



SHEET METAL WORKERS' NATIONAL PENSION FUND

SUMMARY OF MATERIAL MODIFICATIONS including REHABILITATION PLAN CHANGES

This notice contains important information concerning your National Pension Fund. It should be read and retained for future reference. For additional information about your benefit go to the Fund's website at www.smwnpf.org.

JULY 2013

This Summary reviews changes to the Fund's Plan Document, including **the Rehabilitation Plan and accompanying Schedules**, which were adopted from April 2012 through May 2013 and other information found in the Summary Plan Description.

This Summary is intended to be consistent with the actual text of the Plan Document, the Rehabilitation Plan and its Schedules. In the event there is a conflict between this Summary and the Plan Document, the Rehabilitation Plan including the Schedules, **the text contained in those documents always controls over the text 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 www.smwnpf.org. Note that last July 2012, the Fund's Office moved so that all correspondence should be directed to the address at the bottom of this notice. Also, Participants may inspect the Plan Document and other documents at the Fund Office.

Not all changes summarized here affect all Participants. Whether a change affects an individual Participant varies depending upon personal circumstances. *None of the changes to pension benefits summarized below will affect any person who retired before June 1, 2013.* Whether a person retiring on or after that date is affected depends on individual circumstances. A Participant may write to the Fund Office for an update on eligibility and a benefits estimate.

The Summary of changes follows.

REHABILITATION PLAN CHANGES

The Rehabilitation Plan has schedules which bargaining parties (the Union and Employers) may adopt subject to certain limitations.

Third Alternative Schedule ("TAS")

The Rehabilitation Plan was modified to include a Third Alternative Schedule ("TAS"). The final version of the TAS will be finalized in the near future. The adoption of the TAS is limited to Collective Bargaining Agreement(s) that had previously adopted either the First Alternative Schedule or the Second Alternative Schedule. The TAS currently does not require annual Contribution Rate increases. If the bargaining parties elect or become subject to this schedule the following reduction in adjustable benefits will take effect on or about the effective date of the newly adopted schedule, subject to advance notice requirements.

- unless a Participant has attained age 62 on his or her Effective Date of Pension AND meets the Plan's requirements for a Special Early Retirement Pension, his or her early retirement pension benefit will be the actuarial equivalent of his or her monthly Normal Retirement Pension (age 65) benefit (i.e., actuarially reduced based on his or her actual age);
- the 60 Certain Payment option (the 60-Month Guarantee) and the pop-up feature (Reversion) for any joint and survivor annuity are eliminated; and

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- the amount of any Full Disability Benefit will be based on the actuarial equivalent of the Participant's monthly Normal Retirement Pension benefit, determined as if the Participant has attained age 55 on his or her Effective Date of Pension.

Second Alternative Schedule ("SAS")

The Rehabilitation Plan was modified to eliminate the December 31, 2013 deadline for adoption of this schedule. The final revised SAS, which will include the VBAR accrual explained in the next section, will be completed in the near future.

Variable Benefit Accrual Rate ("VBAR")

The Board of Trustees have modified the benefit accrual rate at which a Participant's Normal Retirement Pension benefit increases for hours worked on or after January 1, 2014 **up to a maximum of 3,200 Contribution Hours in a calendar year**. This change is limited to Participants working under an Alternative Schedule (i.e. First, Second, or Third Alternative Schedules.) The rate of accrual will reflect the Fund's average market value investment return for the three most recent years, as reported in the NPF's Actuarial Valuation and Review. Below find the rate of accrual:

Average Market Value Investment Return	Rate of Accrual for Normal Retirement Pension Benefit
8.5% or more	1.0%*
6.5% but less than 8.5%	.75%*
More than 0% but less than 6.5%	.50%*
0% or less	0%*

*If a 55/30 Contribution Rate applies, the rate of accrual will be 70% of the amounts listed above.

VBAR will be incorporated into the alternative schedules in the near future.

Changes Affecting Persons for Whom Contributions Are Not Required to be Made

Federal law required the Rehabilitation Plan to make an allowance for the funding of benefits for "persons for whom contributions are not required to be made."

The Rehabilitation Plan was modified so that a Participant who is deemed to be a "person for whom contributions are not required to be made" because his or her classification ceases to have an NPF Contribution Rate will, as of the effective date of the change, be subject to the following reduction in adjustable benefits:

- Provided he or she met the Plan's requirements for receipt of a Standard Early Retirement Pension benefit, a Participant will qualify for an early retirement pension equal to the actuarial equivalent of his or her Normal Retirement Pension benefit based on his or her actual age;
- a Full Disability Benefit is no longer available; and
- the 60 Certain Payment option (the 60-Month Guarantee) and the pop-up feature (Reversion) for any joint and survivor annuity are eliminated.

This provision will be incorporated into the Rehabilitation Plan in the near future.

RETIREE HEALTH BENEFITS

The Plan provides a monthly benefit of \$31 toward the cost of Medicare supplemental insurance coverage or Medicare health plan coverage, limited to any multiemployer health plan that is maintained under a collective bargaining agreement with the Union and which was approved for participation before March 1, 2013. In addition to other service and contribution rate requirements, the Plan was modified to require the following:

- Effective March 1, 2013 an Eligible Provider is limited to a multiemployer health plan that is maintained under a collective bargaining agreement, which has been previously approved as a Provider by the Board of Trustees.
- A Pensioner receiving a Full Disability Benefit is required to have worked a minimum of 3,500 hours in Covered Employment within the five calendar years preceding the date he or she was found disabled by the U.S. Social Security Administration (or Railroad Retirement Board.); and
- In order to qualify for this benefit a Pensioner must maintain a membership in good standing

as a “retired/disabled member” as provided in the Sheet Metal Workers’ International Constitution. Effective June 1, 2013 the Plan will no longer recognize a “limited member” as a Pensioner in good standing.

WORK AFTER RETIREMENT

Effective June 1, 2012, and continuing through December 31, 2014, a Pensioner can work as a volunteer for a non-profit organization without a suspension of benefits provided he or she receives no compensation of any kind, other than reimbursement of reasonable expenses and provides notice and information as the Fund may require. A Pensioner who wants to do this type of work must notify the Fund Office before accepting this employment and may be required to submit documentation to substantiate the organization’s tax exempt status and such other information as the Fund may require.

CHANGE IN TRUSTEES

In 2012 and 2013, Michael J. Sullivan and Kenneth C. Greiner resigned as Labor Trustees and Richard L. McClees and Bruce W. Word were appointed as Labor Trustees.