applied for a Disability Pension but are still awaiting a determination of Total and Permanent Disability from the Social Security Administration, you may, if eligible, receive Early Retirement benefits in the interim. This benefit will be converted to a Disability Pension upon receipt of a Social Security Award; provided it is effective within 24 months of the date application was made to the Fund for the Disability Pension. The benefit amount will increase to the amount

of the Disability Pension effective as of the later of the effective date of the Social Security Award or the date of the application for a Disability Pension.

### *Auxiliary Payment*

If the effective date of the Social Security or Civil Service Disability Award is before the Effective Date of the Disability Pension, the benefit payment for the first month will include an auxiliary payment amount equal to the monthly amount of your Disability Pension times the number of months between the Effective Date of the Disability Pension and the Date of the Social Security or Civil Service Award. For purposes of the Auxiliary Payment, the effective date of the Social Security disability award or the Civil Service Commission disability award *will always* be used in determining the benefit payment for the first month of the pension.

### *Effect of Recovery*

If you recover from disability before reaching age 62, you must notify the Trustees, in writing, within 21 days of the date you are no longer considered disabled. At that point your Disability Pension payments will stop. Failure to notify the Trustees may result in a reduction in your pension when you do retire. If you return to work under the Plan, you will earn additional years of Pension Credit again. These credits will be added to your previous credits and will be applied toward your eventual retirement benefit.

### *Benefits While Appealing a Loss of Eligibility with Social Security*

In the event you are found to be no longer eligible for Social Security Disability Benefits or those benefits are suspended for any reason, you may continue to receive your Disability Pension as long as:

- You provide proof that you have appealed Social Security's determination of ineligibility;
- You can provide an affidavit stating that you have not worked in any substantial gainful employment since your original disability determination, you are not presently working in any substantial gainful activity, and you are unable to engage in any substantial gainful employment;
- You provide, upon request, any proof of continued disability for a Disability Pension that is required by the Trustees, including state or federal income tax returns; and

- You agree, in writing, to refund any Disability Pension payments received as the result of misrepresentation or fraud, or for any period that you were not otherwise eligible for a Disability Pension.

Disability Benefits paid under this special rule will stop upon the earliest of: the passage of an 18-month period; your return to substantial gainful employment; your withdrawal of your appeal with the Social Security Administration; or decision by the Social Security Administration rejecting your appeal.

### *Non-Duplication*

No pension benefits are payable from this Plan for any month during which you receive any weekly accident and sickness benefits under the Heating, Piping and Refrigeration Medical Fund.

## **AMOUNT OF PENSION**

### **FORMULA**

The amount of the monthly benefit received depends, in part, on the type of pension you are receiving – Regular, Early Retirement, Deferred Vested, or Disability.

In addition, you must also look at the number of Pension Credits you have accumulated in each Pension Credit category. The number of Pension Credits in each category is multiplied by the appropriate benefit rate applicable to the year in which the Pension Credits were earned. The amounts earned in each year are then added together to determine your monthly benefit amount.

### **BENEFIT RATES**

The applicable Benefit Rates for Past Service Credit, Past Future Service Benefit Credit, Future Service Credit, and Future Future Service Credit have been changed from time to time by the Trustees.

Your pension amount may be based on Plan rules and Benefit Rates that are different from those presented in text and examples found in this section of this booklet. In general, the amount of your pension benefit will depend upon the Plan rules and benefit rates in effect when you retire, permanently leave Covered Employment, or incur a Break in Continuity.

The Benefit Rates listed below apply only for those who retire on or after September 1, 2023 with Hours of Service on or after that date. Copies of previous benefit rate schedules, the rules regarding these schedules and the monthly amounts that were in effect prior to September 1, 2023 have been previously provided to employees covered by those rules. Copies may be obtained by making a written request to the Fund Office.

*Future Future Service Benefit Rates (For Hours of Service after August 31, 1986)*

For Hours of Service on or after September 1, 1986 through August 31, 2009, the applicable benefit rate is \$137.00 per month for each Future Future Service Credit you earn.

For Hours of Service on or after September 1, 2009 through August 31, 2019, the applicable benefit rate is \$100.00 per month for each Future Future Service Credit you earn.

For Hours of Service on or after September 1, 2019 through August 31, 2021, the applicable benefit rate is \$125.00 per month for each Future Future Service Credit.

For Hours of Service on or after September 1, 2021 through August 31, 2022, the applicable benefit rate is \$137.00 per month for each Future Future Service Credit.

For Hours of Service on or after September 1, 2022 through August 31, 2023, the applicable benefit rate is \$175.00 per month for each Future Future Service Credit.

For Hours of Service on or after September 1, 2023, the applicable benefit rate is \$200.00 per month for each Future Future Service Credit.

*Future Service Credits (For Hours of Service on or after September 1, 1975 through August 31, 1986)*

The applicable benefit rate is \$40.61 per month for each Future Service Credit earned.

*Past Future Service Pension Credits (For Hours of Service on or after September 1, 1955 through August 31, 1975)*

The applicable benefit rate for Past Future Service Pension Credits depends upon your Average Annual Hours during this period. You can determine your Average Annual Hours by dividing the total number of hours for which contributions were made on your behalf between September 1, 1955 and August 31, 1975 by the number of years during which they were made.

**EXAMPLE**

Assume 12,000 hours of contributions were made on your behalf between September 1, 1955 and August 31, 1975. If these contributions were made on your behalf in each of 10 years. Your Average Annual Hours would be 1200 hours (12,000 hours ÷ 10 years).

For all pensions first effective beginning September 1, 1986, the following benefit rates apply to the different levels of Average Annual Hours.

<u>Average Annual Hours</u>	<u>Monthly Past Future Service Benefit Rate</u>
1900 or more	\$35.47
1750-1899	\$33.55
1600-1749	\$31.46
1200-1599	\$27.79
less than 1200	-0-

If the Average Annual Hours are less than 1200, the average will be recomputed without counting the year with the lowest number of hours.

*Past Service Credits Benefit (For service before September 1, 1955)*

You will receive \$14.33 per month for each Past Service Credit earned.

**EXAMPLE**

A Participant is 62 and has earned a total of 43 Pension Credits (without any Breaks in Service or Breaks in Continuity) as follows:

- 
- Future ServiceCredits: 5
- Future Future Service Credits 38
- **Total Pension Credits 43**

To determine this Participant's monthly pension based on retirement September 1, 2024, multiply each form of Pension Credit by the applicable benefit rate and add up the resulting amounts, as follows:

**Future Future Service Benefit**

1 Pension Credits x \$200.00	= \$200.00
1 Pension Credits x \$175.00	= \$175.00
1 Pension Credits x \$137.00	= \$137.00
2 Pension Credits x \$125.00	= \$250.00
10 Pension Credits x \$100.00	= \$1,000.00
23 Pension Credits x \$137.00	= \$3,151.00
Subtotal:	= \$4,913.00

**Future Service Benefit**

5 Pension Credits x \$40.61	= \$203.05
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**Amount of Regular Monthly Pension:**

Future Future Service Benefit	= \$4,913.00
Future Service Benefit	= \$ 203.05
<b>Regular Monthly Pension</b>	<b>= \$5,116.05</b>

**APPRENTICESHIP PERIODS**

If you first became an apprentice on or after July 1, 1991, the benefit accrual rates for any Plan Year during which you are in a first through fourth year apprentice job classification will be 15% of the applicable Future Future Service Credit benefit accrual rate described above.

**ADJUSTMENT FOR DELAYED RETIREMENT**

If you have at least one Hour of Service on or after September 1, 1988, and if your benefits have not been suspended, and if your effective date is after your Normal Retirement Age, your benefit accrued at Normal Retirement Age will be actuarially increased (1% per month for the first sixty (60) months after Normal Retirement Age and 1.5% per month for each month thereafter). However, the amount of the increase will be offset by any increase in your benefit attributable to Hours of Service after Normal Retirement Age.

## OTHER FACTORS

Your pension amount may be further adjusted based on the type of pension you are receiving and on the form of payment. If you are receiving a Regular, Early Retirement, or Disability or Deferred Vested Pension, the benefit rates used to calculate your monthly payment will be those in effect when you apply for a pension, subject to the Break in Continuity rules described above. If you are applying for a Deferred Vested Pension, the benefit rates will be those in effect when you last earned Pension Credit under the Plan.

## FORMS OF PENSION PAYMENT

When you apply for retirement benefits, you will be asked to choose the form in which you want your pension paid. Under federal law, if you are married for at least one year at retirement, your pension is automatically payable in the form of a Joint-and-Survivor Pension when you retire, unless both you *and* your spouse elect not to receive your pension in this form. If you have not been married for one year as of the date of retirement, the survivor benefit will only be payable if you died after the first anniversary of your marriage. The survivor protection of the Joint-and-Survivor Pension will automatically take effect on the first of the month following the first anniversary of your marriage, provided you and your spouse are both alive and you are married to each other on that date. You and your spouse can elect not to receive benefits in the Joint-and-Survivor form. If you wish to make such an election, you and your spouse must both reject the Joint-and-Survivor Pension in writing. Your spouse's rejection must be witnessed by a Notary Public. Please note that all "Pop-Up" Options described below also require spousal consent.

### JOINT-AND-SURVIVOR 50% PENSION

Under the Joint-and-Survivor 50% Pension, you will receive a fixed amount each month for your life. If you die before your spouse, your spouse will continue to receive a benefit each month for their lifetime, in the amount of 50% of the benefit you were receiving before your death. Since the Joint-and-Survivor 50% Pension provides coverage not only for you but also for your spouse should you die first, the amount of the pension you receive will be reduced. A Non-Disability Pension under this form will be multiplied by 88% if you and your spouse are the same age. A Disability Pension will be multiplied by 77.5% if you and your spouse are the same age. If you and your spouse are not the same age, those factors will be further adjusted as described below.

### EXAMPLE

A married Participant is 62 years old and has 20 Pension Credits. Therefore, he can retire and receive a Regular Pension. Since he and his wife do not reject the Joint-and-Survivor Pension, they automatically get the Pension in that form. Assume that the Participant and his wife are the same age, and that his unadjusted pension entitlement is \$2,740.00 per month. Under the Joint-and-Survivor form, the amount of the pension will be \$2,411.20 per month ( $\$2,740.00 \times 88\%$ ). If the Participant dies before his wife, she will receive \$1,205.60 each month for her lifetime ( $\$2,411.20 \times 50\%$ ).

The amount of a Joint-and-Survivor 50% Pension will be further adjusted based on the difference in age between you and your spouse. For each full year your spouse is older than you, the adjusted pension amount described above (88% for a Non-Disability Pension and 77.5% for a Disability Pension) is increased by 0.4%, up to a maximum of 99% or 88%, for a Non-Disability Pension or Disability Pension, respectively. For each full year your spouse is younger than you, the adjustment factor is decreased by 0.4%.

The following chart illustrates how age differences between you and your spouse will affect the amount of your non-Disability Joint-and-Survivor Pension:

<i>Participant/Spouse Age Difference</i>	<i>Percentage Adjustment</i>
Participant 5 years older	86.0%
Participant 4 years older	86.4%
Participant 3 years older	86.8%
Participant 2 years older	87.2%
Participant 1 year older	87.6%
No Age Difference	88.0%
Participant 1 year younger	88.4%
Participant 2 years younger	88.8%
Participant 3 years younger	89.2%
Participant 4 years younger	89.6%
Participant 5 years younger	90.0%

#### **EXAMPLE**

A Participant is 62 years old and has an unadjusted pension entitlement of \$2,740.00 per month. Their spouse is 57 years old. Under the Joint-and-Survivor form, the amount of the monthly benefit will be reduced by 86%: The 88% Joint-and-Survivor Pension adjustment minus 0.4% for each year the spouse is younger than the participant is (5 years x 0.4% = 2%).

The Participant's adjusted monthly pension benefit is \$2,356.40 (\$2,740.00 x 86%). If they die before the spouse, the monthly survivor benefit will be \$1,178.20 (50% of the Participant's monthly benefit).

Once your Joint-and-Survivor 50% Pension begins, the reduced amount you receive will only be increased to the full amount of your Regular Pension if your spouse should die before you have received six months of benefit payments. Otherwise, your Pension will remain permanently at the reduced amount. Should your spouse die before you (but after 6 months of benefit payments) or if you are divorced after the effective date of your pension, your pension will not be adjusted. If you and your spouse are divorced after the effective date of your pension, your former spouse will still receive survivor benefits under this Plan unless otherwise provided in a Qualified Domestic Relations Order.

To be eligible for the Joint-and-Survivor 50% Pension or the Preretirement Surviving Spouse Pension, your Spouse must be a Qualified Spouse. Your spouse is a Qualified Spouse if you and your spouse have been married throughout the 12

months ending on your Pension Effective Date or if the two of you got married within 12 months of your Pension Effective Date and you continue to be married for a period of at least 12 months ending on or before your death. For purposes of the Preretirement Surviving Spouse Pension, your spouse will be a Qualified Spouse if the two of you have been married throughout the 12-month period preceding your death. Finally, your former spouse may be a Qualified Spouse if you were divorced after being married for at least 12 months and your former spouse is required to be treated as your spouse for purposes of the Joint-and-Survivor Pension and/or Preretirement Surviving Spouse Pension under a Qualified Domestic Relations Order.

### 75% AND 100% JOINT AND SURVIVOR OPTIONS

If you are married and entitled to the Joint-and-Survivor 50% Pension, you may elect to receive either a 75% or a 100% Joint and Survivor Option as an alternative to the Joint-and-Survivor 50% Pension. Under these forms of payment, you will receive a fixed amount each month for your life. If you die before your spouse, your spouse will continue to receive 75% or 100% of the benefit amount you were receiving before your death.

The conditions for the 75% and 100% Joint and Survivor Options are the same as those for the Joint-and-Survivor Pension, except the reduction factors are different.

For the 75% Joint and Survivor Option, the reduction factor for non-Disability Pensions is 83% if you and your spouse are the same age. If you and your spouse are not the same age, the reduction factor will be increased by 0.5% for each full year up to five and 0.6% for each full year in excess of five that your spouse is older than you, up to a maximum of 99%, or decreased 0.5% for each full year that your spouse is younger than you.

For the 75% Joint and Survivor Option, the reduction factor for Disability Pensions is 69.5% if you and your spouse are the same age. If you and your spouse are not the same age, the reduction factor will be increased 0.5% for each full year that your spouse is older than you, up to a maximum of 83%, or decreased 0.5% for each full year up to eight and 0.4% for each full year in excess of eight that your spouse is younger than you.

For the 100% Joint and Survivor Option, the reduction factor for non-Disability Pensions is 78.5% if you and your spouse are the same age. If you and your spouse are not the same age, the reduction factor will be increased 0.7% for each full year

that your spouse is older than you, up to a maximum of 98%, or decreased 0.6% for each full year that your spouse is younger than you.

For the 100% Joint and Survivor Option, the reduction factor for Disability Pensions is 63.0% if you and your spouse are the same age. If you and your spouse are not the same age, the reduction factor will be increased 0.6% for each full year that your spouse is older than you, up to a maximum of 80%, or decreased 0.5% for each full year that your spouse is younger than you.

#### OPTION FOR “POP-UP” PROTECTION

If you are married and entitled to the Joint-and-Survivor 50% Pension, and if you and your spouse have properly rejected the Joint-and-Survivor 50% Pension, you may elect the 75% or 100% Joint and Survivor Options, or the Joint-and-Survivor Pension with a “Pop-Up” feature. (The Pop-Up feature is not available if you are retiring on a Deferred Vested Pension.)

Under the Pop-Up feature, if your spouse dies before you but after your Pension Effective Date, your monthly pension amount is increased to the full monthly amount of the Single Life Pension described in the following section.

If you elect the Pop-Up feature, the reduction factors for the 75% or 100% Joint and Survivor Options, or the Joint-and-Survivor Pension, are adjusted to lower percentages:

- The reduction factor for the Joint-and-Survivor 50% Pension with Pop-Up Feature is 87% for non-Disability Pensions and 76.5% for Disability Pensions.
- The reduction factor for the 75% Joint and Survivor Option with Pop-Up Feature is 81.5% for non-Disability Pensions and 68.5% for Disability Pensions.
- The reduction factor for the 100% Joint and Survivor Option with Pop-Up Feature is 77.5% for non-Disability Pension and 62% for Disability Pensions.

If you and your spouse are not the same age, adjustments to these reduction factor percentages are the same as those described on pages 20 through 23, above, except the maximum percentages where you are younger than your spouse are lower.

## SINGLE LIFE PENSION

If you are single, or if you are married but you and your spouse elect not to receive the Joint-and-Survivor Pension, you will receive for your lifetime the full unreduced monthly pension benefit payable to you upon your retirement. However, if you should die before your spouse, your spouse will not receive a monthly pension payment. If you are single, you will be required to certify in writing, on forms provided by the Plan, that you are not married on the date you make your election of benefits.

## AUTOMATIC LUMP SUM PAYOUT OF SMALL PENSIONS

If the present value of your pension benefit under this Plan is \$7,000 or less, the Fund will pay your benefit as a single lump sum regardless of any prior elections to the contrary.

## OTHER PLAN BENEFITS

### DEATH BENEFITS

#### *Lump Sum Death Benefit*

- Preretirement Death Benefit. In the event you die before you become vested, your Designated Beneficiary will receive, in a lump sum, all contributions to the Plan made on your behalf. However, if a Preretirement Surviving Spouse Pension is payable to your surviving spouse, as described below, no lump sum Death Benefit will be paid under this provision unless your surviving spouse is the designated Beneficiary and he or she elects to receive the Death Benefit as a lump sum.
- Post-Retirement Death Benefit. In the event you retire and die before receiving benefit payments equal to the amount of the contributions made on your behalf, your Designated Beneficiary will receive the difference between the amount of the contributions to the Plan made on your behalf and the monthly pension benefits you received prior to your death, in a lump sum. No lump sum Death Benefit will be paid if your spouse is to receive a survivor benefit under the Joint-and-Survivor Pension or the 75% or 100% Joint and Survivor Options.

### *Preretirement Surviving Spouse's Annuity or Lump Sum Choice*

If you die after becoming vested but before retiring, then your surviving Qualified Spouse will be given the choice of receiving a Preretirement Surviving Spouse Pension that may be payable as a lifetime survivor annuity or, if your spouse so elects, a lump-sum Death Benefit equal to the contributions made on your behalf.

If you die before age 55, the survivor annuity will be payable on the first of the month following the date on which you would have reached age 55 had you lived. If you are 55 or older, it may begin immediately. Regardless, your surviving spouse also has the right to delay the start of the annuity until the December 31st of the year during which you would have reached age 73.

The amount of the Preretirement Surviving Spouse Pension is based on your Pension Credits earned up to your date of death. The survivor annuity is payable in the form of the surviving spouse benefit under the Joint-and-Survivor Pension, as if you had retired on a Joint-and-Survivor Pension on the day before your death. The amount is generally determined under the terms of the Plan in effect when you last worked in Covered Employment. In general, if a Preretirement Surviving Spouse Pension is payable, no Death Benefit will be paid. However, your non-spouse Designated Beneficiary may receive the Death Benefit if your surviving spouse dies before applying for and receiving the Preretirement Surviving Spouse pension.

Your surviving spouse may choose to receive the lump sum Death Benefit in lieu of the Preretirement Surviving Spouse Pension. If the actuarial present value of the survivor annuity under the Preretirement Surviving Spouse Pension would be greater than the contributions made on your behalf, the difference between these two amounts will be included with the Death Benefit; this lump sum payment will satisfy the Plan's obligation to provide surviving spouse benefits. If the lump sum Death Benefit is greater than the actuarial present value of the Preretirement Surviving Spouse Pension payable to your spouse as an annuity, there will be no supplemental benefits and the single sum payment will satisfy the Plan's obligation to provide survivor's coverage spouse benefits.

Your Qualified Spouse is not eligible for the Preretirement Surviving Spouse Pension unless you have at least one Hour of Service for a Contributing Employer after 1975, you are vested, and you were not receiving pension payments before August 23, 1984.

## PRO RATA/PARTIAL PENSION

The Pro Rata/Partial Pension allows Participants who would otherwise lack sufficient service to be eligible for a pension because their years of working in Covered Employment are divided between different pension plans to be eligible for a pension from this Plan. To be eligible for the Pro Rata/Partial Pension, you must meet the following requirements:

- You would not otherwise be eligible for a pension under this Plan.
- After the completion of the “money follows the worker reciprocity,” you must have earned at least 1,700 Hours of Service under this Plan without counting any service under a related plan.
- The service earned under another plan, when considered with the service earned under this Plan, would qualify you for a pension under this Plan.
- The other plan has entered into to the Optional Addendum for Pro Rata/Partial Pensions of the United Association Pension Fund Reciprocal Agreement.

The amount of the Pro Rata/Partial Pension payable under this Plan will be determined based solely on the Pension Credits you earn under this Plan. The amount of a Pro Rata/Partial Pension will also be subject to all conditions applicable to other types of pensions under the Plan.

## SEVERANCE BENEFIT

If for any reason you should leave the industry prior to becoming vested, you may elect to receive a lump-sum Severance Benefit equal to the amount of contributions, if any, made on your behalf prior to September 1, 1976. The Severance Benefit applies only to contributions made on your behalf before September 1, 1976. Contributions made on your behalf after September 1, 1976, other than self-contributions, are not returnable. The Severance Benefit is payable following termination of Covered Employment on the first day of the month after:

- you have left Covered Employment for at least 12 months; and/or
- no contributions are made to the Plan on your behalf for at least 12 months; and
- proper application has been filed with the Fund Office (including spousal consent, if necessary).

Application for the benefit must be made within five years of your separation from Covered Employment or the portion of the Severance Benefit based on employer

contributions will be forfeited. However, your own contributions to the Plan, if any, are non-forfeitable, and you are always entitled to them.

Upon payment of this Severance Benefit of the contributions made on your behalf, all Pension Credits and Years of Vesting Service which you had earned when the return of contributions was made are canceled. *There is no Severance Benefit for vested participants.*

### **DESIGNATION OF BENEFICIARY(IES)**

You may designate any person(s) to receive any benefits to which your named Beneficiary(ies) would be entitled under the Plan.

Your designation of a Beneficiary(ies) must be made in writing. It may be changed as often as you wish, and you do not need the consent of any previously named Beneficiary to make such a change. A change of Beneficiary designation will be effective only upon receipt by the Fund Office prior to your death.

If no designation has been made, or your Beneficiary(ies) should die before you, any benefits payable under the Plan will be made to your surviving spouse; if you have no surviving spouse, to your children in equal parts; if you have no surviving spouse or children, to your estate.

Once you are a pensioner, your spouse must consent to your beneficiary designations if your pension is not in the Joint-and-Survivor form.

### **WORKING AFTER RETIREMENT**

In general, you must retire from the steamfitting and pipefitting trade to receive monthly pension payments. Once you retire from the trade, you can work in some other field and still receive your pension. However, if you work in what is called Disqualifying Employment; your monthly benefit will be suspended while you are performing such work.

To start your pension, you must be considered retired, which means you must not only stop working at the trade; you must have also have separated from any and all other employment with all Contributing Employers and from any and all other employment that would be Disqualifying Employment. To separate, you must have at the time you start benefits the present intent to leave and you must in fact stay away from, all such employment. However, if you have reached both the your Normal Retirement Age under the Plan and your Social Security normal

retirement age, you will not be required to separate from service with any and all Contributing Employers in order to commence your pension.

## DISQUALIFYING EMPLOYMENT

### *Disqualifying Employment Before Normal Retirement Age*

If you retire before Normal Retirement Age and begin receiving a benefit, you cannot be employed or self-employed in the type of work regularly performed by employees represented by the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry or one of its affiliated local unions, or any employment or self-employment in the plumbing, heating, piping, and refrigeration industry for employers or businesses that are not signatory to a collective bargaining agreement with the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada or one of its affiliates. Your retirement benefits will be suspended for any month that you are employed in such work.

### *Disqualifying Employment After Normal Retirement Age*

After reaching Normal Retirement Age, Disqualifying Employment means employment or self-employment at the trade in the heating, piping and refrigeration industry or any other industry covered by the Plan when your pension began, and in the geographic area of the Plan (Maryland, Virginia, District of Columbia or any other state in the United States or province of Canada where contributions are required to be made by an employer to the Plan).

After Normal Retirement Age, if you earn more in a year than is allowed by Social Security prior to a reduction in benefits, your monthly benefit will be suspended for any month in which you worked or were paid for at least 40 hours in Disqualifying Employment after you have reached the maximum amount. Notwithstanding the above rule, if you engage in Disqualifying Employment for an employer or business that is not signatory to a collective bargaining agreement with the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada or one of its affiliated local unions, the Suspension of Benefits rules applicable for Disqualifying Employment after Normal Retirement Age will be applied without regard to whether or not you earn more than the maximum allowed by Social Security without reduction in benefits.

Once you reach your Social Security Normal Retirement Age (which varies depending on your date of birth), you may return to work without a suspension of your benefits and earn any amount, provided you do not work in the plumbing and

pipefitting industry for an employer or business that is not signatory to a collective bargaining agreement with the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada or one of its affiliated local unions.

## NOTIFYING THE PLAN

*You are required to notify the Fund Office in writing within 30 days after taking a job in Disqualifying Employment.* If your benefits are suspended, you will be notified by personal delivery or first class mail during the first calendar month in which payments are withheld. If you fail to give written notice within the 30-day period or if you willfully misrepresent to the Trustees about your return to Disqualifying Employment, your monthly benefit will be suspended for an additional six months. The six-month penalty does not apply after your 62<sup>nd</sup> birthday.

If you are not sure whether certain employment would be considered Disqualifying Employment by the Fund, you may request a review of whether the proposed employment would result in a suspension of your pension benefits. Such requests must be in writing.

Once you stop working in Disqualifying Employment, you must again notify the Fund Office, in writing, of the date when such work ceased. Your pension will resume for the month after you stop this work, but your next check may be delayed up to three months.

## RECOVERY OF OVERPAYMENTS

It is possible for your pension to be suspended for those months for which you have already received payment. If that happens because you were working in Disqualifying Employment, the amount you owe the Fund (i.e. the amount you were overpaid) will be deducted from your pension payments when they start again. No more than 100% of your initial payment and 25% of your monthly pension check thereafter can be deducted. Should you die before the recovery of overpayments is completed, deductions will be made from the benefits payable to your spouse or Beneficiary, subject to the 25% limitation. If necessary, the Trustees can bring suit against you to collect amounts which you owe the Fund.

### **EXAMPLE**

A Participant retires at age 62 and begins receiving a monthly benefit of \$2750 each month. Two years later, they resumesteamfitting work in Maryland. They work for four months, working more than 80 hours in each month. This Participant is working in Disqualifying Employment after Normal Retirement Age. The Participant must notify the Fund Office in writing within 30 days after the start of the employment, and their monthly benefit will be suspended once they earn more than the maximum allowed by Social Security without a reduction in benefits. They also are required to notify the Fund Office in writing when they stop this work. Their \$2750 monthly payment will start up again for the first month in which they were not working in Disqualifying Employment. If the Participant received monthly pension payments while they were working in Disqualifying Employment, the next monthly payment to which they are entitled will go to the Fund Office to make up for the overpayment. If they still owe the Plan for benefit payments they received during Disqualifying Employment, the Fund Office will deduct up to 25% of the amount of their future monthly benefits until the full amount is paid back.

### **BENEFIT PAYMENTS FOLLOWING SUSPENSION**

If you return to work in Covered Employment, your benefit payments after you retire again may be adjusted for your age at the time of re-retirement. If you have earned additional Pension Credit, you may receive an additional benefit amount when you start receiving your pension again. This additional amount will be computed solely on the basis of the Pension Credit earned after your return to Covered Employment, and the additional Pension Credit will not be used to increase the portion of the pension attributable to Pension Credit earned prior to the suspension of benefits. The form of benefit election previously made for the portion of the benefit prior to suspension will not be changed. However, if the Participant first retired before Normal Retirement Age, a new form of benefit may be elected for the additional amount earned after the suspension of benefits.

### **RIGHT TO APPEAL SUSPENSION OF BENEFITS**

If you receive a notice that your benefits are being suspended that you believe is in error, you may request that the Trustees review the determination suspending

your benefits. Your request must be in writing within 180 days after you are notified of the suspension.

## CONTRIBUTIONS

### EMPLOYER CONTRIBUTIONS

The Plan is funded by contributions made by Contributing Employers under the terms of the Collective Bargaining Agreement. These contributions are made by the Employer for of the hours of the employees in employment covered by the Plan. It is the intent of the Trustees that these contributions, plus earnings on investments, will finance the Plan. However, employees may contribute to the Plan in certain circumstances.

### EMPLOYEE CONTRIBUTIONS

#### *Contributions by Employees in Covered Employment*

Covered Employment is work for an employer who has agreed to make contributions to the Fund on your behalf. If during a Plan Year (September 1 through August 31), you are in employment covered by the Plan for less than 1700 hours, (1700 hours between 9/1/2009 and 09/01/2023) you may contribute to the Fund to increase your total credited hours for a Plan Year. In no event will you be permitted to self-contribute an amount that would result in credited Hours in excess of 2080 for any Plan Year.

*Your contributions must be at the hourly rate in effect for participating employers during that Plan Year. If two or more contribution rates had been in effect during that Plan Year, you will be required to contribute at the higher rate. Your self-paid contributions must be made in full to the Fund within twelve (12) months after the end of the Plan Year for which you want to make contributions. However, as of March 1, 2019, if you are eligible for a Disability Pension, you may make the self-contribution payment to the Pension Fund within a twelve (12) month period from the date you receive a determination that you are entitled to a Social Security disability benefit or Civil Service disability award.*

You may not make these self-contributions unless you were in the bargaining unit for all of your employment for Contributing Employers throughout the Plan Year or considered a collectively bargained employee under IRS regulations.

### EXAMPLE

If you worked in Covered Employment for 1500 hours in a Plan Year, you may self-pay an amount that will provide you with up to 580 additional credited hours (the amount needed to reach 2080 hours). To determine the maximum amount you would be allowed to self-pay, you would multiply 580 by the highest hourly contribution rate in effect under your employer's Collective Bargaining Agreement for the applicable Plan Year. To get Pension Credit, your self-payment must be made by August 31<sup>st</sup> of the following Plan Year.

### *Contributions by Employees not Currently in Covered Employment*

If you are on a temporary leave of absence and not currently in Covered Employment but wish to earn credit under the Plan during your leave of absence, you may contribute to the Plan on a monthly basis if the following requirements are satisfied:

- You make timely self-pay contributions for the period immediately following the last contribution made by your Employer on your behalf (to be timely, your self-payments must be made by the 20<sup>th</sup> of the month following the month for which you are making contributions);
- You pay at the hourly rate then in effect for Contributing Employers under the Collective Bargaining Agreement;
- Your contributions are paid for 160 hours per month;
- You were a collectively bargained employee when your temporary leave of absence began; and
- If you are employed by a Contributing Employer during your leave of absence, you must be considered a collectively bargained employee of such employer as defined by IRS regulations.

### VESTED STATUS OF SELF-CONTRIBUTIONS

All self-paid contributions are 100% vested at all times and are separately accounted for with a proportionate share of Trust earnings.

## **APPLYING FOR BENEFITS**

### **FILING YOUR APPLICATION AND COMMENCEMENT OF BENEFITS**

Pension Application Packets are available upon request from the Fund Office. The Fund Office will mail your application packet to your home or you may schedule an appointment for you and your spouse to review and complete the application with a representative at the Fund Office.

When you have completed the application as accurately as possible and attached the required proof of birth and proof of marriage for both yourself and your spouse (if applicable), you should sign the form and return it to the Fund Office. You should review the application package carefully; it contains important information about the Joint-and-Survivor Pension as well as the Plan's optional benefit forms. If you and your spouse decide to reject the Joint-and-Survivor Pension, both of you must sign the spousal consent form and both signatures must be notarized.

The Fund Office will acknowledge that your application has been received by the Fund Office and will notify you in the event additional information is needed to process it.

Your "Pension Effective Date" is the first day of the first calendar month starting after the last of the following:

- Submission of a completed application for benefits.
- 30 days after the Plan advises you (and your Spouse if applicable) of the Plan's available benefit payment options.
- Your Pension Effective Date may be before the end of the 30 day period referenced above with your consent (and the consent of your Spouse if applicable).

Your application must be signed and dated no more than 180 days prior to your Pension Effective Date, and it must be received by the Fund Office at least 2 weeks prior to the Effective Date.

## REQUIRED COMMENCEMENT OF BENEFITS

You are not required to receive your pension benefit at Normal Retirement Age. Instead, you must begin receiving your pension benefits at what is referred to as your “Required Beginning Date.” The Required Beginning Date is established by federal law.

For Plan Years beginning *after* January 1, 2024, pension benefits payable under this Plan must commence no later than the *later* of the following dates:

- The April 1<sup>st</sup> following the calendar year in which you reach age 73, or
- The April 1<sup>st</sup> following the calendar year in which you retire

**For Plan Years beginning prior to January 1, 2024, your Required Beginning Date was different.**

**The Plan is required to begin your pension as of the above-listed dates, even if you have not yet applied for a pension.**

## CLAIMS AND APPEALS PROCEDURES

Every effort will be made to complete the processing of all applications within 90 days after receipt by the Fund Office. This 90-day period will begin upon receipt of your signed application form by the Fund Office without regard to whether all of the information necessary to decide the application has been submitted. For appeals based on a claim of disability, the application processing period will be 45 days.

In the event a decision on a general pension application cannot be made within 90 days of receipt of such application, a letter will be sent to you prior to the expiration of the 90-day period explaining the special circumstances that require an extension and the date by which a decision is expected to be reached (not to exceed an additional 90-day period).

If, in order to resolve your claim, the Fund Office must base its decision on a finding of disability, and the determination cannot be made within 45 days of receipt of the claim, a letter will be sent to you prior to the expiration of the 45 days explaining the special circumstances requiring an extension of time (not to exceed 30 days) and the date by which the Fund Office expects to decide the claim.

If, prior to the end of this first 30-day period, the Fund Office determines that another 30-day extension is needed, you will be sent another notice. In the event of any extension under this paragraph, the letter will also specifically explain the standards upon which the Plan makes disability determinations, the unresolved issues that prevent a decision on the claim, the additional information needed to resolve these issues, and that you have 45 days within which to provide any specified information. This special rule regarding disability claims is limited, however, to cases where the *Plan* must make a determination of disability in order to decide a claim. If the Plan provides a benefit conditioned on the finding of disability, and that finding is made by a party other than the Plan, then this special rule for disability claims does not apply to your claim. For example, to be eligible for the Plan's Disability Pension, the Social Security Administration or the Civil Service Commission must determine that you are disabled; therefore, this special rule for processing disability claims does not apply to Disability Pension applications.

If your application for benefits is denied in whole or in part, the Fund Office will provide you with a written or electronic notice that sets forth:

- the reasons for the denial;
- references to any pertinent Plan provisions, internal rules, guidelines, protocols, or other criteria relied on in making the adverse determination;
- a description of any additional materials or information, which might help your claim (including an explanation of why that information may be helpful); and
- a description of the appeals procedures and applicable filing deadlines including a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

For a claim relating to a disability determination, if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, then the specific rule, guideline, protocol, or similar criterion must be included in the letter, or a statement must be included in the letter that such a rule, guideline, protocol, or similar criterion was relied on in making the adverse determination, and a copy of such rule, guideline, protocol or other criterion will be provided to the applicant upon request.

You have the right to appeal any adverse determination by the Fund Office by submitting a written appeal to the Trustees requesting that the Board of Trustees review your benefit denial or the Fund policy, determination or action with which you disagree. Such written appeal must be received within 180 days after receipt

of such adverse determination. You will have the opportunity to submit written comments, documents, records, and other information relating to the claim. You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and other information relevant to your claim.

Your written appeal should state the reason for your appeal. This does not mean that you are required to cite all applicable Plan provisions or make “legal” arguments; however, you should state clearly why you believe you are entitled to the benefit you claim, or why you disagree with a Fund policy, determination or action. You are permitted to submit written comments, documents, records and other information relating to your claim even if such information was not submitted in connection with your initial claim for benefits. The Trustees can best consider your position if they clearly understand your claims, reasons and/or objections.

The Trustees or a designated committee of the Trustees will review your appeal at their bi-monthly meeting immediately following the receipt of your appeal unless your appeal was received by the Fund Office within 30 days of the date of the meeting, in which case your appeal will be reviewed at the second bi-monthly meeting following receipt of the appeal. You may wish to contact the Fund Office concerning the date of the next meeting so that you may submit your appeal in time to be heard at that meeting. If an extension is needed for the Fund to process your appeal, the Fund Office will provide written notice of the delay and state the reason(s) why the extension is needed.

For claims involving the Plan’s determination of disability, the Trustees or the designated committee of Trustees will not defer to the initial adverse benefit determination of the Fund Office and will review the entire record of the Fund Office in addition to all other information submitted on appeal. When the Trustees or designated committee of Trustees make an independent disability determination that involves a medical judgment, they will consult with a health care professional who has appropriate training and expertise in the field of medicine upon which the Fund Office’s determination was based. This medical professional will not be the person who was consulted in connection with the adverse determination that is the subject of the appeal, nor his or her subordinate. In their decision, the Trustees or committee will identify all medical expert(s) whose advice was obtained by the Fund in connection with your claim without regard to whether the advice was relied upon in making the benefit determination or decision on appeal.

The Fund Office will issue a written or electronic notice of the decision of the Trustees or the designated committee within five (5) days of their review. In the event of an adverse decision, the notice will explain the reasons for the decision, include specific references to Plan provisions, internal rules, guidelines, protocols or other criteria on which the decision is based and may state whether additional information may help your claim. Additionally, the notice will indicate that you are entitled to request access to documents, records, and other information relevant to your claim; and describe your right to bring an action under Section 502(a) of ERISA.

You may renew your appeal if you have additional information or arguments to present. A renewed appeal must be submitted in writing, and the rules and limits stated above apply.

In connection with an appeal or a renewed appeal, you may review relevant documents in the Fund Office after making appropriate arrangements, or you may request that documents be provided to you. Such information will be provided free of charge.

## **ADDITIONAL INFORMATION**

### **TYPE OF PLAN**

The Plan is a multiemployer defined benefit pension plan maintained pursuant to collective bargaining agreements between Steamfitters Local No. 602 and signatory employers. The Plan is governed by the Employee Retirement Income Security Act of 1974 (ERISA).

### **FUND ADMINISTRATION**

- The Heating, Piping and Refrigeration Pension Fund is administered by a joint Board of Trustees consisting of three Union representatives and three Employer representatives. The Trustees serve without compensation. The Trustees hire a third party administrator to keep the records and make benefit payments.

- As of May 1, 2024 the names and business addresses of the Trustees are:

*Union Trustees*

Christopher Madello  
 Steamfitters Local Union No. 602  
 8700 Ashwood Drive, 2<sup>nd</sup> Floor  
 Capitol Heights, MD 20743

Sean Straser  
 Steamfitters Local Union No. 602  
 8700 Ashwood Drive, 2<sup>nd</sup> Floor  
 Capitol Heights, MD 20743

Sidney Bonilla  
 Steamfitters Local Union No. 602  
 8700 Ashwood Drive, 2<sup>nd</sup> Floor  
 Capitol Heights, MD 20743

*Employer Trustees*

Carey Dove  
 M&M Welding & Fabricators, Inc.  
 2701 Back Acre Circle  
 Mt. Airy, MD 21771

Thomas Bello  
 Mechanical Contractors Association  
 of Metropolitan Washington  
 9200 Corporate Blvd., Ste. 240,  
 Rockville, MD 20850

Richard Harrington  
 W.E. Bowers  
 12401 Kiln Ct.  
 Beltsville, MD 20705

- The Board of Trustees has contracted with WPAS, Inc. to provide day to day administrative management services. The physical address of the Fund (WPAS, Inc.) is 8700 Ashwood Dr. Suite 150, Capitol Heights, MD 20743 and the Mailing Address is PO Box 21427 Eagan, MN 55121, (410) 444-3756 or (800) 618-2879, <http://HPRBenefitFunds.com>
- The Board of Trustees is both the legal plan sponsor and the legal plan administrator as provided in ERISA.
- The Employer Identification Number assigned by the Internal Revenue Service to the Board of Trustees is 52-1058013. The Plan Number assigned by the Board of Trustees is 001.
- Plan Year: September 1 through August 31
- The Board of Trustees has been designated as the agent for the service of legal process. In addition, service may be made on WPAS, Inc. or on any individual Trustee.

- The Fund's professional advisors are:

**ACTUARY and CONSULTANT**

The Segal Company  
1800 M Street, NW, Suite 900S  
Washington, DC 20036

**AUDITOR**

Sarfino & Rhoades, LLP  
11921 Rockville Pike, Suite 501  
Bethesda, Maryland 20852-2794

**LEGAL COUNSEL**

O'Donoghue & O'Donoghue LLP  
5301 Wisconsin Ave, NW, Suite 800  
Washington, D.C. 20015

**EMPLOYERS PARTICIPATING IN THE PLAN**

A list of all currently participating Employers can be obtained from the Fund Office by written request, or you may examine this list during normal business hours at the Fund Office.

**FUNDING MEDIUM**

Benefits are provided from the Fund's assets which are accumulated under the provisions of the Collective Bargaining Agreement and the Trust Agreement and held in a Trust Fund for the purpose of providing benefits to covered participants and paying reasonable administrative expenses. A copy of the Collective Bargaining Agreement will be sent to you upon written request.

**CONTRIBUTION SOURCE**

With the exception of the self-payment provisions of the Heating, Piping and Refrigeration Pension Plan, all contributions to the Plan are made by Employers in accordance with a Collective Bargaining Agreement with Steamfitters Local 602. This Agreement provides that employers contribute to the Fund on behalf of each covered employee on the basis of a fixed rate per hour paid. The Fund Office will provide you, upon written request, information about whether a particular employer is contributing to the Fund on behalf of participants working under the Collective Bargaining Agreement.

## AMENDMENT TO THE PLAN

The Trustees have the discretion and authority to amend or modify the Plan and Trust and any of their provisions at any time.

## ACTION OF THE TRUSTEES

The Trustees have full discretion and authority over the standard of proof for any inquiry, claim, application for benefits, and over the application and interpretation of the Plan and Trust. No legal proceeding may be filed in any court or before any administrative agency against the Fund, Plan or its Trustees, unless all review procedures with the Trustees have been exhausted.

## SELLING, ASSIGNING OR PLEDGING BENEFITS

Benefits may not be sold, assigned, or pledged as security for a loan. Benefits are not subject to attachment or execution for the payment of any debt under any judgment or decree of a court or otherwise, except as provided in the Internal Revenue Code or otherwise. However, any benefits payable to a former spouse under an order found by the Fund to be a Qualified Domestic Relations Order will be honored by the Fund.

## PROCEDURES FOR PROCESSING QUALIFIED DOMESTIC RELATIONS ORDERS

You may obtain free of charge, by written request, a copy of the Fund's procedures for processing Qualified Domestic Relations Orders.

## BENEFIT INCREASES TO RETIREES

There is no guarantee that pensions will be increased after retirement, even if the benefit is increased for active employees. The Trustees may provide for benefit increases for retirees, but they are not required to do so.

## PLAN TERMINATION

It is intended that the Plan will continue indefinitely, but the Board of Trustees reserves the right and has the discretion to change and/or discontinue the Plan and Trust Fund at any time. The Trustees may terminate the Plan and Trust Fund by a document in writing executed by them if in their opinion the Trust Fund is not

adequate to meet the payments due or which may become due under the Trust Agreement and Plan. The Plan and Trust may also be terminated if there are no living individuals who qualify as participants or beneficiaries under the Plan or if there is no longer in effect a substantial number of Collective Bargaining Agreements requiring contributions to the Fund. The Plan is considered terminated by law if it is amended to provide that no further benefits will be earned by employees for employment with the employers, if every employer withdraws from the Plan within the meaning of Section 4203 of ERISA, upon the cessation of the obligation of all employers to contribute under the Plan, or if the Plan is amended to become a defined contribution plan.

In the event of a Plan termination, you will not accrue any further benefits under the Plan. However, the benefits that you have already accrued will become vested, that is, nonforfeitable, to the extent your benefits can be funded by the Plan assets allocated to such benefits.

If the termination occurs because the Plan is amended to provide that no further benefits will be earned by employees for employment or is amended to become a defined contribution plan, the Fund will continue to pay nonforfeitable benefits. If the Fund does not have sufficient assets to pay all nonforfeitable benefits, employers will be required to contribute to the Trust Fund until all nonforfeitable benefits are fully funded and can be paid.

If the Plan terminates because there are no longer any Collective Bargaining Agreements requiring contributions to the Trust Fund, the Plan may be amended to reduce benefits to the extent necessary to ensure that the Fund's assets are sufficient to pay nonforfeitable benefits when they are due. If the Plan has been amended and the Trust Fund does not have enough assets to pay nonforfeitable benefits, the Fund has the authority to suspend benefits. If benefits are suspended, the Plan will continue to pay the highest level of benefits that can be paid out of the Fund's available resources. If benefits are suspended, the Fund will not be required to make retroactive benefits payments for that portion of a benefit that was suspended.

Once the Trust Fund assets and nonforfeitable benefits are valued, the Trustees, as a general rule, will use the available assets to purchase annuity contracts to provide for your benefits. However, the Trustees may in certain circumstances pay you in cash.

## TERMINATION INSURANCE

Benefits to which you are entitled under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due. A multiemployer plan is a collectively bargained pension arrangement involving two or more employers, usually in a common industry.

The maximum benefit the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service will be \$12,870.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than five years at the earlier of (i) the date the plan terminates or (ii) the time the plan becomes insolvent; (3) the benefits are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information on the PBGC and the benefits it guarantees, ask your Plan Administrator (Fund Office) or the PBGC. Inquiries to the PBGC should be addressed to the Technical Assistance Division, PBGC, 445 12th Street SW, Washington, DC 20024-2101. The Technical Assistance Division of the PBGC also can be reached by calling (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through PBGC's website on the Internet at <http://www/pbgc.gov>.

## STATEMENT OF RIGHTS UNDER ERISA

As a participant in the Heating, Piping and Refrigeration Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

### Receive Information About Your Plan and Benefits

Examine, without charge, at the Fund Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure room of the Pension and Welfare Benefits Administration.

Obtain, upon written request to the Fund Administrator's office, 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 Office may make a reasonable charge for the copies.

Receive a summary of the plan's annual financial report. The Fund Administrator 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 (usually age 62) 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 to plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

### Enforce Your Rights

If your claim for a pension benefit is denied in whole or in part, you have a right to know why this was done, to obtain, without charge, copies of documents relating to the decision, 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 materials 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 Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Fund Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plan’s decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support 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 that your claim is frivolous.

### Assistance with Questions

If you have any questions about your plan, you should contact the Fund Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits 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 Pension and Welfare Benefits Administration. For single copies of publications, contact the Pension and Welfare Benefits Administration Request Line at 1-800-998-7542 or contact the PWBA field office nearest you.

## **ANSWERS TO FREQUENTLY ASKED QUESTIONS**

Provided below are the answers to questions frequently asked about the Pension Plan:

### **If I owe money, can I sign over my pension benefit?**

No. The Pension Plan has a provision that, by law, stops a Participant from making any assignment, pledge, or in any way disposing of his pension payment. However, the Pension Fund will honor court decrees in divorce proceedings which are Qualified Domestic Relations Orders, and pay former spouses or other alternate payees under those orders. In addition, a Participant's benefits may be subject to a lien by the Internal Revenue Service.

### **When do my pension payments begin?**

If you are eligible, your pension benefits are payable on the first day of the month following the date your application (and any additional information that may be required) is received by the Trustees. You must actually retire to begin receiving your monthly pension benefit payments.

### **How are the benefit rates determined by the Board of Trustees?**

The Trustees rely on detailed actuarial studies to set benefit rates.

### **Is there a maximum number of Pension Credits granted?**

No. There is no maximum number of Pension Credits on which your pension benefit is based.

### **If I am awarded a monthly retirement benefit under Social Security, would my monthly benefits under this Plan be reduced?**

No. The monthly retirement benefit you receive from this Plan will be paid in addition to any monthly retirement benefit you receive from Social Security.

### **What happens to the money contributed on my behalf?**

Contributions made by employers are deposited into a Trust Fund to provide benefits to all Participants who qualify under the Rules of the Plan. The money is not allocated in a separate account for each employee covered by the Plan. Rather, all of the Fund's assets from whatever source are combined and used to administer the Plan and to pay benefits to those eligible for benefits under the terms of the Plan. However, self-contributions are separately accounted for and 100% vested at all times.

### **Why does another Participant receive a larger monthly benefit than I do?**

The calculation of pension benefits is based primarily on four factors: age of the Participant, years of Pension Credit, when Pension Credits were earned, and form of benefit. Since each Participant's employment history is unique, benefit calculation will vary from person to person.

### **How can I find out about any changes made in the Plan?**

The Trustees will notify all Participants about any amendments affecting rights and obligations under the Plan.

### **May I roll my benefit over into a Qualified Plan, an IRA or another type of retirement vehicle?**

For benefits available under this Plan, the answer is generally, no. However, the following benefits from the Plan are subject to rollover:

- Severance benefits;
- Lump-Sum cashouts (made only if the present value of your benefit is \$5,000 or less);
- a lump sum Death Benefit to a surviving Spouse; and
- if applicable, the auxiliary payment portion of a Disability Pension.

If you or your surviving Spouse should receive an “eligible rollover distribution,” the Fund Office will provide written notice and detailed information about rollovers to you or your surviving Spouse.

**Are there any limits on the amounts I can receive from this Plan?**

The Internal Revenue Code imposes certain maximums on the pension amount you can receive from the Plan during any year. These limits almost never apply to this Plan. The Fund office will let you know if these limits apply to you.

**Do Retirees receive automatic cost of living adjustments?**

No. There is no guarantee that pensions will be increased after retirement even if the benefit rate is increased for active Employees. The Trustees may provide increases to retirees if financial experience and current income to the Plan permit such action, but they are not required to do so.

**What if I move?**

In the event you move, you must notify the Fund Office in writing of your change of address.

