

ROAD CARRIERS - LOCAL 707

PENSION PLAN

**Amended and Restated
Effective January 1, 2015**

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ROAD CARRIERS - LOCAL 707

PENSION PLAN

PREAMBLE

The Road Carriers - Local 707 Pension Plan (the "Plan") was established for certain employees of contributing employers pursuant to the Agreement and Declaration of Trust effective December 1, 1950, as amended from time to time.

The Plan is hereby amended and restated effective January 1, 2015 to incorporate all prior amendments, to comply with legislative changes, and to make certain other desirable changes. The Plan was previously amended and restated effective January 1, 2010. Except as otherwise specifically provided herein, the rights, benefits and obligations of employees who retired, died, or terminated their participation under the Plan prior to this January 1, 2015 amendment and restatement shall be determined under the terms and conditions of the Plan as it existed before this amendment and restatement of the Plan. This amendment and restatement will not reduce or eliminate any benefits earned under the Plan as in effect immediately prior to January 1, 2015.

It is intended that the Plan shall operate in accordance with the applicable provisions of the Internal Revenue Code, the Employee Retirement Income Security Act, and regulations issued thereunder.

ARTICLE 1 – DEFINITIONS

The following terms, when capitalized, shall have the meanings shown.

1.1 “Actuarial Equivalent”

The equivalent value of a benefit or benefits otherwise payable under the Plan at a given event when calculated using the assumptions set forth below. Provided, however, that the Actuarial Equivalent value of a benefit payable pursuant to a qualified domestic relations order shall be determined using factors shown in 1.1(a) and 1.1(b), below, without regard to whether or not a participant earned $\frac{1}{4}$ Pension Credit after December 31, 2004.

- (a) Except as otherwise provided in the Plan, the value of a Participant’s benefit shall be determined using the following interest rate and mortality assumptions:
- (1) an interest rate of 7.0% compounded annually; and
 - (2) effective January 1, 2005, the unisex mortality tabulation of “qx” as published in Revenue Ruling 95-6. Factors derived therefrom shall be rounded to six decimal places, and interpolated based on the attained years and months of age of the Participant; except, however, factors based on two lives shall be based on their attained ages.

For retirements occurring before and after January 1, 2005 with respect to a Participant who has not attained at least $\frac{1}{4}$ Pension Credit after December 31, 2004, the 1971 Group Annuity Mortality Table (Male only) shall apply, except as otherwise provided in Article 6.

- (b) The value of a lump sum distribution pursuant to Sections 6.3 and 7.2(e) shall be determined using the following interest rate and mortality assumptions:
- (1) For lump sum distributions payable prior to September 1, 2000, the Actuarial Equivalent lump sum value of a Participant’s benefit shall be the amount calculated using the following interest rate and mortality table:
 - (A) the interest rate the Pension Benefit Guaranty Corporation would use as of the first day of the Plan Year of payment to determine the present value of a lump sum distribution on plan termination; and
 - (B) the Unisex Pension 1984 Mortality Table, set forward one year for Participants and set back five years for others.
 - (2) For lump sums payable on or after September 1, 2000 but before December 31, 2002, the Actuarial Equivalent lump sum value of a Participant’s benefit shall be the amount calculated using the following interest rate and mortality table:

- (A) the annual interest rate on 30-year Treasury securities in effect for the second month preceding the first month of the Plan Year in which the distribution is made; and
- (B) the 1983 Group Annuity Mortality Table (50% Male, 50% Female), or other mortality table prescribed by the Secretary of Treasury in accordance with Code section 417(e)(3) and the regulations thereunder.

Notwithstanding the foregoing, the Actuarial Equivalent lump sum value of a Participant's benefit that is payable after September 1, 2000 and prior to April 5, 2001 shall not be less than the amount calculated using the interest rate and mortality table set forth in paragraph (b)(1) above.

- (3) For lump sums payable on or after December 31, 2002 and before September 1, 2008, the Actuarial Equivalent lump sum value of a Participant's benefit shall be the amount calculated using the following interest rate and mortality table:
 - (A) the annual interest rate on 30-year Treasury securities (or other applicable interest rate) in effect for the second month preceding the first month of the Plan Year in which the distribution is made; and
 - (B) the 1994 Group Annuity Reserving Table (50% Male, 50% Female), or other mortality table prescribed by the Internal Revenue Service for purposes of Code section 417(e)(3) and the regulations thereunder.
- (4) For lump sums payable on or after September 1, 2008, the Actuarial Equivalent lump sum value of a Participant's benefit shall be the amount calculated using the following interest rate and mortality table:
 - (A) the applicable interest rate prescribed under Code section 417(e)(3)(C);
and
 - (B) the applicable mortality table prescribed under Code section 417(e)(3)(B).

1.2 "Agreement and Declaration of Trust"

The Agreement and Declaration of Trust which established the Road Carriers - Local 707 Pension Plan effective December 1, 1950, as amended from time to time.

1.3 "Beneficiary"

The individual(s) designated as such by a Participant on the form prescribed by the Trustees. If a Participant has no valid Beneficiary designation on file with the Trustees, or his Beneficiary has predeceased him, the Trustees shall designate as the Beneficiary the Participant's or Pensioner's surviving Spouse. If there is no surviving Spouse at the time of the Participant's or Pensioner's death, or if the surviving Spouse dies before receiving full payment of the death benefit, the death benefit, or remaining portion thereof, will be payable and divided equally among the surviving dependent children, if any, who are considered dependent children under the Social

Security Act. In the event that the Participant or Pensioner has no surviving Spouse or surviving dependent children at the time of his death, any death benefit otherwise payable will be paid to the Participant's or Pensioner's estate.

1.4 "Board of Trustees" or "Trustees"

The Board of Trustees, as provided for in the Agreement and Declaration of Trust, which is responsible for the administration of the Plan, including, among other things, the collection, deposit, and disbursement of funds.

1.5 "Code"

The Internal Revenue Code of 1986, as amended from time to time.

1.6 "Collective Bargaining Agreement"

An agreement between a Contributing Employer and the Union, as it may be amended from time to time, that provides for contributions to the Plan for Employees covered by the agreement.

1.7 "Contributing Employer"

- (a) Any employer that executes a written Collective Bargaining Agreement that provides for payments to the Plan in accordance with the rules and regulations of the Agreement and Declaration of Trust, provided that the Trustees, in their discretion, agree to accept such participation.
- (b) Any employer that executes any other written agreement requiring contributions to the Plan in accordance with the rules and regulations of the Agreement and Declaration of Trust, provided that the Trustees, in their discretion, agree to accept such participation.
- (c) The Road Carriers - Local 707 Pension Fund, the Road Carriers Local 707 Welfare Fund, and the Union.

An employer shall not be deemed a Contributing Employer simply because it is part of a controlled group of corporations or of a trade or business under common control, some other part of which is a Contributing Employer.

1.8 "Contribution Period"

The period during which an employer is a Contributing Employer with respect to a category of employment.

1.9 "Covered Employment"

The employment of an Employee by a Contributing Employer in a category covered by the Collective Bargaining Agreement, or by an agreement between a Contributing Employer and the Trustees to make contributions to the Plan, including such employment prior to the Contribution Period (within the restrictions found in Section 11.2(b)); or the employment of an Employee of

the Road Carriers - Local 707 Pension Fund, the Road Carriers Local 707 Welfare Fund, and the Union.

1.10 "Effective Date of Pension"

The first day of the month for which an amount is first paid as an annuity, provided the Participant has fulfilled the conditions for such pension.

1.11 "Employee"

Any employee for whom a Contributing Employer is required to make employer contributions to the Plan.

1.12 "Employer Contribution"

The contribution made by or due from a Contributing Employer that is obligated to be made on behalf of a Participant for any year which represents hours attributable to the Participant in that year, including any hours credited under Section 3.2(b) and any hours that are imputed to the Participant relating to workers' compensation or disability insurance, multiplied by the contribution rate in effect for that Employer and for that time; provided that such contribution rate shall not exceed \$4.3975 per hour, except that such contribution rate shall not exceed the rate in effect as of December 31, 2004 for such Contributing Employer if it is obligated to contribute to the Plan at a rate lower than the contribution rate established under the National Master Freight Agreement.

1.13 "ERISA"

The Employee Retirement Income Security Act of 1974, as amended from time to time.

1.14 "Hour of Service"

- (a) Each hour for which an Employee is directly or indirectly paid or is entitled to payment by a Contributing Employer for the performance of duties for the Contributing Employer during the applicable Plan Credit Year.
- (b) Each hour for which an Employee is paid or entitled to payment by a Contributing Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 Hours of Service shall be credited under this subsection to an Employee on account of any single continuous period during which the Employee performs no duties (whether or not such period occurs in a single Plan Credit Year). No credit shall be given for hours for which no duties are performed but for which payment by the Contributing Employer is made or due under a plan maintained solely for the purpose of complying with applicable workers' compensation, unemployment compensation or disability insurance laws, or where payment solely reimburses an Employee for medical or medically related expenses incurred by the Employee. Hours of

Service shall be calculated and credited pursuant to section 2530.200b-2 of the Department of Labor regulations, which is incorporated herein by reference.

For purposes of this subsection (b), a payment shall be deemed to be made by or due from a Contributing Employer regardless of whether such payment is made by or due from the Contributing Employer directly, or indirectly through, among others, a trust fund, insurer or other entity, to which the Contributing Employer contributes or pays premiums, and regardless of whether contributions made or due to the trust fund, insurer or other entity are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate.

- (c) Each hour for which back pay, irrespective of mitigation of damages, has been awarded or agreed to by a Contributing Employer and for which such Employee has not previously received credit. The same Hours of Service shall not be credited both under subsection (a) or subsection (b), as the case may be, and under this subsection (c). These hours shall be credited to the Employee for the Plan Credit Year or Years to which the award or agreement pertains rather than the Plan Credit Year in which the award, agreement or payment is made.

Hours of Service shall include military service while the Employee's reemployment rights are protected by law or such additional or other periods as are granted by the Employer as military leave, provided the Employee returns to employment within 90 days of the end of his military leave (or such longer period of time as his reemployment rights are protected by law). Hours under this paragraph shall be credited on the basis of the lesser of (i) a 40-hour workweek or applicable pro rata portion thereof or (ii) the Employee's customarily scheduled workweek or applicable pro rata portion thereof. The same Hours of Service shall not be credited both under subsections (a), (b), or (c) above, as the case may be, and under this paragraph.

1.15 "Local Reciprocal Agreement"

An agreement of reciprocity between the Plan and another pension plan that is not a signatory to the 1997 National Agreement for Teamster Pension Funds entered into by the Board of Trustees.

1.16 "Minimum Statutory Pension"

A pension with a monthly benefit calculated on the same basis as the Normal Retirement Pension described in Section 4.1, except that any person who is vested in accordance with Section 5.1 is eligible for a Minimum Statutory Pension payable from his Normal Retirement Age provided he properly applies for such pension.

1.17 "National Reciprocal Agreement"

An agreement of reciprocity between the Plan and any other pension plan which is a signatory to the 1997 National Agreement for Teamster Pension Funds entered into by the Board of Trustees.

1.18 "National Master Freight Agreement"

A nationwide, multiemployer, multiunion Collective Bargaining Agreement that covers Employees engaged in the trucking industry.

1.19 "Normal Retirement Age"

The later of age 65 or the date on which a Participant reaches the fifth anniversary of the date he commenced participation in the Plan.

1.20 "One-Year Break-in-Service"

A Plan Credit Year in which a Participant does not complete 250 or more Hours of Service in Covered Employment. If a Participant works for a Contributing Employer in a job not covered by the Plan (non-Covered Employment) and such employment is continuous with his Covered Employment with the Contributing Employer, Hours of Service shall include his service in such non-Covered Employment during the Contribution Period. A Participant's non-Covered Employment shall be continuous with his Covered Employment if there is no quit, discharge, or other termination of employment between such periods.

An Employee who is absent from work for maternity or paternity reasons shall receive credit for up to 250 Hours of Service in one Plan Credit Year which otherwise would have been credited to such Employee but for such absence. In any case in which such Hours of Service cannot be determined, eight Hours of Service shall be credited for each day of absence. The Hours of Service credited for maternity or paternity reasons shall be credited in the Plan Credit Year in which the absence begins if such Hours of Service are necessary to prevent a One-Year Break-in-Service in that Plan Credit Year or, in all other cases, in the following Plan Credit Year. The Trustees may require, as a condition of granting such credit, that the Employee establish in a timely fashion to the satisfaction of the Trustees that the Employee is entitled to such credit.

An absence from work for maternity or paternity reasons means an absence --

- (a) by reason of the pregnancy of the Employee;
- (b) by reason of the birth of a child of the Employee;
- (c) by reason of the placement of a child with the Employee in connection with the adoption of such child by such Employee; or
- (d) for the purpose of caring for such child for a period beginning immediately following such birth or placement.

Hours of Service for maternity or paternity reasons shall be used solely to determine whether a One-Year Break-in-Service has occurred. An Employee shall not earn Pension Credits during any absence from work for maternity or paternity reasons.

Solely for purposes of determining whether a One-Year Break-in-Service has occurred, an Employee shall receive credit for up to 250 Hours of Service for each Plan Credit Year, up to a maximum of five years or such longer period as may be required by law, on account of his absence due to military service for the United States, provided the Employee makes himself

available for Covered Employment within 90 days of the end of his military leave (or such longer period of time as his reemployment rights are protected by law).

1.21 "Participant"

An Employee who meets the requirements for participation set forth in Article 2 and has not terminated participation in the Plan pursuant to Section 2.2.

1.22 "Past Service Benefit"

The pension benefits earned prior to January 1, 2005, calculated pursuant to Section 4.1(b) for the Normal Retirement Pension, Section 4.3(b) for the Twenty-Five Year Service Pension, or Section 4.7 relating to a transfer between Contributing Employers, as applicable.

1.23 "Past Service Pension Credit"

Pension Credit earned prior to January 1, 2005 used to calculate the pension benefits described in Article 4.

1.24 "Pension Credit"

Units credited to a Participant pursuant to Article 3.

1.25 "Pensioner" or "Reciprocal Pensioner"

A Participant who has retired after becoming vested under the Plan and receives a monthly benefit or who would be receiving monthly benefits but for time for administrative processing. A Reciprocal Pensioner is a Pensioner who is entitled to benefits pursuant to a Reciprocal Agreement.

1.26 "Permanent Break-in-Service"

Consecutive One-Year Breaks-in-Service that equal or exceed the greater of:

- (a) five years, or
- (b) the number of Years of Vesting Service earned by a Participant prior to his initial One-Year Break-in-Service.

Prior to September 1, 1987, a Permanent Break-in-Service shall be determined under the provisions of the Plan at that time.

1.27 "Plan"

The Road Carriers - Local 707 Pension Plan.

1.28 “Plan Credit Year”

Each 12-month period beginning on January 1 and ending on December 31. Prior to January 1, 1983, the Plan Credit Year began on August 1st and ended on July 31st. The period beginning on August 1, 1982 and ending on December 31, 1982 was a short Plan Credit Year.

1.29 “Plan Year”

Effective February 1, 2015, each 12-month period beginning on February 1 and ending on January 31. The Plan’s fiscal records shall be kept on the basis of the Plan Year.

1.30 “Spouse”

The person to whom the Participant is legally married, which marriage was entered into in a jurisdiction that recognizes such marriage, on his or her Effective Date of Pension or, if earlier, the Participant’s death or, for purposes of Sections 8.7 and 8.8 the applicable date of application.

1.31 “Total and Permanent Disability”

A physical or mental impairment that prevents the Participant from engaging in any gainful activity and, as a result of which, the Participant becomes entitled to a Social Security disability award.

1.32 “Union” or “Local 707”

The Highway and Local Motor Freight Dockmen and Helpers Local Union No. 707, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers.

1.33 “Year of Vesting Service”

- (a) A Plan Credit Year during which the Participant is credited with at least 1,000 Hours of Service in Covered Employment.

If a Participant works for a Contributing Employer in a job not covered by the Plan (non-Covered Employment) and such employment is continuous with his Covered Employment with the Contributing Employer, Hours of Service shall include his service in such non-Covered Employment during the Contribution Period for purposes of this Section 1.33. A Participant’s non-Covered Employment shall be continuous with his Covered Employment if there is no quit, discharge, or other termination of employment between such periods.

If an Employee makes himself available for Covered Employment within 90 days after separation from military service, the period of military service, up to a maximum of five years or such longer period as may be required by law, shall be credited as Years of Vesting Service.

- (b) Years of Vesting Service prior to August 1, 1976 shall be determined under the provisions of the Plan at that time; provided, however, that a Participant shall not be credited with:
- (1) Years of Vesting Service before January 1, 1971 unless he earns at least three Years of Vesting Service after December 31, 1970; or
 - (2) Years of Vesting Service preceding a Permanent Break-in-Service (as that term was defined in the Plan prior to August 1, 1976) for periods prior to August 1, 1976.

ARTICLE 2 – PARTICIPATION

2.1 Participation

- (a) Effective on or after September 1, 1999, an Employee shall become a Participant upon the earlier of the dates set forth in paragraph (1) or (2) below:
- (1) The January 1 next following the Employee's completion of 250 Hours of Service in Covered Employment within a Plan Credit Year, provided that he is an Employee on such January 1.
 - (2) The January 1 nearest his completion of the 12-consecutive-month period beginning on the date the Employee commences employment (or reemployment), or if earlier, any January 1 subsequent to the Employee's date of hire, and after he performed 1,000 Hours of Service in Covered Employment and continuous non-Covered Employment with the same Contributing Employer during a 12-consecutive-month period, provided that he is in Covered Employment on such January 1. An Employee's non-Covered Employment is continuous with his Covered Employment if there is no quit, discharge, or other termination of employment between such periods.
- (b) Any Participant in the Plan as of September 1, 1999 shall continue to participate in the Plan, except as otherwise provided herein.

2.2 Termination of Participation

- (a) Participation in the Plan by a Participant who acquired a vested right to a benefit pursuant to Section 5.1 shall cease once that Participant receives full payment of his benefit from the Plan.
- (b) Participation in the Plan by a Participant who has not acquired a vested right to a benefit shall cease as of the last day of the Plan Credit Year in which he incurs a One-Year Break-in-Service.

2.3 Participation by Former Participants

A former Participant shall again become a Participant in accordance with Section 2.1(a) on the basis of service completed after the Plan Credit Year in which his participation terminated.

ARTICLE 3 – PENSION CREDIT SERVICE

3.1 Pension Credits for Covered Employment

A Participant shall be credited with Pension Credit for a Plan Credit Year as described below.

(a) **Plan Credit Years beginning on and after August 1, 1976**

For Plan Credit Years beginning on and after August 1, 1976, Pension Credit shall be credited as follows:

| <u>Hours of Service in Covered Employment</u> | <u>Pension Credit</u> |
|---------------------------------------------------|---------------------------|
| 1 to 249 | 0 |
| 250 to 499 | ¼ |
| 500 to 749 | ½ |
| 750 to 999 | ¾ |
| 1,000 or more | 1 |

Notwithstanding the foregoing, for the short Plan Credit Year beginning August 1, 1982 and ending December 31, 1982, Pension Credit was credited as follows:

| <u>Hours of Service in Covered Employment</u> | <u>Pension Credit</u> |
|---------------------------------------------------|---------------------------|
| 1 to 199 | 0 |
| 200 to 399 | ¼ |
| 400 or more | ½ |

(b) **Plan Credit Years from August 1, 1954 through July 31, 1976**

For Plan Credit Years beginning August 1, 1954 through July 31, 1976, a Participant shall be credited with ¼ Pension Credit for each Plan Credit Year quarter in which he worked at least 25 days in Covered Employment (as determined under the provisions of the Plan at such time).

From November 1, 1956 through July 31, 1976, a Plan Credit Year quarter was each three-month period commencing on February 1, May 1, August 1 and November 1.

From August 1, 1954 through October 31, 1956, a Plan Credit Year quarter was each three-month period commencing on March 1, June 1, September 1 and December 1.

(c) **Plan Credit Years from August 1, 1950 through July 31, 1954**

For Plan Credit Years beginning August 1, 1950 through July 31, 1954, a Participant shall be credited with ¼ Pension Credit for each Plan Credit Year quarter in which he worked at least 36 days in Covered Employment (as determined under the provisions of

the Plan at such time). A Plan Credit Year quarter was each three-month period beginning on March 1, June 1, September 1 and December 1.

(d) **Plan Credit Years from January 1, 1937 through August 1, 1950**

For Plan Credit Years beginning January 1, 1937 through August 1, 1950, a Participant shall be credited with Pension Credits as reported to the Plan by the International Brotherhood of Teamsters Local 807 Pension Fund. Pension Credits shall not be granted for employment prior to January 1, 1937.

3.2 Pension Credit for Non-Covered Employment

A Participant will earn Pension Credit during a period of non-Covered Employment if he satisfies the criteria set forth below. A Pensioner or a Reciprocal Pensioner is not eligible to receive Pension Credit pursuant to this Section 3.2.

- (a) If, in any Plan Credit Year quarter, a Participant is credited with less than 250 Hours of Service, the Participant shall be credited with $\frac{1}{4}$ Pension Credit for that quarter and each subsequent quarter in which he is credited with less than 250 Hours of Service (subject to the applicable limitations set forth below) if the Participant was eligible for benefits under the Road Carriers Local 707 Welfare Plan (or would have been but for the fact that his employer did not contribute to the Road Carriers Local 707 Welfare Plan) during the immediately preceding four "Coverage periods," and:
- (1) The Participant's failure to earn Pension Credit is on account of his disability up to a maximum period compensated by the weekly accident and sickness plan provided by the Road Carriers Local 707 Welfare Plan or by any other welfare plan recognized for this purpose by the Trustees. In no event shall a Participant receive more than $\frac{1}{2}$ Pension Credit under this paragraph (1).
 - (2) The Participant's failure to earn Pension Credit is on account of his disability arising from Covered Employment for a period not exceeding 24 months that is compensated under workers' compensation. In no event shall a Participant receive more than two Pension Credits in any five-year period under this paragraph (2).
 - (3) The Participant's failure to earn Pension Credits is on account of his disability arising out of an automobile accident that previously would have been covered by the weekly accident and sickness benefit, but which is now covered by no-fault automobile insurance. In no event shall a Participant receive more than $\frac{1}{2}$ Pension Credit under this paragraph (3).
- (b) A Participant who is absent on account of military service for the United States shall receive $\frac{1}{4}$ of a Pension Credit for each Plan Credit Year quarter, up to a maximum of five years or such longer period as may be required by law, on account of his absence due to military service for the United States.

In addition, for purposes of this Section 3.2(b) and Article 4, the Participant shall accrue pension benefits in an amount equal to the greater of the benefits he is entitled to pursuant to the Collective Bargaining Agreement, or the following:

- (1) the average of the Participant's hours multiplied by Employer Contributions worked in Covered Employment for the immediately preceding Plan Credit Years, up to a maximum of three, if the Participant worked in Covered Employment for not less than one of the three immediately preceding Plan Credit Years prior to the Participant's absence due to military service; or
- (2) the average of all Participants' hours multiplied by Employer Contributions worked in Covered Employment for the three immediately preceding Plan Credit Years, if the Participant did not work in Covered Employment for at least one Plan Credit Year prior to the Participant's absence due to military service.

If the Participant's absence on account of military service includes a fraction of a year, the Participant shall be credited with a pro rata portion of paragraphs (1) and (2) equal to the length of the Participant's absence.

Notwithstanding the foregoing, an Employee shall not be entitled to Pension Credit or benefit accrual under this Section 3.2(b) unless the Employee makes himself available for Covered Employment within 90 days of the end of his military leave (or such longer period of time while his reemployment rights are protected by law).

(c) For purposes of this Section 3.2:

- (1) "Plan Credit Year quarter" means each three-month period beginning prior to August 1, 1976 as set forth in Section 3.1. Thereafter, the Plan Credit Year quarter shall be the three-month period beginning on the first day of the first, fourth, seventh and tenth month of each Plan Credit Year.
- (2) "Coverage period" means any four-month period beginning on the first day of the third, sixth, ninth or twelfth month of the calendar year during which full coverage is provided under the Road Carriers Local 707 Welfare Plan.

3.3 Limitations on Earning Pension Credits

Pension Credits may be earned only while an Employee is a Participant in the Plan and in the 12-month period immediately preceding the Employee's commencement of participation, except as provided in Section 11.2(b). Pension Credits shall not be granted for any self-employed time.

ARTICLE 4 – PENSION BENEFITS

4.1 Normal Retirement Pension

(a) Eligibility

A Participant shall be eligible for a Normal Retirement Pension once he has attained his Normal Retirement Age, provided he properly applies for such pension.

(b) Benefit

- (1) The Normal Retirement Pension payable to a Participant employed by a Contributing Employer shall be a monthly benefit equal to the sum of (i) for each year starting on or after January 1, 2009 in which the Participant earns Pension Credit, 0.5% of the Employer Contribution required to be made on behalf of the Participant for that year; (ii) for each year starting after January 1, 2005 and before January 1, 2009 in which the Participant earns Pension Credit, 1.0% of the Employer Contribution required to be made on behalf of the Participant for that year; and (iii) the Past Service Benefit calculated in accordance with Section 4.1(b)(2) or 4.1(b)(3), as applicable.

Notwithstanding the foregoing, the amount of the Employer Contribution subject to the 0.5% and/or the 1.0% multiplier in Section 4.1(b)(1)(i) and (ii) shall not exceed that based on a rate of \$4.3975 per hour; provided, however, that such amount shall not exceed that based on the rate in effect as of December 31, 2004 for such Contributing Employer if it is obligated to contribute to the Plan at a rate lower than the contribution rate established under the National Master Freight Agreement.

Notwithstanding the foregoing, a Participant who is subject to Appendix B shall have his Normal Retirement Pension calculated in accordance with the applicable provisions of Appendix B.

- (2) **Past Service Benefit attributable to contributions made at the rate established under the National Master Freight Agreement.** The Past Service Benefit for a Participant employed by a Contributing Employer obligated to contribute to the Plan at the rate established under the National Master Freight Agreement shall be a monthly benefit equal to the applicable benefit level, determined under subsection (c) below, multiplied by the number of Past Service Pension Credits described in subsection (d) below.

Notwithstanding the foregoing, the Past Service Benefit payable to a Participant who transferred employment between Contributing Employers that contributed to the Plan at different rates shall be determined in accordance with Section 4.7.

- (3) **Past Service Benefit attributable to contributions made at a rate lower than the rate established under the National Master Freight Agreement.** The Past Service Benefit for a Participant employed by a Contributing Employer obligated

to contribute to the Plan at a rate lower than the contribution rate established under the National Master Freight Agreement shall be the product of the amounts calculated under (A) and (B) below.

- (A) The monthly benefit calculated in accordance with Section 4.1(b)(2) as if contributions were made on the Participant's behalf at the rate established under the National Master Freight Agreement.
- (B) The Contributing Employer's contribution rate divided by the contribution rate established under the National Master Freight Agreement. The contribution rates used for purposes of this subparagraph (B) are the rates in effect at the time the Participant last earned an Hour of Service in Covered Employment, but not later than December 31, 2004. Notwithstanding the preceding sentence, if contribution rates increased during the period that (i) begins on the last day of the calendar year quarter in which the Participant last earned Past Service Pension Credit, and (ii) ends 12 months later but not later than December 31, 2004, or if earlier, on the Participant's Effective Date of Pension, the rates used will be those in effect after the first increase in one or both of the rates.

The amount calculated under this paragraph (3) shall not be reduced on account of an increase in the National Master Freight Agreement contribution rate. In the event that the Contributing Employer lowered its contribution rate, the amount determined under subparagraph (B) with respect to the lower contribution rate shall apply only to Past Service Pension Credits earned after the lower contribution rate became effective.

Notwithstanding the foregoing, the Past Service Benefit payable to a Participant who transferred employment between Contributing Employers that contributed to the Plan at different rates shall be determined in accordance with Section 4.7.

(c) **Benefit Level**

A Participant's Past Service Benefit shall be calculated using the benefit level, set forth below, that is in effect at the time the Participant last earns an Hour of Service in Covered Employment, but not later than December 31, 2004, or in effect after the first increase in the benefit level, if any, that occurred during the period that (i) begins on the last day of the calendar year quarter in which the Participant last earned Past Service Pension Credit, and (ii) ends 12 months later but not later than December 31, 2004, or if earlier, on the Participant's Effective Date of Pension.

- (1) Effective on and after July 1, 2000 and prior to January 1, 2005, the benefit level shall be \$115.00.
- (2) Effective on and after April 1, 1998 and prior to July 1, 2000, the benefit level shall be \$100.00.

- (3) Effective on and after September 1, 1997 and prior to April 1, 1998, the benefit level shall be \$89.16.
- (4) Effective on and after September 1, 1994 and prior to September 1, 1997, the benefit level shall be \$85.83.
- (5) Effective on and after September 1, 1991 and prior to September 1, 1994, the benefit level shall be \$83.33.
- (6) Effective on and after April 1, 1988 and prior to September 1, 1991, the benefit level, which shall first be payable effective January 1, 1989, shall be:
 - (A) \$80.00 for each Past Service Pension Credit earned by the Participant not in excess of 25; and
 - (B) \$12.00 for each Past Service Pension Credit earned by the Participant in excess of 25.

(d) **Pension Credits**

For each Participant whose Effective Date of Pension is prior to January 1, 2001, the Normal Retirement Pension shall be based on the number of whole Past Service Pension Credits earned by each such Participant. For each Participant whose Effective Date of Pension is on or after January 1, 2001 but prior to January 1, 2005, the Normal Retirement Pension shall be based on the number of whole and fractional Past Service Pension Credits earned by each such Participant. For each Participant whose Effective Date of Pension is on or after January 1, 2005, the Past Service Benefit portion of the Normal Retirement Pension shall be based on the number of whole and fractional Past Service Pension Credits earned by each such Participant.

4.2 Early Retirement Pension

(a) **Eligibility**

A Participant shall be eligible for an Early Retirement Pension once he has attained age 55 and has earned at least 15 Pension Credits, provided he properly applies for such pension. A Participant who separates from service with 15 Pension Credits before age 55 shall be eligible to have an Early Retirement Pension commence upon his attainment of age 55.

(b) **Benefit**

The Early Retirement Pension shall be a monthly benefit calculated in the same manner as the Normal Retirement Pension; provided, however, that it shall be reduced by 0.5% for each whole calendar month by which the commencement of the benefit precedes the first day of the month coinciding with or next following the date the Participant attains age 65.

4.3 Twenty-Five Year Service Pension

(a) Eligibility

A Participant who has earned at least 25 Pension Credits shall be entitled to a Twenty-Five Year Service Pension payable at any age, provided he properly applies for such pension.

(b) Benefit

- (1) Except as otherwise provided under Section 4.3(b)(4) below, the Twenty-Five Year Service Pension payable to a Participant employed by a Contributing Employer shall be a monthly benefit equal to the sum of (i) for each year starting after January 1, 2005 and before January 1, 2009 in which the Participant earns Pension Credit, 1.0% of the Employer Contribution required to be made on behalf of the Participant for that year, and (ii) the Past Service Benefit calculated in accordance with Section 4.3(b)(2) or 4.3(b)(3), as applicable.

Notwithstanding the foregoing, the amount of the Employer Contribution subject to the 1.0% multiplier in Section 4.3(b)(1)(i) shall not exceed that based on a rate of \$4.3975 per hour; provided, however, that such amount shall not exceed that based on the rate in effect as of December 31, 2004 for such Contributing Employer if it is obligated to contribute to the Plan at a rate lower than the contribution rate established under the National Master Freight Agreement.

Notwithstanding the foregoing, a Participant who is subject to Appendix B shall have his Twenty-Five Year Service Pension calculated in accordance with the applicable provisions of Appendix B.

- (2) **Past Service Benefit attributable to contributions made at the rate established under the National Master Freight Agreement.** The Past Service Benefit for a Participant employed by a Contributing Employer obligated to contribute to the Plan at the rate established under the National Master Freight Agreement shall be a monthly benefit equal to the applicable benefit level determined under subsection (c) below. Where the benefit level is based on a Participant's Pension Credits, such Pension Credits are described under subsection (d) below.

Notwithstanding the foregoing, the Past Service Benefit payable to a Participant who transferred employment between Contributing Employers that contributed to the Plan at different rates shall be determined in accordance with Section 4.7.

- (3) **Past Service Benefit attributable to contributions made at a rate lower than the rate established under the National Master Freight Agreement.** The Past Service Benefit for a Participant employed by a Contributing Employer obligated to contribute to the Plan at a rate lower than the contribution rate under the National Master Freight Agreement shall be determined as follows:

- (A) A monthly benefit shall be calculated in accordance with Section 4.3(b)(2) as if contributions were made on the Participant's behalf at the rate established under the National Master Freight Agreement.
- (B) The monthly benefit calculated under subparagraph (A) shall be multiplied by the contribution rate under the Collective Bargaining Agreement with the lower contribution rate, and divided by the contribution rate established under the National Master Freight Agreement. The contribution rates to be used for purposes of this subparagraph (B) are the rates in effect at the time the Participant last earned an Hour of Service in Covered Employment, but not later than December 31, 2004. Notwithstanding the preceding sentence, if contribution rates increased during the period that (i) begins on the last day of the calendar year quarter in which the Participant last earned Past Service Pension Credit, and (ii) ends 12 months later but not later than December 31, 2004, or if earlier, on the Participant's Effective Date of Pension, the rates used will be those in effect after the first increase in one or both of the rates.

The amount calculated under this paragraph (3) shall not be reduced on account of an increase in the National Master Freight Agreement contribution rate. In the event that the Contributing Employer lowered its contribution rate, the amount determined under subparagraph (B) with respect to the lower contribution rate shall apply only to Past Service Pension Credits earned after the lower contribution rate became effective.

Notwithstanding the foregoing, the Past Service Benefit payable to a Participant who transferred employment between Contributing Employers that contributed to the Plan at different rates shall be determined in accordance with Section 4.7.

- (4) Effective on and after January 1, 2005, the Twenty-Five Year Service Pension monthly benefit calculated pursuant to Section 4.3(b)(1)(i) shall be reduced by 0.5% for each whole calendar month by which the commencement of the benefits precedes the first day of the month coinciding with or next following the date the Participant attains age 55.
- (5) Notwithstanding anything in the Plan to the contrary, effective on and after January 1, 2005, a Participant entitled to a Twenty-Five Year Service Pension pursuant to this Section 4.3 and who has not attained at least age 55 at the time such benefits commence shall not be entitled to Supplemental Pension Benefits described in Section 4.9.

(c) **Benefit Level**

The Past Service Benefit portion of the Twenty-Five Year Service Pension shall be determined by the benefit level in effect at the time the Participant last earned an Hour of Service in Covered Employment, but not later than December 31, 2004, or the first increase in the benefit level, if any, that occurred during the period that (i) begins on the

last day of the calendar year quarter in which the Participant last earned Past Service Pension Credit, and (ii) ends 12 months later but not later than December 31, 2004, or if earlier, on the Participant's Effective Date of Pension.

- (1) Effective on and after July 1, 2000 and prior to January 1, 2005, the benefit level shall be \$115.00 for each Past Service Pension Credit.
- (2) Effective on and after April 1, 1999 and prior to July 1, 2000, the benefit level for the Twenty-Five Year Service Pension shall be:
 - (A) \$2,000.00 per month, plus \$100 for each Past Service Pension Credit in excess of 25 for a Participant who has earned at least 25 but less than 30 Past Service Pension Credits and has not reached age 55 as of his Effective Date of Pension; or
 - (B) \$100.00 for each Past Service Pension Credit for a Participant who has earned at least 30 Past Service Pension Credits or has reached age 55 prior to his Effective Date of Pension.
- (3) Effective on and after April 1, 1998 and prior to April 1, 1999, the benefit level for the Twenty-Five Year Service Pension shall be:
 - (A) \$1,800.00 per month for a Participant who has earned at least 25 but less than 30 Past Service Pension Credits; or
 - (B) \$100.00 for each Past Service Pension Credit for a Participant who has earned at least 30 Past Service Pension Credits, had contributions made on his behalf under the General Freight Agreement on or after April 1, 1997, and whose Effective Date of Pension is on or after April 1, 1998.
- (4) Effective on and after September 1, 1997 and prior to April 1, 1998, the benefit level for the Twenty-Five Year Service Pension shall be:
 - (A) \$1,600.00 per month for a Participant who has earned at least 25 but less than 30 Past Service Pension Credits; or
 - (B) \$89.16 for each Past Service Pension Credit for a Participant who has earned at least 30 Past Service Pension Credits.
- (5) Effective on and after September 1, 1994 and prior to September 1, 1997, the benefit level for the Twenty-Five Year Service Pension shall be:
 - (A) \$1,545.00 per month for a Participant who has earned at least 25 but less than 30 Past Service Pension Credits; or
 - (B) \$85.83 for each Past Service Pension Credit for a Participant who has earned at least 30 Past Service Pension Credits.

- (6) Effective on and after May 1, 1991 and prior to September 1, 1994, the benefit level for the Twenty-Five Year Service Pension shall be:
 - (A) \$1,500.00 per month for a Participant who has earned at least 25 but less than 30 Past Service Pension Credits; or
 - (B) \$83.33 for each Past Service Pension Credit for a Participant who has earned at least 30 Past Service Pension Credits.
- (7) Effective on and after April 1, 1988 and prior to May 1, 1991, the benefit level for the Twenty-Five Year Service Pension shall be, effective as of January 1, 1989:
 - (A) \$1,200.00 per month for a Participant who has earned at least 25 but less than 30 Past Service Pension Credits and who had contributions made on his behalf under the National Master Freight Agreement on or after April 1, 1988; or
 - (B) \$66.67 for each Past Service Pension Credit for a Participant who has earned at least 30 Pension Credits.

(d) **Pension Credits**

For each Participant whose Effective Date of Pension is prior to January 1, 2001, the Twenty-Five Year Service Pension shall be based on the number of whole Past Service Pension Credits earned by each such Participant not in excess of 30, plus:

- (1) the number of whole and fractional Past Service Pension Credits earned by each such Participant in excess of 30, if the Participant's pension is based on the benefit level in effect on or after April 1, 1998; or
- (2) the number of whole Past Service Pension Credits earned by each such Participant in excess of 30, if the Participant's pension is based on the benefit level in effect prior to April 1, 1998.

For each Participant whose Effective Date of Pension is on or after January 1, 2001 but prior to January 1, 2005, the Twenty-Five Year Service Pension shall be based on the number of whole and fractional Past Service Pension Credits earned by each such Participant.

For each Participant whose Effective Date of Pension is on or after January 1, 2005, the Past Service Benefit portion of the Twenty-Five Year Service Pension shall be based on the number of whole and fractional Past Service Pension Credits earned by each such Participant.

(e) **Eliminated for Certain Participants After January 1, 2009**

Notwithstanding the foregoing, the Twenty-Five Year Service Pension described in this Section 4.3 shall no longer be available for an individual who first becomes a Participant on or after January 1, 2009.

4.4 Benefits for Reciprocal Pensioners

A Participant in the Plan may be entitled to a Reciprocal or Pro Rata Pension (as such terms are defined in Articles 12 and 13, respectively) from the Plan if he qualifies under the requirements of one or more of the Reciprocal Agreements which the Plan has with other pension plans pursuant to the provisions of Articles 12 and 13.

4.5 Transition Rules for Certain Benefit Increases

For entitlement to the benefit level effective April 1, 1988, contributions must have been made on the Participant's behalf on or after April 1, 1988.

4.6 Effect of Break-in-Service

(a) **One-Year Break-in-Service**

If a Participant incurs a One-Year Break-in-Service, prior to January 1, 2005, but does not subsequently forfeit his prior Pension Credits pursuant to Section 5.2, the benefit payable on retirement for that prior service shall be based on the benefit level the Participant was entitled to prior to his initial One-Year Break-in-Service but not later than December 31, 2004. If the Participant, subsequent to the One-Year Break-in-Service, earns additional Pension Credit prior to January 1, 2005 based only on service under the Plan (and not combined service with another pension plan with which the Plan has a Reciprocal Agreement), the benefit payable on retirement for such subsequent Pension Credit shall be based on the benefit level in effect at the time the Participant last earns an Hour of Service in Covered Employment but not later than December 31, 2004, or the first increase in the benefit level, if any, that occurs during the period that (i) begins on the last day of the calendar year quarter in which the Participant last earned Pension Credit, and (ii) ends 12 months later but not later than December 31, 2004, or if earlier, on the Participant's Effective Date of Pension. Notwithstanding the foregoing, if the Participant, subsequent to the One-Year Break-in-Service earns more Pension Credit prior to January 1, 2005 based only on service under the Plan (and not combined service with another pension plan with which the Plan has a Reciprocal Agreement) than he had One-Year Breaks-in-Service but not less than three Pension Credits in three consecutive Plan Credit Years, the benefit amount for all of his Pension Credits earned prior to the One-Year Break-in-Service shall be based on the benefit level in effect at the time the Participant last earns an Hour of Service in Covered Employment, but not later than December 31, 2004 or the first increase in the benefit level, if any, that occurs during the period that (i) begins on the last day of the calendar year quarter in which the Participant last earned Pension Credit, and (ii) ends 12 months later but not later than December 31, 2004, or if earlier, on the Participant's Effective Date of Pension.

(b) **Permanent Break-in-Service**

If a Participant incurs a Permanent Break-in-Service prior to January 1, 2005 and subsequently earns ten additional Pension Credits in ten consecutive Plan Credit Years, based only on service under the Plan (and not combined service with another pension plan with which the Plan has a Reciprocal Agreement), the benefit for all of his Pension Credits earned prior to the Permanent Break-in-Service shall be based on the benefit level in effect at the time the Participant last earns an Hour of Service in Covered Employment, but not later than December 31, 2004 or the first increase in the benefit level, if any, that occurs during the period that (i) begins on the last day of the calendar year quarter in which the Participant last earned Pension Credit, and (ii) ends 12 months later but not later than December 31, 2004, or if earlier, on the Participant's Effective Date of Pension.

(c) **Effect of Break-in-Service on and after January 1, 2005**

Effective January 1, 2005, notwithstanding anything in the Plan to the contrary, if a Participant incurs a One-Year Break-in-Service or a Permanent Break-in-Service on and after January 1, 2005, and does not subsequently forfeit his prior Pension Credits pursuant to Section 5.2, the benefit payable on retirement shall be the benefit earned by such Participant pursuant to the applicable provisions under Article 4.

4.7 Transfer Between Contributing Employers

If a Participant left employment with a Contributing Employer obligated to contribute to the Plan at one set of rates prior to January 1, 2005 and accepted employment with a Contributing Employer obligated to contribute to the Plan at a different set of rates prior to January 1, 2005, the Past Service Benefit of Participant's pension shall be calculated as follows:

- (a) a separate benefit attributable to each Contributing Employer shall be calculated:
- (1) as if the Participant earned all Past Service Pension Credits at the contribution rate established for each Contributing Employer when the Participant last performed an Hour of Service in Covered Employment, but not later than December 31, 2004, for each such Contributing Employer, and
 - (2) based on the benefit level in effect for each Contributing Employer at the time the Participant last earns an Hour of Service in Covered Employment, but not later than December 31, 2004, or the first increase in the benefit level, if any, that occurred during the period that (i) begins on the last day of the calendar year quarter in which the Participant last earned Past Service Pension Credit, and (ii) ends 12 months later but not later than December 31, 2004, or if earlier, on the Participant's Effective Date of Pension.
- (b) each separate benefit calculated under subsection (a) shall be multiplied by the ratio that the number of Past Service Pension Credits for each such Contributing Employer bear to the Participant's total number of Past Service Pension Credits; and

- (c) the Participant's monthly benefit shall be the sum of the separate benefits calculated pursuant to subsection (b).

Notwithstanding the foregoing, if a Participant left employment with a Contributing Employer obligated to contribute to the Plan at one set of rates prior to January 1, 2005 and accepted employment with a Contributing Employer obligated to contribute to the Plan at a rate higher than the Participant's prior Contributing Employer prior to January 1, 2005, the Participant's Past Service Benefit will be determined solely by the contribution rate of his Contributing Employer at the time the Participant last earns an Hour of Service in Covered Employment, but not later than December 31, 2004, if he subsequently earns three Pension Credits while employed by that Contributing Employer.

4.8 Thirteenth Check

Effective December 1, 1990, each Pensioner as of that date, and each Participant who becomes a Pensioner thereafter, shall receive one additional check as of each December 1 (effective January 1, 2005, each December 15) equal to the amount of the monthly pension benefit regularly scheduled for payment on that same date, without regard to the Supplemental Pension Benefit described below.

4.9 Supplemental Pension Benefit

(a) Eligibility

A Participant will be eligible for a Supplemental Pension Benefit if he satisfies the requirements of (1) or (2) below:

- (1) the Participant
 - (A) has an Effective Date of Pension that is on or after January 1, 2005;
 - (B) retires with 25 or more Pension Credits, of which at least 18 Pension Credits are attributable to service under the Plan (and not combined service with another pension plan with which the Plan has a Reciprocal Agreement) before attaining age 65; and
 - (C) has attained at least age 55 as of his Effective Date of Pension; or
- (2) the Participant
 - (A) has an Effective Date of Pension that is on or after January 1, 2005; and
 - (B) retires with 30 or more Pension Credits, of which at least 18 Pension Credits are attributable to service under the Plan (and not combined service with another pension plan with which the Plan has a Reciprocal Agreement) before attaining age 65.

Notwithstanding the foregoing, a Participant who is subject to Appendix B shall be eligible as provided in Appendix B.

(b) **Benefit**

The Supplemental Pension Benefit shall be equal to \$200 per month payable 12 times per year, beginning on the Pensioner's Effective Date of Pension and ending in the month immediately preceding the month in which the Pensioner attains age 65 (or at his death, if earlier). Such amount shall be increased by a monthly amount equal to \$100 per month multiplied by a numerical factor that is the number of additional whole Pension Credits that the Pensioner earned after each January 1st following his initial eligibility for the Supplemental Pension Benefit. Notwithstanding the foregoing, the Supplemental Pension Benefit described in this Section 4.9(b) shall not exceed the Social Security benefit otherwise payable at the Social Security normal retirement age. The Supplemental Pension Benefit shall not be adjusted for the 50% Husband and Wife Pension or any optional form of payment described in Section 6.2 and shall not be included in calculating the amount of the Thirteenth Check described in Section 4.8.

(c) **Eliminated for Certain Participants After January 1, 2009**

Notwithstanding the foregoing, the Supplemental Pension Benefit described in this Section 4.9 shall no longer apply for a Participant whose Effective Date of Pension is on or after January 1, 2009.

4.10 Increases for Pensioners

The Trustees may periodically adjust the monthly pension benefit payable to a Pensioner. Such adjustments are as follows:

- (a) Effective July 1, 1998, each Pensioner receiving a monthly benefit of \$500 or less shall receive a one-time payment of \$500, and each Pensioner receiving a monthly benefit in excess of \$500 shall receive a one-time payment of \$1,000.
- (b) Effective September 1, 1996, the monthly benefit payable to each Pensioner who retired prior to September 1, 1996 shall be increased by:
 - (1) 25% if such Pensioner received pension benefits for at least 20 years;
 - (2) 15% if such Pensioner received pension benefits for at least 15 years and less than 20 years; or
 - (3) 0.25% multiplied by the number of years during which the Pensioner received pension benefits if such Pensioner received pension benefits for less than 15 years.
- (c) Effective September 1, 1994, the monthly benefit payable to each Pensioner who commenced receiving benefits prior to September 1, 1994 shall be increased by 3%.

- (d) Effective May 1, 1991, the monthly benefit payable to each Pensioner who was receiving benefits as of May 1, 1991 shall be increased by \$100 for the next 24 months. This increase shall only be paid through April 1, 1993.
- (e) Effective January 1, 1988, the monthly benefit payable to each Pensioner:
- (1) who retired prior to April 1, 1979 shall be increased by 10%;
 - (2) who retired on or after May 1, 1979 through February 1, 1982 shall be increased by 6%;
 - (3) who retired on or after March 1, 1982 through March 1, 1983 shall be increased by 4%; and
 - (4) who retired on or after April 1, 1983 through March 1, 1984 shall be increased by 2%.
- (f) Effective April 1, 1983, the monthly benefit payable to each Pensioner:
- (1) who retired prior to September 1, 1972 shall be increased by 7¼%;
 - (2) who retired on or after September 1, 1972 through December 1, 1973 shall be increased by 5¾%;
 - (3) who retired on or after January 1, 1974 through September 1, 1976 shall be increased by 4¼%; and
 - (4) who retired on or after October 1, 1976 through March 1, 1980 shall be increased by 3%.
- (g) Effective July 1, 1979, the monthly benefit payable to each Pensioner:
- (1) who retired prior to September 1, 1972 shall be increased by 7%;
 - (2) who retired on or after September 1, 1972 through January 31, 1974 shall be increased by 6%; and
 - (3) who retired on or after February 1, 1974 through August 31, 1976 shall be increased by 5%.
- (h) Effective July 1, 1975, the monthly benefit payable to each Pensioner who retired on or after September 1, 1972 through January 31, 1974 shall be increased by 5%.
- (i) Effective February 1, 1974, the monthly benefit payable to each Pensioner who commenced receiving benefits prior to September 1, 1972 shall be increased by 5%.
- (j) Effective December 1, 1970, the monthly benefit payable to each Pensioner who retired prior to April 1, 1969 shall be increased by \$15.00. The monthly benefit payable to each Reciprocal Pensioner who retired prior to April 1, 1969 shall be increased by the

percentage of \$15.00 that is proportionate to the percentage of his total pension benefit that is payable from the Plan.

4.11 Minimum Pension for Disabled Participants

The monthly pension benefit (before the adjustment under Section 6.1(a) for a Participant who has a Spouse) payable to a Participant who received a Disability Pension under the Plan that ended when he attained age 55, and who has remained Totally and Permanently Disabled since his Disability Pension commenced, shall not be less than the monthly Disability Pension benefit that was paid to the Participant under Section 7.1 immediately before he reached age 55.

4.12 Limitation of Benefits

- (a) The benefits paid under the Plan shall not exceed the benefits allowable under Code section 415, the terms of which are incorporated by reference in the Plan. For this purpose, the Limitation Year shall be the Plan Year.
- (b) The annual benefit paid in any Limitation Year shall be adjusted so that it does not exceed the maximum permissible amount for that Limitation Year.
- (c) In addition, the benefit earned or accrued in any Limitation Year shall be adjusted, but only to the extent necessary to satisfy Code section 415, so that the benefit accrued does not exceed the maximum permissible amount that may be accrued or earned in that Limitation Year.
- (d) In the event that benefits of the Plan must be aggregated with benefits of another plan to determine compliance with Code section 415, the benefits of the other plan shall be adjusted to the extent necessary to comply with Code section 415.
- (e) For purposes of satisfying the requirements of Code section 415, the conversion of an annuity that is not subject to Code section 417(e) shall be determined as the greater of the equivalent annual benefit using either (a) interest and mortality based on the Plan's factors; or (b) interest at 5% and the applicable mortality table under Internal Revenue Notice 2008-85 or any successor thereto.
- (f) The conversion of an annuity that is subject to Code section 417(e) shall be determined in accordance with the following:
 - (1) For distributions made in Plan Years prior to January 1, 2006: the greater of the equivalent annual benefit using either (i) the interest and mortality based on the Plan's factors or (ii) the annual interest rate for 30-year Treasury securities as specified by the Commissioner of the Internal Revenue Service for the month immediately preceding the first month of the Plan Year in which a distribution occurs and the applicable mortality table under Revenue Ruling 2001-62 or any successor thereto. Notwithstanding the foregoing, for purposes of the foregoing adjustment, for Plan Years beginning in 2004 and 2005, the interest rate for (ii) above shall not be less than 5.5%.

- (2) For distributions made in Plan Years on or after December 31, 2005: the greater of the equivalent annual benefit using either (i) the interest and mortality based on the Plan's factors; (ii) the annual interest rate for 30-year Treasury securities as specified by the Commissioner of the Internal Revenue Service for the month immediately preceding the first month of the Plan Year in which a distribution occurs and the applicable mortality table under Revenue Ruling 2001-62 or any successor thereto; or (iii) the interest rate that would provide a benefit of not more than 105% of the benefit that would be provided if the applicable interest rate as defined in Code section 417(e)(3) and the applicable mortality table described in Code section 417(e)(3)(B).
- (g) The maximum dollar limitation under Code section 415(b)(1)(A) shall be adjusted pursuant to Code section 415(b)(2)(C) when applied to early retirement benefits paid under the Plan with such adjustment based on the early reduction factors actually used in determining the Participant's early retirement benefit under the Plan. To the extent a Participant's early retirement benefit is unreduced under the terms of the Plan, the interest rate used to reduce the dollar limit pursuant to Code section 415(b)(2)(C) shall be 5% or such lower percentage as described in Code section 415(b)(2)(E)(i) or a successor provision.
- (h) For purposes of applying the limitations of Code section 415 with respect to a Participant of a Contributing Employer, there shall be taken into account only the benefits provided by that particular Contributing Employer, provided that this special rule shall apply only if it would increase the maximum permissible amount payable under Code section 415 (relative to the maximum permissible amount which would be payable if the limitations were determined by aggregating the benefits provided by all Contributing Employers under the Plan). For this purpose, the annual pension benefit provided by a particular Contributing Employer shall be equal to the total annual pension benefit payable to the Participant multiplied by a fraction, the numerator of which is the Participant's number of Pension Credits with the Contributing Employer and the denominator of which is the Participant's total number of Pension Credits.
- (i) If a Participant's monthly pension benefit is limited pursuant to this Section 4.12, as the limitations in Code section 415 continue to be adjusted for cost-of-living increases subsequent to such Participant commencing receipt of his pension benefit, so too shall his pension benefit be adjusted accordingly.
- (j) For any year before 1986, the limitations prescribed by Code section 415 as in effect before enactment of the Tax Equity and Fiscal Responsibility Act of 1982 shall apply, and no pension earned under the Plan prior to 1986 shall be reduced on account of the provisions of this Section 4.12 if it would have satisfied those limitations under that prior law.

4.13 Rounding

The amount of the pension benefit determined under this Article 4, if not already a multiple of \$.50, shall be rounded to the next highest multiple of \$.50.

ARTICLE 5 – VESTING AND FORFEITURES

5.1 Vesting

(a) Determination of Vested Interest

Each Participant who has an Hour of Service on or after September 1, 1999 shall become vested in his benefit under the Plan in accordance with the following schedule:

| <u>Years of Vesting Service</u> | <u>Vested Percentage</u> |
|---------------------------------|--------------------------|
| Less than 5 | 0% |
| 5 or more | 100% |

Notwithstanding the foregoing, such Participant shall be fully vested under the Plan upon becoming eligible for an Early Retirement Pension, or the date he attains Normal Retirement Age.

A Participant who did not have an Hour of Service on or after September 1, 1999 shall have his nonforfeitable percentage determined in accordance with the terms of the Plan in effect at the time he last had an Hour of Service.

(b) Effect of a One-Year Break-in-Service

If a Participant who is not vested incurs a One-Year Break-in-Service, his Years of Vesting Service earned prior to the One-Year Break-in-Service shall be forfeited. Such Years of Vesting Service shall be restored only if the former Participant completes a Year of Vesting Service prior to incurring a Permanent Break-in-Service.

5.2 Forfeiture of Pension Credits

If a former non-vested Participant incurs a Permanent Break-in-Service, he shall forfeit the Pension Credits he accrued prior to the beginning of the Permanent Break-in-Service.

5.3 Restoration of Forfeited Pension Credits

If a former Participant who forfeited his Pension Credits in accordance with Section 5.2 resumes participation in the Plan pursuant to Section 2.3, and earns ten Pension Credits in ten consecutive Plan Credit Years based only on service under the Plan (and not combined service with another pension plan with which the Plan has a Reciprocal Agreement), the Pension Credits he earned prior to the beginning of the Permanent Break-in-Service shall be restored. The Participant's pension benefit shall be determined in accordance with Section 4.6(b) or 4.6(c), as applicable.

5.4 Qualified Military Service

- (a) Contributions, benefits and service credit under the Plan with respect to qualified military service shall be provided at least to the extent required under Code section 414(u).

- (b) For purposes of this section, “qualified military service” means any service in the uniformed services (as defined in U.S.C., Chapter 43 of Title 38) by any individual if such individual is entitled to reemployment rights under such provision with respect to such service. Any Employer that employs or reemploys an Employee following a period of qualified military service shall within 30 days notify the Trustees of such employment or reemployment, even if such Employer was not the Employee’s Employer immediately preceding such qualified military service.

5.5 Prohibited Application of Forfeitures

Forfeitures shall not be applied to increase the benefits any Participant would otherwise receive under the Plan.

ARTICLE 6 – FORM OF PAYMENT

6.1 Automatic Form of Payment

(a) Married Participants

Unless a Participant elects an alternative form of payment in accordance with Section 6.2, a Participant who has a Spouse on his Effective Date of Pension, and who is credited with at least one Hour of Service on or after January 1, 1976, shall receive his benefit in the form of the 50% Husband and Wife Pension.

The automatic form of payment to a vested Participant who (i) has a Spouse on his Effective Date of Pension, (ii) had at least one Hour of Service on or after September 2, 1974 but not on or after January 1, 1976, and (iii) whose Effective Date of Pension is on or after August 23, 1984 shall be the 5-Year Period Certain Life Annuity, unless such Participant elects to receive a 50% Husband and Wife Pension by filing a written election with the Trustees on or after August 23, 1984 and prior to his Effective Date of Pension.

The 50% Husband and Wife Pension form of payment provides reduced monthly payments to the Participant for his lifetime. In the event the Participant predeceases his Spouse, monthly payments will be made to his Spouse for the Spouse's lifetime in an amount equal to 50% of the monthly amount paid to the Participant. The reduced amount of monthly benefit shall be the monthly benefit which would have been payable as a single life annuity (after adjustment, if any, for early retirement) converted to the actuarial equivalent amount payable in 50% Husband and Wife Pension form. This conversion shall be on the basis of the Actuarial Equivalent specified in Section 1.1(a) for those eligible, and to accomplish the conversion for those not eligible, the single life annuity shall be multiplied by 0.90 minus 0.4 of 1% for each full year that the Spouse's age is less than the Participant's age or plus 0.4 of 1% for each full year that the Spouse's age is greater than the Participant's age; provided, however, that the resulting adjustment shall not be greater than 0.99.

(b) Single Participants

A Participant who does not have a Spouse on his Effective Date of Pension shall receive his benefit in the form of a single life annuity, which provides monthly payments for the life of the Pensioner. However, if a Participant did not earn at least $\frac{1}{4}$ Pension Credit after December 31, 2004, the Participant shall be deemed to have elected the 5-Year Period Certain Life Annuity under Section 6.2(b) and shall not be eligible for any other form of payment.

6.2 Election of an Alternative Form of Payment

(a) Waiver of the Automatic Form of Payment

A single Participant who earns at least ¼ Pension Credit after December 31, 2004 may waive the single life annuity and elect the 5-Year Period Certain Life Annuity under Section 6.2(b).

A Participant who has a Spouse may waive the 50% Husband and Wife Pension and elect the 5-Year Period Certain Life Annuity, 75% Husband and Wife Pension, 100% Husband and Wife Pension, 50% Husband and Wife Pension with Pop-Up, 75% Husband and Wife Pension with Pop-Up, 100% Husband and Wife Pension with Pop-Up, or the Single Life Annuity described in subsections (b), (c), (d), (e), and (f) below, subject to the restrictions on eligibility described therein. If the Participant has not retained Normal Retirement Age, he must also consent to the start of pension payments.

All elections must be made in writing on a form prescribed by the Trustees, filed with the Trustees within the 180-day period ending on the Effective Date of Pension.

The Participant's Spouse must consent to his election to waive the 50% Husband and Wife Pension. The Spouse's consent must acknowledge the effect of the election, the form of payment selected, the immediate start of payments, and must be witnessed by a notary public. If the Participant establishes to the satisfaction of the Trustees that such spousal consent cannot be obtained because he has no Spouse or his Spouse cannot be located, a waiver without his Spouse's consent will be deemed to be a proper election. Any spousal consent will be valid only with respect to the Spouse who signs the consent, or, in the event of a deemed election, the missing Spouse. The waiver may be revoked at any time prior to the Effective Date of Pension by either the Participant or the Spouse. If revoked, the Participant may file a new waiver, which shall require a new spousal consent.

Each Participant shall be provided, no less than 30 and no more than 180 days before his Effective Date of Pension, a written explanation of the terms and conditions and any other material features of, and to the extent required by law an explanation of the relative values of, all optional forms of benefit available under the Plan, including any option to defer payment.

In the case of a Participant with a Spouse, this shall specifically include:

- (1) the terms and conditions of the 50% Husband and Wife Pension;
- (2) the Participant's right to make an election to waive the 50% Husband and Wife Pension and the effect of such a waiver;
- (3) the right of the Participant's Spouse to withhold consent and thereby prevent any election to waive the 50% Husband and Wife Pension; and
- (4) the right of the Participant to revoke a waiver of the 50% Husband and Wife Pension and the effect of a revocation.

The Effective Date of Pension may be less than 30 days after receipt of the written explanation described above, provided the Participant has received information that