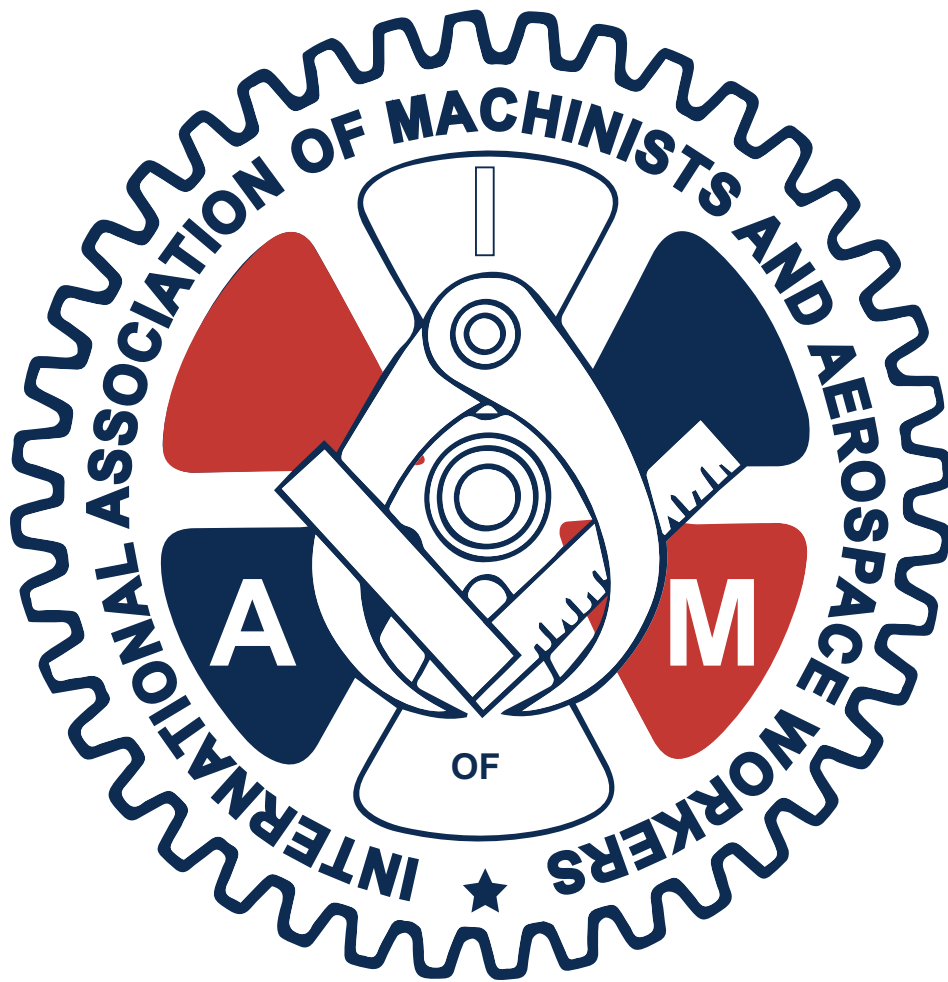


# Automotive Machinists Pension Plan



Summary Plan Description  
2018

**FOR ASSISTANCE AND INFORMATION, CONTACT THE ADMINISTRATION OFFICE AT  
THE ADDRESS SHOWN BELOW**

**THE PLAN ADMINISTRATOR  
BOARD OF TRUSTEES  
AUTOMOTIVE MACHINISTS PENSION TRUST**

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This booklet illustrates and explains your pension plan. However, the full plan is covered by the Plan Document.

**IMPORTANT**

ONLY THE ADMINISTRATION OFFICE IS AUTHORIZED TO ANSWER YOUR QUESTIONS. NO EMPLOYER, UNION, OR ANY OF THEIR EMPLOYEES ARE AUTHORIZED TO INTERPRET THE PLAN PROVISIONS OR TO OBLIGATE THE PLAN AND TRUST IN ANY WAY.

**BOARD OF TRUSTEES OF THE AUTOMOTIVE  
MACHINISTS PENSION TRUST**

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**January 1, 2018**

## **INTRODUCTION**

We are pleased to provide you with this revised booklet describing the benefits of your Pension Plan. The provisions of the Plan in effect at the date of an Employee's retirement, death, disability or Break in Service determine all rights of the Employee or his/her surviving spouse or other beneficiary under this Plan.

Benefits for participants with retirement dates on and after July 1, 2009, were substantially changed by the terms of the 2009 Rehabilitation Plan approved by the Board of Trustees to address the Plan's funded status.

Changes applicable to participants under the Rehabilitation Plan are reflected throughout the booklet. Federal law requires the Board of Trustees to evaluate the effectiveness of the Rehabilitation Plan and periodically update it. The Rehabilitation Plan has been updated multiple times, most recently in 2015. You will receive notification of any changes to the Rehabilitation Plan.

This booklet contains a summary of the main provisions of the Plan in effect for active and terminated vested participants as of January 1, 2018. It is designed to help you understand the Plan. We have included a section entitled "Outline of Benefits Covered by the Plan," which gives you a capsule view of the major provisions of the Plan.

In summarizing your Plan, it is not possible to explain each and every detail. If there is a conflict between the summary in the Plan booklet and the Plan document, the Plan document controls. The Plan is subject to amendment by the Board of Trustees at any time, in accordance with the provisions of federal law. All significant changes will be described in subsequent notices, which should be read together with this Plan booklet.

We urge you and your spouse to read this booklet carefully and keep it for future reference. It contains information which will play an important part in your plans for retirement.

If you have particular questions about the Plan and how it affects your rights to a pension, you should contact the Administration Office. The staff will be happy to assist you.

Sincerely yours,

**THE BOARD OF TRUSTEES  
AUTOMOTIVE MACHINISTS PENSION TRUST**

January 2018



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## SECTION 1

### How Do I File A Retirement Claim?

1. Submit an application to the Administration Office prior to the date benefits are to commence. Forms are available from the Administration Office, most Union Offices and from the website.
2. Enclose adequate proof of birth with the application.
3. Include your beneficiary's name, relationship and birthdate, if applicable.
4. If you apply for Total and Permanent Disability, submit the Plan's special form completed by your doctor, giving a diagnosis, date disability commenced and certification that the disability is both Total and Permanent as defined in Section 404 of the Plan Document.
5. We recommend that you do not terminate your employment until it has been determined that you meet the eligibility requirements for retirement benefits.
6. **We recommend that you apply at least two months in advance of retirement.**

### What Can I Do If My Claim Is Denied?

If your claim is denied, in whole or in part, you will be notified in writing and given an opportunity for review. The written denial will include:

- The specific reason(s) for the denial;
- Specific references to the pertinent plan provisions on which the denial is based;
- A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- An explanation of the Plan's claims review procedures, including a statement describing your right to bring a civil action under ERISA §502(a).

In the case of a denied claim for a disability retirement, if an internal rule, guideline or other protocol was relied upon in making the adverse determination, the written denial will either describe the specific rule, guideline, protocol or other similar criterion relied upon or will include a statement indicating that such rule, guideline, protocol, or other similar criterion was relied upon and that a copy of the same will be provided free of charge upon request.

If you (or your beneficiary) feel you are entitled to a benefit which was denied, you may request review. This is called an appeal. To do this, you must file written application with the Administration Office within 60 days after delivery of the notice described above (application must be filed within 180 days in the case of a denial of a Disability Retirement Benefit). Failure to file a notice of appeal within the time period prescribed constitutes a waiver of your right to review the denial.

The Trustees shall review a properly filed appeal at the next regularly scheduled quarterly meeting of the Appeals Committee, unless the request for review is received by the Trustees within 30 days preceding the date of such meeting. In such case, the appeal will be reviewed no later than the date of the second quarterly meeting following the Trustee's receipt of the notice of appeal, unless there are special circumstances requiring an extension.

You (or your beneficiary) are entitled to submit, in writing, issues, comments, documents, records or other information relating to a claim. You (or your beneficiary) are not entitled to appear in person at a hearing, but can be represented by legal counsel at your (their) own expense in the presentation of the appeal. You shall be provided, upon request and free of charge, reasonable access to and copies of, all documents, records and other information relevant to the claim for benefits.

The Trustees will issue a written decision on review within five days after the determination is made.



It is the policy of the Trustees to provide each applicant with all information and assistance reasonably available so that no fact in support of a claim is overlooked and that each applicant shall receive full and fair consideration (Plan Sections 801 through 805).

### **Statement Of Benefits**

You may request a statement of your pension benefits from the Administration Office at any time.

1. Active participants will automatically receive an annual statement of their pension benefits from the Administration Office.
2. The Administration Office is available to assist you at any time, and learning about the amount of pension benefits you have earned to date will be an important part of your pension planning.
3. Please keep the Administration Office advised of your correct address.

## **SECTION 2**

### **Outline Of Benefits Covered By The Plan**

Your Plan offers a number of different benefits—and each benefit has specific rules that must be met.

Below is a very brief outline of the benefits and a reference to later parts of this booklet that more fully describe those rules for the particular benefit you are interested in. You must have terminated employment with a Participating or formerly Participating Employer (including termination due to death or disability) before you may receive a benefit from the Plan.

#### **Normal Retirement Benefit**

If you elect to retire at age 65 or later, and have 5 years of Credited Service, and are vested under the Plan, you are entitled to receive a Normal Retirement Benefit, as described beginning on page 7.

#### **Early Retirement Benefit**

If have terminated employment with all contributing employers and you are age 55, but under age 65, you may elect your Early Retirement Benefit to begin following cessation of employment with a Participating or formerly Participating Employer, provided that, at the time you elect your Early Retirement Benefit (as described beginning on page 9) you have 5 years of Credited Service and are Vested under the Plan.

#### **Disability Retirement Benefit**

You are eligible for a Disability Retirement Benefit (as described beginning on page 10) if you terminate covered employment and you are totally and permanently disabled by bodily injury or disease that renders you incapable of engaging in any regular occupation which would be substantially gainful and which you would otherwise be expected to be capable of performing in light of your training, experience and abilities AND at the time you are disabled, you are both (1) Vested and (2) active in the Plan, or you became disabled within 3 plan years after you have had a Break in Service.

#### **Spouse's Preretirement Death Benefit**

If you die before you retire, your spouse will be entitled to a Spouse's Preretirement Death Benefit (as described beginning on page 13), provided you have at least 5 years of Credited Service and are Vested under the Plan at the date of your death.

#### **Lump Sum Death Benefit**

The Plan no longer provides a lump sum death benefit to a Participant's designated beneficiary.

#### **Vesting**

You become fully vested (as described beginning on page 16) in the benefits of this Plan if you have 5 or more years of Credited Service. You may also vest in your benefits by attaining the later of the date you reach age 65, or the 5th anniversary of participation without a permanent Break in Service.

## SECTION 3

### How Do I Become Eligible For The Benefits Of The Plan?

#### Credited Service

The first step in determining your eligibility is to determine your Credited Future Service and your Credited Past Service, if any. After you determine your Credited Past Service and your Credited Future Service, you can then determine your vested status and benefit amount. For most purposes, Credited Past Service and Credited Future Service are added together to produce your total Credited Service.

#### What is Credited Future Service?

Credited Future Service is work for which contributions are due to this Plan (Plan Section 303). This credit is used to determine your eligibility for benefits, but it does not determine how much your benefits will be.

The number of hours you work during each plan year is credited in accordance with the following tables. Each plan year begins on January 1 and ends on December 31. (Prior to January 1, 1998, each plan year began on May 1 and ended on the following April 30.)

Covered Hours of Employment In Plan Years After May 1, 1976*	Credited Future Service
1,000 Hours and Over	1 Year
830 But Less Than 1,000	$\frac{3}{4}$ Year
660 But Less Than 830	$\frac{1}{2}$ Year
501 But Less Than 660	$\frac{1}{4}$ Year
Less Than 501 Hours	None
*For the short plan year May 1, 1997 through December 31, 1997. See Plan Document Section 303 for the applicable schedule.	

Covered Hours of Employment In Plan Years Before May 1, 1976	Credited Future Service
1,000 Hours and Over	1 Year
720 But Less Than 1,000	$\frac{1}{2}$ Year
360 But Less Than 720	$\frac{1}{4}$ Year
Less Than 360 Hours	None

The Plan has no maximum Credited Future Service. Therefore, the longer you work in the industry, the greater your Credited Future Service (and the greater your retirement income).

You also receive service credit for qualified military service as required by Federal law, if upon completion of your qualified military service you return to employment covered by the Plan, or if you die or become disabled during qualified military service. Please contact the Administration Office for additional information about USERRA rights available to military service members.

#### What Is Credited Past Service?

If your Effective Date of Coverage was prior to May 1, 1979, you may be eligible for Credited Past Service for

employment before contributions to the Plan were made for you. It is measured back from your Effective Date of Coverage, generally the date you entered the Plan (Plan Section 302).

**No Participant who first became a Participant in the Plan after May 1, 1979 is eligible for Credited Past Service.**

You receive one year of Credited Past Service for each year of Continuous Service in Covered Employment prior to May 1, 1979—subject to the applicable Maximums.

The terms Continuous Service, Covered Employment, and Maximum Amount of Credited Past Service are defined in paragraphs 1-3, below.

1. **Continuous Service.** To earn one year of Credited Past Service, you must have 9 months of Covered Employment. If you have less, that year will not be allowed for Credited Past Service. Furthermore, these years of Covered Employment must have been continuous. Unless you worked 600 or more hours of Covered Employment in any period of 36 consecutive months, you cannot receive credit for service prior to that period.
2. **Covered Employment.** The following kinds of work are “Covered Employment” and count toward your Credited Past Service, subject to the Continuous Service rules and applicable maximums:
  - a) If you and your employer joined this Plan at the same time, all of your continuous past work for that employer is covered. Of course, if you were an owner of the company, you are not covered for any Credited Past Service or any benefits based on your self-employment.
  - b) If you had continuous past employment with other employers participating in this Plan and that employment was in the Automotive Repair Industry, then that time also may be counted.
  - c) If you had Credited Past Service with an employer who is not now participating in the Pension Plan, but who at the time you were working for them had a labor agreement with a Union now participating in the Plan—and you were performing work in the Automotive Repair Industry—that time may also be counted—provided, of course, it was continuous with the service you earned under paragraphs (a) and (b). There is a limitation, however, on the amount of service you may claim under this paragraph. The Plan provides that for each year or fraction thereof that your Effective Date of Coverage (the date on which you enter the Plan) was after May 1, 1963, credit under paragraph (c) will be reduced by one year.

**Example.** If you have 10 years of Credited Past Service under paragraph (c) and your Effective Date of Coverage was October 1, 1965, then your service under that paragraph will be reduced by 3 years. This would leave you with a total of 7 years for that employer which may be counted. It should be noted that this reduction of your past employment applies only to paragraph (c)—and not to any past employment you might have had for Participating Employers under paragraphs (a) and (b).

If you had Credited Past Service and are working for an employer who withdraws as a Participating Employer, your Credited Past Service will not be counted when determining your benefits, provided that the former Participating Employer:

- A. Had an obligation to contribute to the Plan for the lesser of 6 consecutive Plan years or the time required for a participant to become fully vested (5 years);
  - B. Made contributions in the 5 years prior to withdrawal that did not exceed 2% of all employer contributions to the Plan for those years;
  - C. Has not previously avoided withdrawal liability under the “free look” rule; and
  - D. First had an obligation to contribute to the Plan after September 26, 1980.
3. **Maximum Amount of Credited Past Service.** After you measure your Credited Past Service, it is adjusted by your age and the date when you entered the Plan:

**If you entered on or after May 1, 1969**, the maximum allowable years of Credited Past Service is determined from the following table:

<b>Employee's Effective Date of Coverage</b>	<b>Maximum Allowable Years of Credited Past Service</b>
May 1, 1969 - April 30, 1970	10 years
May 1, 1970 - April 30, 1971	9 years
May 1, 1971 - April 30, 1972	8 years
May 1, 1972 - April 30, 1973	7 years
May 1, 1973 - April 30, 1974	6 years
May 1, 1974 - April 30, 1975	5 years
May 1, 1975 - April 30, 1976	4 years
May 1, 1976 - April 30, 1977	3 years
May 1, 1977 - April 30, 1978	2 years
May 1, 1978 - April 30, 1979	1 years
May 1, 1979 or thereafter	0

**If you entered the Plan before May 1, 1969**, you receive Credited Past Service according to the following table:

<b>Attained Age on Employee's Effective Date of Coverage</b>	<b>Maximum Allowable Years of Credited Past Service</b>
Under age 56	10 years
Age 56 but under 57	11 years
Age 57 but under 58	12 years
Age 58 but under 59	13 years
Age 59 but under 60	14 years
Age 60 but under 61	15 years
Age 61 but under 62	16 years
Age 62 but under 63	17 years
Age 63 but under 64	18 years
Age 64 but under 65	19 years
65 years and over	20 years

## SECTION 4

### When Am I Eligible And What Amount Of Benefits Do I Receive?

#### Normal Retirement Benefit

##### *Eligibility*

You must be age 65 or over. In addition, you must meet one of the following sets of eligibility rules:

1. You are entitled to benefits earned to the date of your retirement if you have a minimum of 5 years of Credited Service, and are Vested under the Plan.
2. You must have attained the 5th anniversary of your Effective Date of Coverage.

##### *Benefit*

Your pension is equal to the sum of the value of your Credited Past Service and the value of your Credited Future Service.

#### Value of Credited Past Service

The value of each year of Credited Past Service at Normal Retirement is \$6 per month, provided you have had contributions to your credit at the rate of \$.20 or more per hour. Otherwise, the value of each year of Credited Past Service at Normal Retirement will be \$4.50 per month (Plan Section 501).

#### Value of Credited Future Service

**For employees retiring on or after January 1, 2000 that have not had a Break in Service of one year or more as of January 1, 2000,** to determine the monthly value of your Credited Future Service, add all contributions made to your account (assuming that your Future Service has been continuous) and multiply those contributions by the accrual rate below that corresponds to the year in which the Credited Future Service was earned:

Credited Future Service Earned:	Accrual Rate
Before 1/1/2004	5.35%
On and after 1/1/2004 and before 1/1/2005	3.00%
On and after 1/1/2005 and before 7/1/2009	2.00%
On and after 7/1/2009	1.00%

**For employees retiring on or after January 1, 2000 who have incurred a Break in Service of one year or more as of January 1, 2000,** your benefit for service prior to the Break in Service will be based on the accrual rate in effect on the date the Break in Service becomes effective (Plan Section 502 H). Surcharges and Rehab Plan Funding only contributions are excluded in determining your accrual rate.

*Example*

Plan Year End	Base Contribution Rate (per hour)		Number of Hours (per year)	Contributions (\$ per year)	Accrual Rate	Benefit Accrued
April 1993	\$1.70	x	2,000	3,400	5.35%	\$181.90
April 1994	1.80	x	2,000	3,600	5.35%	192.60
April 1995	1.90	x	2,000	3,800	5.35%	203.30
April 1996	2.00	x	2,000	4,000	5.35%	214.00
April 1997	2.10	x	2,000	4,200	5.35%	224.70
Dec 1997	2.10	x	1,333	2,799	5.35%	149.75
Dec 1998	2.20	x	2,000	4,400	5.35%	235.40
Dec 1999	2.30	x	2,000	4,600	5.35%	246.10
Dec 2000	2.40	x	2,000	4,800	5.35%	256.80
Dec 2001	2.50	x	2,000	5,000	5.35%	267.50
Dec 2002	2.60	x	2,000	5,200	5.35%	278.20
Dec 2003	2.70	x	2,000	5,400	5.35%	288.90
Dec 2004	2.80	x	2,000	5,600	3.00%	168.00
Dec 2005	2.90	x	2,000	5,800	2.00%	116.00
Dec 2006	3.00	x	2,000	6,000	2.00%	120.00
Dec 2007	3.10	x	2,000	6,200	2.00%	124.00
Dec 2008	3.30	x	2,000	6,600	2.00%	132.00
Dec 2009 *	3.40	x	1,000	3,400	2.00%	68.00
	3.40	x	1,000	3,400	1.00%	34.00
Dec 2010	3.60	x	2,000	7,200	1.00%	72.00
Dec 2011	3.70	x	2,000	7,400	1.00%	74.00
Dec 2012	3.80	x	2,000	7,600	1.00%	76.00
Dec 2013	3.90	x	2,000	7,800	1.00%	78.00
Dec 2014	4.20	x	2,000	8,400	1.00%	84.00
Dec 2015	4.30	x	2,000	8,600	1.00%	86.00
Dec 2016	4.30	x	2,000	8,600	1.00%	86.00
Dec 2017	4.30	x	2,000	8,600	1.00%	86.00
<b>Total 25 yrs</b>						<b>\$4,143.15</b>
<b>In the Plan Year ending 12/31/2009, the accrual rate changed on July 1, from 2.00% of contributions to 1.00% of contributions. Funding only contributions under the Rehab Plan are not credited under the benefit accrual formula.</b>						

The Plan provides a lifetime annuity beginning with retirement at age 65. If you are married, your benefit will be paid in the form of a 50% Survivor Option, unless you elect with your spouse's written consent to receive your benefits in another form of payment available under the Plan. This form of benefit is described under the heading "50% Survivor Option" in Section 6 beginning on page 14.

### *Retroactive Retirement Date*

You may elect a retroactive Retirement Date and receive a make-up payment reflecting the monthly payments missed (with interest) between the retroactive Retirement Date and the date of the actual commencement of benefits. Future monthly benefits will be in the amount that you would have received had you actually begun receiving payments on your retroactive Retirement Date.

### **Early Retirement Benefit**

#### *Eligibility*

You are eligible for an Early Retirement Benefit if you terminate employment with all contributing employers and satisfy the Plan's age and service requirements. You must be at least age 55 and Vested to begin receiving benefit payments.

#### *Amount of Early Retirement Benefit*

If you retire before your normal retirement age, the Plan pays a monthly benefit that is derived by multiplying the benefit you would receive at your normal retirement age by a percentage specified in the Plan. When you retire early, and more payments are made, each monthly payment is adjusted to reflect the longer pay out period. The amount of the adjustment depends upon your age when you begin retirement benefit payments, using the factors in the table below:

<b>Early Retirement Benefit as a % of Normal Retirement Benefit</b>	
<b>Age</b>	<b>Early Retirement factor:</b>
65	100%
64	92%
63	84%
62	76%
61	68%
60	60%
59	55%
58	50%
57	45%
56	40%
55	35%

These percentages are based on whole ages. The actual percentage applied to your benefit will be based on your age in years and months at retirement.

**Example:** Todd earned a monthly pension payable at age 65 of \$2,000. If he elects to retire at age 58, Todd's Standard Early Retirement Benefit would be calculated as follows:

$$\$2,000 \quad \times \quad 50.0\% \quad = \quad \$1,000.00$$

### **Late Retirement Benefit**

#### *Eligibility*

The eligibility requirements for the Late Retirement Benefit are the same as the eligibility requirements for a Normal Retirement Benefit, except you elect to defer your retirement until after age 65.



If you are neither a 5% owner of your employer, as defined in Section 416(1) of the Internal Revenue Code, or a terminated vested participant, your monthly benefits must begin on the later of April 1 following the calendar year in which you retire, or April 1 following the calendar year in which you attain age 70½.

If you are a 5% owner or a terminated Vested participant, your monthly benefits must begin no later than April 1 following the calendar year in which you attain age 70½, even if you continue your employment beyond such date.

*Benefit*

The amount of your Late Retirement Income will be the same as your Normal Retirement Income, except you will receive additional credit for service after age 65.

**Disability Retirement Benefit**

*Eligibility*

To be eligible for a Disability Retirement Benefit, you must be Vested and become disabled within a plan year (Jan. 1 to Dec. 31) that is less than 3 years from the plan year in which you first had less than 500 hours of covered employment.

You are considered to be disabled for purposes of the Plan if you are totally and permanently disabled by bodily injury, disease or mental disorder that is permanent and continuous during the remainder of your lifetime, and which renders you incapable of engaging in any regular employment substantially gainful in character which you would be expected to be capable of performing in light of your training, experience and abilities. Disability will not be considered permanent until it has continued for 6 consecutive months. Evidence of disability satisfactory to the Trustees must be submitted to the Administration Office.

*Benefit*

Monthly Disability Retirement Income would be payable from your Disability Retirement Date until you reach your normal retirement age, at which time you would be eligible to begin your retirement benefit from the Plan.

The amount of your monthly disability benefit is determined by multiplying your normal retirement benefit by the factor stated in the table below:

Age	Disability Retirement Income as a % of Normal Retirement Benefit
65	100%
64	92%
63	84%
62	76%
61	68%
60	60%
59	55%
58	50%
57	45%
56	40%
55	35%
54	30%
53	25%
52	20%
51	15%

Age	Disability Retirement Income as a % of Normal Retirement Benefit
50	10%
Under age 50	Further reduced to be actuarially equivalent to your normal retirement benefit.
These percentages are based on whole ages. The actual percentage applied to your benefit will be based on your age in years and months at retirement.	

If you die prior to reaching normal retirement age, your spouse would be eligible to receive the pre-retirement survivor benefit described on page 13.

### **What Happens If I Return To Work After I Have Retired?**

If you are retired and receiving an Early or Disability Retirement benefit and you work 501 hours in a plan year, benefits will thereafter be suspended for the remainder of the plan year for any month in which you work 40 hours or more for a Participating Employer, formerly Participating Employer, or an employer subject to a Reciprocity Agreement under the Plan. This is provided that the employer is in:

1. The geographic area covered by the Plan;
2. An industry in which Employees are employed and earning Credited Future Service under the Plan; and
3. A trade or craft in which you were employed at any time under the Plan.

You are required to notify the Administration Office upon resuming employment following your retirement. In that event, you will be notified if and when retirement payments will be suspended. Thereafter, your retirement benefits will be suspended until the earlier of the beginning of the next Plan year or you certify in writing to the Administration Office that you have ceased to be reemployed.

Retirement payments shall remain suspended until the earliest of:

1. The first month of the next Plan Year;
2. The Participant notifies the Administration Office in writing that he has ceased to be employed; and
3. The Participant's 65<sup>th</sup> birthday.

If you have earned Covered Hours of Employment in a Plan year your retirement income will be increased as a result of the additional contributions due the Trust when your benefits recommence.

If you return to work after having elected Early Retirement, there shall be a one-time actuarial adjustment to your retirement income as of the month payments resume. This adjustment is based on the early retirement reduction factor applicable to your adjusted age (your original retirement age increased by the number of months in which you were re-employed for 40 hours or more).

### **Qualified Domestic Relations Orders**

A Qualified Domestic Relations Order (QDRO) relates to the provision of child support, alimony payments or marital property rights. A QDRO assigns to the alternate payee the right to receive all or a portion of your benefits. The Plan may pay your benefits to a spouse, former spouse, child or other dependent (known as an alternate payee) only if it is in receipt of a QDRO. Alternatively, your spouse may waive a survivor benefit via a QDRO, and this would result in a pop-up in your retirement benefit to the life annuity option form of payment.

No order will be considered a QDRO until it has been approved by the Plan. The Plan will evaluate an order when it is received, and normally within 30 days notify you and the alternate payee named in the order of its receipt and whether it is a QDRO.

During any period when there is an issue of whether an order or proposed order is or will be a QDRO, the Plan will separately account for amounts which will be payable to the alternate payee upon approval of the QDRO. The Plan will separately account for the amounts for up to 18 months, beginning with the date that a payment is first required to the alternate payee under the order or proposed order. If a QDRO is not approved by the Plan in this 18-month period, the amounts will be paid to you, and any QDRO subsequently approved will be given prospective effect only. If a QDRO is approved within the 18-month period, the amounts will be paid in accordance with the QDRO.

An alternate payee is required to notify the Plan in writing of the intent to commence benefits. The Plan may require the alternate payee to submit documentation to process the application.

Before submitting a proposed QDRO to the court, you are urged to forward a copy to the Administration Office for review. The Administrative Office has several sample QDRO forms available to assist you (or your divorce attorney) in preparing appropriate orders for the Plan. Please consult the Plan or contact the Administration Office for further information regarding QDROs.

## **SECTION 5**

### **Death Benefits**

#### **Spouse's Preretirement Death Benefit**

##### *Eligibility*

If you die while you are Vested and have been married to your spouse for at least 1 year, your spouse will be eligible for a Spouse's Preretirement Death Benefit (Plan Section 405). No other pre-retirement death benefit is payable from the Plan.

##### *Benefits*

Your spouse will be entitled to the Spouse's Preretirement Death Benefit if you are Vested. However, if you are only partially Vested at the date of your death, your spouse will be eligible for the benefits calculated below, multiplied by the Vesting percentage you had attained at the date of your death.

Your surviving spouse's benefit is a monthly pension equal to what your spouse would have received if you retired the day before your death after electing a 50% Survivor Option. It is determined as follows:

1. First, the benefit rate amount earned to your date of death is calculated. In the case of death after age 65, this would equal your Normal Retirement Benefit or Late Retirement Benefit. In case of death before age 65, the benefit rate equals your accrued Early Retirement Benefit.
2. Next, the benefit determined in Step 1 above is actuarially reduced, depending on the ages of you and your spouse at the date of your death. This determines the benefit you would have received had you chosen and retired with a 50% Survivor Option on the day prior to your death.
3. Your surviving spouse would receive 50% of the result of Step 2 (Plan Section 507).

However, if you die prior to reaching age 55, and at that time are otherwise eligible, the spouse's preretirement death benefit will not commence until the first day of the month following the day you would have reached age 55, had you lived.

#### **Lump Sum Death Benefit**

The Plan no longer provides a lump sum death benefit or any other pre-retirement death benefit besides the Spouse's Preretirement Death Benefit described above.

## **SECTION 6**

### **What Benefit Payment Options Are Available?**

Your Normal, Early or Late Retirement Income will be paid under one of the following options and must be elected in writing. The amount of each option will be supplied when your application is received.

The options are:

#### **50% Spouse Option**

If you are married, your accrued benefits will be paid in the form of a 50% Spouse Option with your spouse as your surviving beneficiary unless another option is elected. This monthly payment is determined by the ages of both you and your beneficiary at the date of your retirement. If you die before your spouse, your spouse will continue to receive half of the benefit you were receiving for the remainder of their life. If you are married and you wish to elect a Life Annuity or Social Security Adjustment Option form of payment, or a Survivor Option with a beneficiary who is not your spouse, your spouse must provide written consent.

#### **Life Annuity Option**

You may elect to receive an annuity payable until your death.

#### **75% Spouse Option**

This option pays you a greater amount during your lifetime than the 100% option, but less than the 50% option (Plan Section 603B). If you die before your beneficiary, the surviving beneficiary will continue to receive 75% of the benefit you were receiving for the remainder of their life.

#### **100% Spouse Option**

The 100% Survivor Option provides a monthly retirement income to you that will be less than the Life Annuity, the 50% Survivor Option, or the 75% Survivor Option. Under this option, if you die before your named beneficiary, your surviving beneficiary will continue to receive the same benefit you were receiving for the remainder of their life (Plan Section 603B).

#### **Social Security Adjustment Option**

Under this form of benefit, the Employee receives a higher retirement income rate prior to (and a reduced rate after) commencement of his social security payments so that insofar as is practical a combined level income from the Plan and his predicted social security Primary Old Age Benefit will result.

Please note that this form of benefit is not available if you elect a Disability Retirement Benefit.

#### **When May I Elect an Option?**

When your application for benefits is received, the Administration Office will send you a written explanation of the relative value and financial effect of each option. You and your spouse (if any) have 180 days from the date this explanation is provided to elect one of the options. However, if the explanation is provided more than 180 days prior to your retirement date, your election period is the 180 days before your retirement date.

You may revoke an election during the election period. Once the election period expires, you may not change the type of retirement you elected nor your form of payment. However, if your payment option results in your exceeding certain benefit limits established by the IRS, you will be given the option to change your form of

payment. You will be notified if this occurs.

**If you are married and fail to make an election within the 180-day period, or if your spouse fails to consent to the election, you will receive the 50% Survivor Option. If you are unmarried and fail to choose one of the benefit payment options, you will receive the Life Annuity Option.**

## **SECTION 7**

### **What Happens If I Change Employment?**

A number of different situations are extremely important to understand if you move from the lodge in which you are now a member, change from the employer for whom you work, move to another trade, are terminated or absent from work, etc.:

1. If you change from one Participating Employer to another, you will remain a participant under the Plan just as if you had not changed employment.
2. If you work more than 500 Covered Hours of Employment in a plan year, you will maintain continuous service for that year and will not forfeit your accrued pension benefits.
3. If you work 500 or less Covered Hours of Employment or hours of Contiguous Noncovered Service in any plan year, you will be charged with a 1-year Break in Service and will be considered a terminated employee.
4. If you are not Vested and the number of consecutive 1-year Breaks in Service (plan years of 500 hours or less) equals or exceeds the greater of 5 or your pre-break Credited Future Service, you will permanently forfeit your prior Service Credits and benefits. However, if you return to Covered Employment and earn more than 500 Covered Hours of Employment or hours of Contiguous Noncovered Service in a plan year before the number of consecutive 1-year Breaks in Service equals the greater of 5 or your pre-break Future Service, then your pre-break Service will be reinstated.
  - \* For the Short Plan year, May 1, 1997–December 31, 1997, a 1-year Break in Service occurred if you worked less than 333 hours of employment or hours of Contiguous Noncovered Service.
5. If you are absent from work for any period because of pregnancy, birth of a child, adoption of a child or caring for your newborn or adopted child, you will be credited with up to 501 hours to prevent a Break in Service. Hours will be credited in the plan year in which the absence commences, if necessary to prevent a Break in Service, or in the next following year.

### **Can My Credits Be Cancelled?**

As mentioned above, your Credited Service and accrued benefits will be lost if you incur a 1-year Break in Service before you become Vested. However, your Credited Service will be reinstated if you earn more than 500 hours in a plan year before the number of consecutive 1-year Breaks in Service equal the greater of 5 or your pre-break Credited Future Service.

### **When Am I Vested?**

You are vested after you have 5 years of Credited Service without a forfeiture of Prior Credited Service. You may also become vested at the later of age 65 or the fifth anniversary of your participation in the Plan without a Break in Service.

Your Vested benefits are eligible to become payable when you reach the applicable age requirement for either Normal or Early Retirement. Even if Vested, you must meet all of the disability eligibility rules in order to be entitled to a disability retirement benefit.

Finally, your Vested benefits will be payable under the terms of those Plan provisions upon your death. If you die before retirement, your spouse may be eligible to receive the Spouse's Preretirement Death Benefit.

## **SECTION 8**

### **Summary Plan Description**

#### **1. Name of Plan**

This Plan is known as the Automotive Machinists Pension Plan.

#### **2. Board of Trustees/Plan Administrator**

The Plan is maintained and administered by a joint labor-management Board of Trustees, with the assistance of a contract administrative agent. The name, address and telephone number of the contract administrative agent is:

Welfare & Pension Administration Service, Inc.  
P.O. Box 34203  
Seattle, WA 98124-1203  
Phone: (206) 441-7574

7525 SE 24<sup>th</sup> Street, Suite 200  
Mercer Island, WA 98040

15 82<sup>nd</sup> Drive, Suite 110  
Gladstone, OR 97027

Toll Free: (800) 732-1121

#### **3. Members of The Board of Trustees**

The names and addresses of the Trustees as of the date of this booklet are as follows:

##### **Employer Trustees**

**John Swanson**  
1415 170<sup>th</sup> Pl NE  
Bellevue, WA 98008

**David Pickles**  
11405 30<sup>th</sup> Pl SW  
Seattle, WA 98146

**Rick Hansen**  
17622 SE 45<sup>th</sup> Pl  
Bellevue, WA 98006

##### **Union Trustees**

**Greig Heidal**  
IAM District 160  
2121 70<sup>th</sup> Ave W, Suite A  
University Place, WA 98466

**Joe Kear**  
501 Bishop Rd  
Washougal, WA 98671

**Paul Miller**  
IAM District 160  
9135 15<sup>th</sup> Pl S  
Seattle, WA 98108

#### **4. Plan Sponsor**

The Plan is sponsored by a Board of Trustees composed of representatives from the Union and contributing employers. The Administration Office will provide any Plan participant or beneficiary, upon written request, information as to whether a particular employer is a contributing employer.

#### **5. Legal Process**

The agent for service of legal process is the contract administrative agent listed above. Legal process may also



be served on any of the Trustees.

## **6. Identification Number**

The Employer Identification Number assigned to the Plan by the Internal Revenue Service is EIN 91-6123687. The Plan Number is 001.

## **7. Type of Plan**

The Plan is a Taft-Hartley multiemployer defined benefit pension plan.

## **8. Plan Year**

The date the plan year and fiscal year-end is December 31.

## **9. Description of Collective Bargaining Agreements**

This Plan is maintained pursuant to numerous collective bargaining agreements. Copies of the part(s) of the collective bargaining agreements which affect contributions to the trust are available for inspection at the Administration Office during regular business hours and, upon written request, will be furnished by mail. A copy of that portion of any collective bargaining agreement which provides for contributions to this Trust will also be available for inspection within 10 calendar days after written request at any of the local unions or district lodges or at the office of any contributing employer to which at least 50 Plan participants report each day. The Plan may impose a reasonable charge for furnishing copies.

## **10. Funding Medium**

The Plan is funded through employer contributions, the amount of which is specified in collective bargaining agreements or subscription agreements. Contributions to the Plan are held in trust by the Board of Trustees pending payment of retirement benefits and reasonable administrative expenses.

## **11. Claim Procedures**

The Plan's claim procedures are described beginning on page 1.

## **12. Protection Under the Pension Benefit Guaranty Corporation (PBGC)**

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the Plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

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

The PBGC guarantee generally covers: (1) Normal and Early Retirement Benefits, (2) disability benefits if you become disabled before the Plan becomes insolvent and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law, (2) benefit increases and new benefits based on Plan provisions that have been in place for fewer than

five years at the earlier of: (i) the date the Plan terminates or (ii) the time the Plan becomes insolvent, (3) benefits that are not Vested because you have not worked long enough, (4) benefits for which you have not met all of the requirements at the time the Plan becomes insolvent and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, NW, Suite 930, Washington, DC 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

### **13. Availability of Information**

Plan documents and all other pertinent documents required to be made available under ERISA are available for inspection at the Administration Office during regular business hours. Upon written request, copies of these documents will be provided. However, the Trustees may make a reasonable charge for the copies; the Plan Administrator will state the charge for specific documents on request so that you can find out the cost before ordering.

### **14. Participation, Eligibility and Benefits**

An employee covered by a collective bargaining agreement becomes a participant after satisfying the eligibility period, not to exceed 6 months, in the applicable collective bargaining agreement. The circumstances in which a participant is eligible to receive benefits are described beginning on page 4.

### **15. Joint and Survivor Annuity**

As described beginning on page 14, the Plan provides a 50% Joint and Survivor Annuity to eligible participants who are married. A married participant may elect instead to receive a 100% Joint and Survivor Option or a 75% Joint and Survivor Option, or, with the consent of his spouse, may elect a Life Annuity.

### **16. Ineligibility, Loss or Suspension of Benefits**

The circumstances which result in a Break in Service and forfeiture of benefits are described on page 16. The circumstances that result in a suspension of benefits are described on page 11. A description of the service required to accrue benefits is found beginning on page 4.

Other circumstances can lead to reductions in your Plan benefits if the financial health of the plan is threatened. Federal law requires pension plans in "critical status" to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. The law permits pension plans to reduce or eliminate benefits called "adjustable benefits" as part of a rehabilitation plan. If a plan's financial health declines further, the plan could be determined to be in "critical and declining" status. In this case Federal law permits the plan to suspend benefits to active and retired participants after obtaining approval of a so-called "recovery plan."

In 2009, the Plan was determined to be in critical status. As a result, the Board of Trustees have adopted – and subsequently updated – a Rehabilitation Plan designed to improve the funded status of the Plan. As part of that Rehabilitation Plan, certain adjustable benefits have been curtailed or eliminated. In the event the Plan were determined to be in critical and declining status, the Trustees would be responsible for formulating a recovery plan, which could result in further benefit changes.

### **17. Normal Retirement Age**

The Plan's normal retirement age is 65 for participants who are vested with 5 years of service. A participant also has a right to normal retirement benefits on the later of the date he or she has attained age 65 or the 5th

anniversary of participation without a Break in Service.

## **18. Termination of Trust**

The Trust will terminate upon the death of the last surviving employee or beneficiary or at such later date which the Trust can continue without violating any rule of law. The Trust will terminate sooner if, in the judgment of the Board of Trustees, employer contributions are no longer being made and income from investment of Trust assets cannot reasonably be expected to exceed the costs of administration and provide benefits due so that it is no longer economically feasible for the Trust to continue. If the Plan is terminated, a covered employee's right to retirement income accrued to the date of termination becomes fully vested to the extent funded. Plan assets will be allocated first to benefits guaranteed under Title IV of the Employee Retirement Income Security Act of 1974 (ERISA) and then to retired employees, employees eligible to retire and to surviving spouses who were receiving payments before the Plan terminated on a pro rata basis. Remaining assets will be allocated to vested retirement income benefits on a pro rata basis.

## **19. Statement of Rights Under ERISA**

As a participant in the Automotive Machinists Pension Plan you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

Examine, without charge, at the Plan Administration Office and at other specified locations, such as worksites and union halls, all 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.

Obtain upon written request to the Plan Administrator copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

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

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65), 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, this statement will tell you how many more years you have to work to obtain 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.

In addition to creating rights for Plan participants, ERISA imposes obligations upon the persons 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. If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to obtain copies of documents relating to the decision without charge and to have the Plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request material from the Plan and do not receive them within thirty (30) days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, or if you

disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may request review on appeal by the Board of Trustees. Alternatively, you may file suit in a state or federal court but the court may decline the suit pending exhaustion of the Plan's appeal procedures. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting *your* rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. If you have any questions about your Plan, you should contact the Plan Administrator.

If you have questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C. 20210. You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration at (866) 444-3272 or [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

## NOTES

