

**ALTERNATIVE SCHEDULE FOR SHEET METAL WORKERS' NATIONAL PENSION FUND'S
REHABILITATION PLAN
(EIN/PN 526112463/001)**

Amended and Restated Effective February 24, 2011

I. Introduction

This is the Alternative Schedule for the Rehabilitation Plan of the Sheet Metal Workers' National Pension Fund ("Fund" or "NPF"), which is effective as of February 24, 2011, and which supersedes all prior versions of the Alternative Schedule.

All capitalized terms have the same meaning given to such terms in the Plan Document or Rehabilitation Plan, unless this Schedule provides otherwise. This Alternative Schedule forms a part of, and is incorporated by reference in, the Rehabilitation Plan.

In addition, the Alternative Schedule forms a part of, and is incorporated into, the Fund's Plan and Trust Documents, and the bargaining parties' Collective Bargaining Agreement. This Alternative Schedule will control over any conflicting provision in the Plan Document, the Trust Document, or a Collective Bargaining Agreement. Nevertheless, contributions shall be made in a manner consistent with the Trust Document. The Plan Sponsor (which is the Fund's Board of Trustees) may amend or modify the Alternative Schedule at any time and in any manner consistent with the requirements of ERISA and the Internal Revenue Code. The Trustees have the sole and absolute power, authority and discretion to amend, construe and apply the provisions of the Alternative Schedule.

Notwithstanding anything to the contrary, the Plan Sponsor determines, in its sole and absolute discretion, whether and when this Alternative Schedule or any other version of the Alternative Schedule was adopted and implemented by the parties to a Collective Bargaining Agreement or similar agreement. In the 2008 version of this Schedule, the Plan Sponsor outlined common approaches to adoption. Note also, that the Plan Sponsor has determined that the bargaining parties (or as applicable, a Contributing Employer that is a Related Organization, Local Union or similar entity) automatically adopt the version of the Alternative Schedule that is in effect when their Collective Bargaining Agreement or other similar agreement replaces the expired version that was in effect when the Alternative Schedule was first adopted (or deemed to have been adopted).

The Contribution Rate requirements of the Alternative Schedule apply upon adoption and continue to apply until the expiration of the Collective Bargaining Agreement as in effect at the time the bargaining parties adopted the Alternative Schedule. Those Contribution Rate requirements, which are described below, have been modified from the requirements in an earlier version of the Alternative Schedule by increasing the amount of the required increases for Plan Years beginning on and after January 1, 2011, and may again be modified in the future. Nothing in this Alternative Schedule or in any prior version will be deemed to limit the bargaining parties' ability to negotiate higher Contribution Rate increases than those required in the Alternative Schedule.

The initial version of the Alternative Schedule modified NPF benefits in various ways and controls over the provisions of the Plan Document then in effect. Those benefit adjustments, described

below under the heading "Benefit Adjustments," continue to apply in this version of the Alternative Schedule.

The benefit accrual provisions described below took effect on the first day of the month following the month in which the bargaining parties adopted the Alternative Schedule. However, the benefit accrual does not reflect the required annual Contribution Rate increase until the date on which the increased Contribution Rate becomes payable.

II. Contribution Rate Requirements

This Alternative Schedule requires annual increases in the Employer's Contribution Rate. However, the bargaining parties' Collective Bargaining Agreement may require higher Contribution Rates or increases than those specified in this Alternative Schedule or any prior version. The annual increases in this Alternative Schedule commence with the 2011 Plan Year. The required increases for the prior Plan Years are set forth in the prior version of the Alternative Schedule. The required increases continue for the initial duration of the Collective Bargaining Agreement. A Contributing Employer's Contribution Rate should be made no later than the anniversary of each allocation date or re-opener, but must be made no later than December 1 of the applicable Plan Year or such earlier date specified by the bargaining parties.

For each year during which the bargaining parties' Collective Bargaining Agreement remains in effect, the Employer's Contribution Rate will be determined as follows:

Plan Year

2011 Contribution Rate = (Contribution Rate in effect on 12/31/10) x (1.07);

2012 Contribution Rate = (Contribution Rate in effect on 12/31/11) x (1.07);

2013 Contribution Rate = (Contribution Rate in effect on 12/31/12) x (1.07);

2014 Contribution Rate = (Contribution Rate in effect on 12/31/13) x (1.07);

2015 Contribution Rate = (Contribution Rate in effect on 12/31/14) x (1.07);

2016 Contribution Rate = (Contribution Rate in effect on 12/31/15) x (1.07);

2017 Contribution Rate = (Contribution Rate in effect on 12/31/16) x (1.07); and

2018 and thereafter = (To be Determined).

Notwithstanding the foregoing, the amount by which the Employer's Contribution Rate must be increased may be more or less, than the amount specified above for any of the listed years after the bargaining parties current Collective Bargaining Agreement expires (or its initial term if extended).

III. Normal Retirement Pension Benefit Accrual Rate

As under prior versions of the Alternative Schedule, the Participant's Normal Retirement Pension benefit will accrue at the highest accrual rate in effect under the Plan Document during the term of this Alternative Schedule, provided that the Participant has Contribution Hours under a Collective Bargaining Agreement, which reflects or incorporates the terms of this Alternative Schedule. As of January 1, 2011, the highest rate of accrual under the Fund's Plan Document is 1.5% with respect to Contribution Hours up to 1200, and 0.7% with respect to Contribution Hours in excess of 1200. ***However, the benefit accrual provisions under the Plan Document may be amended by the Plan Sponsor at any time.*** Note: For 55/30 Rates, the Plan Document provides that the accrual rate is based on 70% of the contributions to be made on a Participant's Contribution Hours.

IV. Benefit Adjustments

This Alternative Schedule continues to provide for reductions in "adjustable benefits" as that term is defined in ERISA Section 305. Because this Schedule requires annual Contribution Rate increases, the reductions in benefits are less dramatic than those in the Default Schedule. The reductions described below took effect under the terms of the initial version of the Alternative Schedule.

Notwithstanding any contrary provision in the Plan Document, a Participant who is covered under this Alternative Schedule is subject to benefit adjustments as described below.

A. Adjustment to Early Retirement Benefits, Retirement Type Subsidies and Disability Benefits

1. *Special Early Retirement Pension benefit:* The Special Early Retirement Pension is modified by reducing the early retirement subsidy. Specifically, the Participant's Normal Retirement Pension benefit is reduced by one-half of one percent (.5%) for each month for which the Participant is under the age of 62 (e.g., the Special Early Retirement Pension benefit payable at age 55 is 58% of the Participant's Normal Retirement Pension benefit payable at age 65).
2. *Standard Early Retirement Pension benefit:* The Standard Early Retirement Pension is modified by reducing the early retirement subsidy. Specifically, the Participant's Normal Retirement Pension benefit amount is reduced one-half of one percent (.5%) for each month for which the Participant is under the age of 65 (e.g., the Standard Early Retirement Pension benefit payable at age 55 is 40% of the Participant's Normal Retirement Pension benefit payable at age 65).
3. *Disability Benefit:* The Disability Benefit is equivalent to the modified Standard Early Retirement Pension, the modified Special Early Retirement Pension, or the 55/30 Pension, as applicable. This is determined as if the recipient were age 55, and assuming he/she otherwise meets eligibility

requirements for the benefit, since all three forms of early retirement are available under the Alternative Schedule.¹

Note: The early retirement subsidy for the 55/30 Pension benefit has not been adjusted.

B. Benefit Increases that Would Not Be Guaranteed under ERISA Section 4022A

Pursuant to the terms of the Alternative Schedule (and Default Schedule) the NPF no longer pays any post-retirement benefit increase that would not have been eligible for guarantee under ERISA Section 4022A on January 1, 2008 because it was adopted, or if later, took effect, less than 60 months from 2008 (i.e., after 2002). This applies to a scheduled increase, like the annual increase under the NPF COLA Benefit, which did not take effect before 2003. This resulted in the reduction in COLA for some and its elimination for others.

The NPF COLA Benefit had paid an annual increase in the form of a 13th payment equal to 2% of the then eligible Participant's annual benefit (as accrued through June 30, 1995) multiplied by the number of full years that the Participant qualified for NPF pension benefits. The increase initially took effect after a Participant has received twelve consecutive monthly checks,² measured as of October 31 of each Plan Year. Any scheduled increase under the NPF COLA Benefit that had not taken effect because a Participant was not retired or has not been retired long enough to have received the increase in 2007, would not be guaranteed under ERISA Section 4022A on January 1, 2008 because the scheduled increase must have taken effect more than 60 months before that date.

Accordingly, any scheduled increase under the NPF COLA Benefit that did not take effect as of January 1, 2008 or that took effect less than 60 months from that date (i.e., after 2002) was reduced to zero.

C. Benefit Payment Options

The Alternative Schedule reduced available benefit payment options by eliminating:

1. The Level Income Option;
2. The 120 Certain Payment Option (sometimes called "120-Month Guarantee"); and
3. Lump-sum distributions to surviving spouses;
4. Other lump sum payments in excess of \$5,000 (i.e., the present value of the Participant's accrued benefit, or a preretirement death benefit, may not exceed \$5,000 to be eligible for a lump-sum distribution).

¹ Under the Plan Document, the Disability Benefit is not an option for any Participant age 55 or older, since the amount of the Disability Benefit does not exceed the amount of the applicable early retirement option.

² This 12-month period runs from November 1st through October 31st of the preceding year.