



# SHEET METAL WORKERS' NATIONAL PENSION FUND

## SUMMARY OF MATERIAL MODIFICATIONS & REHABILITATION PLAN CHANGES

*This notice contains important information concerning your National Pension Fund.  
It should be read and retained for future reference.  
Additional information about your benefit can be obtained from the Fund's website at  
[www.smwnpf.org](http://www.smwnpf.org).*

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May 2009

This Summary reviews changes to the Fund's Plan Document, which were adopted from May 2008 through March 2009 and other information found in the Summary Plan Description. *Changes to the Rehabilitation Plan and accompanying Schedules, which are incorporated into the Plan Document, are also summarized below.*

This Summary is intended to be consistent with the actual text of the Plan Document, the Rehabilitation Plan and its accompanying Schedules. In the event there is a conflict between the text of this Summary and the text of the Plan Document, the Rehabilitation Plan or any of the Rehabilitation Plan's Schedules, *the text contained in those documents always controls over the text contained in this Summary.* For a complete copy of the Plan Document, Rehabilitation Plan and Schedules, as amended, a Participant should write the Fund Office at the address below or go to the Fund's website at [www.smwnpf.org](http://www.smwnpf.org). Also, Participants may inspect the Plan Document and other documents at the Fund Office.

Not all changes summarized here affect all Participants. The effect of changes on Participants, if any, varies depending upon personal circumstances. A Participant may write to the Fund Office for an update on eligibility and a benefits estimate. Most retirees will **not** be affected by any of the changes below.

The Summary of changes follows:

### CHANGE IN TRUSTEES

In 2008, Marc A. Norberg resigned as a Labor Trustee. Timothy J. McGrath was appointed as a Labor Trustee. Mr. McGrath is currently the Business Manager of Sheet Metal Workers' Local Union #67. His business address for Fund matters is 601 North Fairfax Street, Suite 500, Alexandria, VA 22314.

## **ADDED 75% DISABILITY HUSBAND AND WIFE BENEFIT**

*This applies only to persons whose Full Disability Benefit commenced on or after January 1, 2009.*

Effective January 1, 2009, the Plan was amended to add a 75% Joint and Survivor Annuity Option for Full Disability Benefit recipients whose benefit commences on or after January 1, 2009. The 75% Joint and Survivor Annuity Option provides a reduced Full Disability Benefit for the recipient, but guarantees that if the recipient predeceases his spouse, she will receive a lifetime benefit equal to 75% of the monthly amount received by the recipient.

## **REHABILITATION PLAN CHANGES (as of March 2009)**

On March 20, 2009, the Fund's actuary certified that the Plan continues to be in critical status (as it was in 2008) under the Pension Protection Act of 2006 ("PPA"). As you were advised in earlier communications, the Trustees have developed a Rehabilitation Plan that is designed so that the Plan will emerge from critical status within a specified period of time. Additionally, the PPA requires that the Trustees review the Rehabilitation Plan annually to insure that it meets its benchmarks and reflects the Fund's actual experience over the preceding Plan Year, which includes but is not limited to actual investment earnings and work levels. In light of a decline in investment returns, a slight reduction in work levels, in addition to changes in law, specifically the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"), the Trustees have modified the Rehabilitation Plan. These changes are summarized as follows:

- The Rehabilitation Plan has been modified to extend the rehabilitation period from 10 years to 13 years, in accordance with WRERA. This means that the Fund is expected to emerge from critical status no later than the end of 2023, instead of 2020.
- Under the Rehabilitation Plan's Alternative Schedule for the 2009 Plan Year, the required Contribution Rate increases have been changed to 7% for Plan Years beginning with the 2011 Plan Year. When the term of the Collective Bargaining Agreement that incorporated the 2008 Alternative Schedule expires, the new Collective Bargaining Agreement will need to incorporate the terms of the updated Alternative Schedule.
- The Pension Protection Act of 2006 requires that a Rehabilitation Plan must make an allowance for a category of "persons for whom contributions are not required to be made." As a result of this requirement, the Rehabilitation Plan makes more significant benefit reductions for that category of Participants than it does for the Participants covered under the Alternative Schedule or Default Schedule. In general, "persons for whom contributions are not required to be made" include Participants who have ceased working in Covered Employment within the two year period prior to their retirement. In 2008, the Rehabilitation Plan was modified to exclude the following from the category of "persons for whom contributions are not required to be made":

Any Participant who was working in Covered Employment at the time he became disabled, as verified by the U.S. Social Security Administration (or Railroad Retirement Board), and is eligible to receive Social Security or Railroad Retirement Disability Insurance benefits.

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