



SHEET METAL WORKERS' NATIONAL PENSION FUND

SUMMARY OF MATERIAL MODIFICATIONS

July 1, 2004

*This notice contains important information concerning your National Pension Fund.
It should be read and retained for future reference.*

This is a summary of material Plan changes and policies adopted in the 2003 Plan Year. It also summarizes some amendments adopted in the 2004 Plan Year, changes in Trustees, and a service provider.

This Summary is intended to be consistent with the actual language of the Plan of Benefits. In the event there is a conflict between this Summary and the actual language of the Plan, the Plan language always controls. For a complete copy of the Plan as amended, a Participant should write the Fund office at the address below. Also, a copy of the Plan is always available at the Fund office for inspection by Participants.

Not all Plan changes affect all Participants. The effect of Plan changes on Participants who have not yet retired, if any, varies depending upon personal circumstances. A Participant may always write the Fund office for an update on benefit status.

The summary of changes is as follows:

WORK AFTER RETIREMENT

A Pensioner who enters into Disqualifying Employment *on or after July 1, 2003* will be subject to a suspension of pension; the *greater* of:

- The number of months of work in Disqualifying Employment, or
- Three months.

As *always*, a retiree should write the Fund office before starting any employment to determine if it will disqualify him/her from receiving pension payments.

RETIREE HEALTH BENEFITS

The Plan provides a monthly benefit of \$31 toward the cost of supplemental Medicare Benefits from *approved* providers. This benefit is available to Pensioners and spouses on Medicare, provided the Pensioner meets all eligibility requirements. One requirement provides that the Pensioner last worked in a job that currently contributes a required minimum hourly Contribution Rate to the Plan. The Plan now requires the following minimum Contribution Rates to initially qualify, *and* to continue to qualify for the \$31 subsidy. The minimum Contribution Rates and effective dates are as follows:

Construction Work Minimum Contribution Rates

September 1, 2004	\$1.00
September 1, 2005	\$1.10
September 1, 2006	\$1.21
September 1, 2007	\$1.34
September 1, 2008	\$1.48
September 1, 2009	\$1.63
September 1, 2010	\$1.80

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July 2004

**Non-Construction Work
Minimum Contribution Rates**

September 1, 2004	50¢
September 1, 2005	55¢
September 1, 2006	61¢
September 1, 2007	67¢
September 1, 2008	74¢
September 1, 2009	82¢
September 1, 2010	90¢

If a Pensioner's former bargaining unit does not meet the minimum Contribution Rate, the Pensioner or Beneficiary will *permanently* lose this benefit effective January 1 of the year following the year in which the Contribution Rate increase was not made. For example, suppose on September 1, 2004 the hourly NPF Contribution Rate in your former unit is lower than \$1.00 (Construction Work) or 50¢ (Non-Construction Work); all Pensioners and all Beneficiaries from that unit will permanently lose the Medicare subsidy, effective on January 1, 2005.

**DISABILITY PENSION &
INDUSTRY-RELATED DISABILITY
PENSION**

Effective January 1, 2004, to qualify for a Disability Pension or an Industry-Related Disability Pension, a Participant must have earned a minimum of ten (10) years of Pension Credit, of which five (5) years are Future Service Credit.

**INDUSTRY-RELATED DISABILITY
CONVERSION TO A DISABILITY PENSION**

Effective January 1, 2005, *if* a Participant is eligible to convert from an Industry-Related Disability Pension to a full Disability Pension, the monthly increase will be effective on *the later of* - (1) one month *after* the Fund office's receipt of the Social Security Disability benefit award letter or (2) the disability effective date set by the Social Security Administration, regardless of the date the Social Security Administration determines that the Participant is disabled.

THE 55/30 PENSION

The Plan has extended the time for a Local to elect the 55/30 Pension to December 31, 2004.

**PENALTIES IMPOSED FOR WORK IN
NON-SIGNATORY EMPLOYMENT**

The Plan has discouraged work in the Sheet Metal Industry that is not covered under a Union Collective Bargaining Agreement. If a Participant does this kind of work, his Early Retirement benefits, if any, can be delayed and he can lose disability benefits, Lump Sum Death Benefits, or Past Service Credit. Any Participant who stops working in non-signatory employment and returns to Covered Employment between January 1, 2002 through December 31, 2004, and thereafter earns a minimum of 12 months of Future Service Credit, can eliminate all penalties associated with his earlier non-covered employment. In order for these penalties to be eliminated, the Participant must return to Covered Employment by December 31, 2004.

THE MEANING OF "RETIRED"

To restate what it means to be "retired" under the Plan, a Participant is "retired" if he ceases working in Covered Employment, as well as in any Disqualifying Employment, and the stopping of work is intended to be permanent. This meaning was explicitly incorporated into the Plan effective June 1, 2003.

EFFECTIVE DATE OF PENSION

Effective June 1, 2003, a Participant who has "retired" *after* Normal Retirement Age (that is, age 65) and who applies for pension consistent with the Plan rules, shall have his monthly benefit actuarially adjusted to account for payments not made due to the delay in applying. This adjustment is based on his age as of the effective date of pension. The actuarial increase is determined as follows:

1% for each month from the March 1st following the calendar year in which the Participant reaches Normal Retirement Age (age 65) until the month in which the Participant reaches age 70; and

1 ½ % for every month thereafter.

DEADLINE FOR COMPLETING A PENSION APPLICATION

The effective date of pension is established based on the date of a completed application. On June 23, 2003, the Trustees announced a policy that states when and how a pension application is considered to be filed. A Participant must *fully* complete and *file in the Fund office* an application for pension, including complete documentation, forms and information, within six-months from the date request(s) for information and/or documentation is/are made by the Fund office. In the event a Participant does not complete the pension application within this timeframe, he will lose his effective date of pension and will be required to reapply for benefits. This period may be extended for an additional six-months if the Participant establishes to the satisfaction of the Fund that he was incapacitated to such an extent that he was unable to complete the application process within the initial six-month period. A Participant will not satisfy the conditions for entitlement to benefits if he has failed to complete and return all necessary forms to the Plan within the time prescribed by the Trustees.

REDUCED ACCRUAL and the FUNDING INCREASES

As explained in previous notices, the rate at which Participants accrued benefits was reduced by one-half effective September 1, 2003. After critical input from your Local Union leaders and employers, the Fund adopted an approach to restore benefits and improve funding. This approach can restore the dollar value of benefits to the levels in effect before September 1, 2003. The dollar value can be restored, provided that your Local/employer increases the contribution rate by the greater of \$.05 or ten percent (rounded up to the nearest penny). This "Funding Increase" must be made by the allocation, anniversary or reopener date in your Local agreement, but no later than September 1, 2004.

On an ongoing basis, Funding Increases will need to be made within the timeframe prescribed by the Plan.

RIGHT OF APPEAL

The Plan was amended to restate that an applicant for benefits must exhaust the appeal process provided in the Plan before filing a lawsuit for benefits. The Plan further provides that the timeframe for filing a lawsuit is the shorter of 90 days after denial, or the period allowed under any applicable statute of limitations.

CHANGES IN THE BOARD OF TRUSTEES

In 2003, Charles Holt replaced Alan Chermak as a Union Trustee.

In 2003, Dean Steward replaced Clinton Gowan as an Employer Trustee.

The Fund Auditor changed from Thomas Havey, LLP to Calibre CPA Group PLLC.