

**FUNDING IMPROVEMENT PLAN SCHEDULE FOR
THE SHEET METAL WORKERS' NATIONAL PENSION FUND
(EIN/PN: 526112463/001)
2015 Plan Year
(Updated by the NPF Trustees Effective February 1, 2015)**

INTRODUCTION

This is the Funding Improvement Plan (“FIP”) Schedule for the NPF. This FIP Schedule forms a part of the FIP to which it is attached. All capitalized terms have the same meaning given such term in the FIP or the Plan Document, as the case may be, except that the term “Collective Bargaining Agreement” shall include any similar agreement, such as an adoption or participation agreement.

This FIP Schedule contains three (3) options, which reflect the terms of the Plan Document and which are expected to enable the NPF to meet the applicable benchmarks set forth in the FIP.

The first option is referred to as the “Default Option.” It may be adopted by any of the bargaining parties, and will be deemed to have been adopted by certain bargaining parties, as described below.

The second option is referred to as the “First Alternative Option,” and it may be adopted by bargaining parties, who had adopted the Rehabilitation Plan’s First Alternative Schedule (“FAS”) (formerly known as the “Alternative Schedule”), made the required Contribution Rate Increases when the NPF was in Critical Status, and continued to operate under the FAS as of December 31, 2013. In other words, if the bargaining parties were not parties to the FAS as of December 31, 2013, they cannot elect this option.

The third option is referred to as the “Second Alternative Option,” and it may be adopted by bargaining parties, who had adopted the Rehabilitation Plan’s FAS or Second Alternative Schedule (“SAS”), made the required Contribution Rate increases when the NPF was in Critical Status, and continued to operate under the FAS or SAS as of December 31, 2013.

This FIP Schedule will be reviewed by the Trustees annually (or sooner if circumstances warrant) and will be updated to the extent necessary to reflect actual experience.

1. DEFAULT OPTION

A. Contribution Rate Requirements

The Default Option currently requires no Contribution Rate increases. However, the Contribution Rate, as in effect on January 15, 2014, may not be reduced by the bargaining parties.

B. Applicability to classifications of employment that were covered under the Default Schedule or NIC Adjustments

If the bargaining parties had adopted (or were deemed to have adopted) the Default Schedule, or were parties to a Collective Bargaining Agreement that was subject to the NIC Adjustments, before the NPF emerged from Critical Status, they will be deemed to have adopted the Default Option by continuing to contribute to the NPF at the Contribution Rate in effect on January 15, 2014 (when the NPF was certified to be in Endangered Status). Such groups cannot elect another option.

For a classification of employment that was covered under the Default Schedule or was subject to the NIC adjustments when the NPF was in Critical Status, there will be no change under the Default Option to the benefit accrual formula in Section 5.03(g) of the Plan Document (that is the VBAR formula), and the Early Retirement Pension provisions in Section 5.04(c)(2) (A) or (B), as applicable, will continue to apply to that classification of employment. Neither the 60-Month Certain nor the reversion (pop-up) feature apply to benefits earned under such classifications of employment.

C. Applicability to classifications of employment that were covered under the FAS or SAS

If the bargaining parties had adopted either the FAS or the SAS when the NPF was in Critical Status, and the Collective Bargaining Agreement to which they are a party ceases to reflect any Contribution Rate increase required under Section 5.04(c)(2)(C) or (D) of the Plan Document (i.e., reflects neither of the required increases), they will be deemed to have adopted the Default Option as of the date the Contribution Rate increase would have been made had the Collective Bargaining Agreement reflected the required increase.

A classification of employment that was covered under the FAS or the SAS when the NPF was in Critical Status will be covered under the Default Option if the Collective Bargaining Agreement under which such classification is covered ceases to reflect the Contribution Rate increases required under Section 5.04(c)(2)(C) or (D) of the Plan Document (i.e., reflects neither of the required increases). There will be no change under the Default Option to the benefit accrual formula in Section 5.03(g) of the Plan Document with respect to such classification of employment. However, under the terms of the Plan Document, there will be a reduction in future Early Retirement Pension benefits with respect to such classification of employment. Specifically, the provisions of Section 5.04(c)(2)(E) of the Plan Document will govern the type of Early Retirement Pension that will apply to such classification of employment after the date the Contribution Rate increase would have been had the Collective Bargaining Agreement reflected the required increase under Section 5.04(c)(2)(C) or (D) of the Plan Document. In addition, no 60-Month Certain and/or reversion (pop-up) feature will apply to benefits earned after such date.

NOTE: See the "Second Alternative Option" below for the consequences of a Collective Bargaining Agreement, which ceases to reflect the Contribution Rate increases required by Section 5.04(c)(2)(C) of the Plan Document but instead reflects the requirements of Section 5.04(c)(2)(D) of the Plan Document.

2. FIRST ALTERNATIVE OPTION

A. Contribution Requirements

The First Alternative Option requires the annual Contribution Rate increases specified in Section 5.04(c)(2)(C) of the Plan Document (currently 7% annually through 2017).

B. Applicability to classifications of employment that were covered under the FAS

The bargaining parties will be deemed to have adopted the First Alternative Option if: (i) they had adopted the FAS when the NPF was in Critical Status; (ii) all required Contribution Rate increases were made pursuant to the FAS when the NPF was in Critical Status; and (iii) the Collective Bargaining Agreement to which they are a party does not cease to reflect the Contribution Rate requirements of Section 5.04(c)(2)(C) of the Plan Document.

A classification of employment that was covered under the FAS when the NPF was in Critical Status, and is covered under a Collective Bargaining Agreement described in the preceding paragraph, will be covered under the First Alternative Option; provided, that the Collective Bargaining Agreement under which the classification is covered continues to reflect the Contribution Rate increases required under Section 5.04(c)(2)(C) of the Plan Document. There will be no change under the First Alternative Option to the benefit accrual formula in Section 5.03(g) of the Plan Document with respect to such classification of employment. Further, there will be no reduction in future Early Retirement Pension benefits with respect to such classification of employment. Specifically, the provisions of Section 5.04(c)(2)(C) of the Plan Document will govern the types of Early Retirement Pensions that will apply to such classification of employment. In addition, the 60-Month Certain and/or reversion (pop-up) feature will apply to benefits earned while working under such classification of employment, subject to the terms of the Plan Document.

C. Inapplicability to other classifications of employment covered under a different Rehabilitation Plan Schedule or subject to NIC Adjustments

The First Alternative Option may not be adopted by bargaining parties who adopted, or were deemed to have adopted, the Rehabilitation Plan's Default Schedule or SAS, or by bargaining parties who were parties to a Collective Bargaining Agreement, which was subject to the NIC adjustments because the Collective Bargaining Agreement did not reflect the required increases under the Rehabilitation Plan's FAS.

3. SECOND ALTERNATIVE OPTION

A. Contribution Requirements

The Second Alternative Option requires the annual Contribution Rate increases specified in Section 5.04(c)(2)(D) of the Plan Document (currently 3.5% annually through 2017).

B. Applicability to classifications of employment that were covered under the SAS

The bargaining parties will be deemed to have adopted the Second Alternative Option if: (i) they had adopted the SAS when the NPF was in Critical Status; (ii) all required Contribution Rate increases were made pursuant to the SAS when the NPF was in Critical Status; and (iii) the Collective Bargaining Agreement (or similar agreement) to which they are a party does not cease to reflect the Contribution Rate requirements of Section 5.04(c)(2)(D) of the Plan Document.

A classification of employment that was covered under the SAS when the NPF was in Critical Status, and is covered under a Collective Bargaining Agreement described in the preceding paragraph, will be covered under the Second Alternative Option; provided, that, the Collective Bargaining Agreement under which the classification is covered continues to reflect the Contribution Rate increases required under Section 5.04(c)(2)(D) of the Plan Document. There will be no change under the Second Alternative Option to the benefit accrual formula in Section 5.03(g) of the Plan Document with respect to such classification of employment. Further, there will be no reduction in future Early Retirement Pension benefits with respect to such classification of employment (i.e., the same types of Early Retirement Pensions that applied under the Rehabilitation Plan's SAS will continue to apply). Specifically, the provisions of Section 5.04(c)(2)(D) of the Plan Document will govern the types of Early Retirement Pensions that will apply to such classification of employment. In addition, the 60-Month Certain and/or reversion (pop-up) feature will apply to benefits earned while working under such classification of employment, subject to the terms of the Plan Document.

C. Applicability to classifications of employment that were covered under the FAS

The bargaining parties will be deemed to have adopted the Second Alternative Option if: (i) they had adopted the FAS when the NPF was in Critical Status; (ii) all required Contribution Rate increases were made pursuant to the FAS when the NPF was in Critical Status; and (iii) the Collective Bargaining Agreement to which they are a party ceases to reflect the Contribution Rate requirements of Section 5.04(c)(2)(C) of the Plan Document but instead reflects (and does not cease to reflect) the Contribution Rate increases that are required under Section 5.04(c)(2)(D) of the Plan Document. For purposes of the preceding sentence, the date on which the Contribution Rate increase would have been made under Section 5.04(c)(2)(C) of the Plan Document is the date on which the Second Alternative Option will be deemed to have been adopted by the bargaining parties.

A classification of employment that was covered under the FAS when the NPF was in Critical Status, and is covered under a Collective Bargaining Agreement described in the preceding paragraph, will be covered under the Second Alternative Option; provided, that, the Collective Bargaining Agreement under which the classification is covered continues to reflect the Contribution Rate increases required under Section 5.04(c)(2)(D) of the Plan Document. There will be no change under the Second Alternative Option to the benefit accrual formula in Section 5.03(g) of the Plan Document with respect to such classification of employment. However, under the terms of the Plan Document, there will be a reduction in future Early Retirement Pension benefits with respect to such classification of employment. Specifically, the provisions of 5.04(c)(2)(F) of the Plan Document will govern the types of Early Retirement Pensions that will apply to such classification of employment after the date the Contribution Rate increase would have been made had the Collective Bargaining Agreement reflected the Contribution Rate increase required under Section 5.04(c)(2)(C) of the Plan Document. The 60-Month Certain and/or reversion (pop-up) feature will continue to apply to benefits earned under such classification of employment after such date, subject to the terms of the Plan Document.

D. Inapplicability to other classifications of employment covered under the Rehabilitation Plan's Default Schedule or subject to NIC Adjustments

The Second Alternative Option may not be adopted by bargaining parties who adopted, or were deemed to have adopted, the Rehabilitation Plan's Default Schedule, or by bargaining parties who were parties to a Collective Bargaining Agreement, which was subject to the NIC adjustments because the Collective Bargaining Agreement did not reflect the required increases under the Rehabilitation Plan's FAS or SAS.

4. CLASSIFICATIONS OF EMPLOYMENT THAT WERE NOT COVERED UNDER THE REHABILITATION PLAN

If a classification of employment was not covered under the Plan's Rehabilitation Plan or a Rehabilitation Plan Schedule when the Plan was in Critical Status, the terms of the Plan Document shall govern the Contribution Rate requirements of the bargaining parties with respect to such classification, as well as the benefit provisions that apply to such classification of employment. See, further, Section 5.04(c)(2)(G) of the Plan Document.

5. ADDITIONAL FIP SCHEDULE PROVISIONS FOR COLLECTIVE BARGAINING AGREEMENTS EXPIRING AFTER DECEMBER 31, 2018 AND DURATION OF SCHEDULE AND OPTIONS

A. If the bargaining parties negotiate or otherwise agree to a Collective Bargaining Agreement ("CBA"), which expires after December 31, 2018, and they adopt or are deemed to have adopted one of the Options set forth above, they shall be deemed to have agreed to any additional Contribution Rate increases and/or future benefit accrual reductions (including any Early Retirement Pension benefit accrual reductions, such as the elimination or reduction of subsidized Early Retirement Pension options), which apply to such Option by reason of any update(s), amendment(s), or modification(s) in effect on or after December 31, 2018 but before the expiration date of such CBA. Any such updates, amendments, or modifications are hereby incorporated by reference in this Schedule and each of the Options set forth above, as applicable, to the extent it is in effect on or after December 31, 2018 but before the expiration date of the CBA.

B. This Schedule and the Options set forth above shall remain in effect for the duration of any CBA, which was negotiated by the bargaining parties in reliance upon this Schedule and the Options above; provided, however, that in accordance with (a) above, if any such CBA expires after December 31, 2018, this Schedule and the Options set forth above incorporate by reference any update, amendment, or modification in effect on or after December 31, 2018 but before the expiration of such CBA.

6. AMENDMENT AND MODIFICATION

The Trustees may amend or modify this FIP Schedule at any time. The Trustees have the sole discretion and authority to interpret this FIP Schedule, and any such interpretation shall be final and binding on all persons. This authority includes, but is not limited to, a determination of whether a Collective Bargaining Agreement reflects (and continues to reflect) the required Contribution Rate increases under any of the options described above.