



SHEET METAL WORKERS' NATIONAL PENSION FUND

SUMMARY OF MATERIAL MODIFICATIONS & ANNUAL UPDATE

This notice contains a Summary of Material Modifications to the 2014 Summary Plan Description (2014 SPD) and additional important information concerning your National Pension Fund. It should be read and retained with your 2014 SPD for future reference. For additional information about your benefit, go to the Fund's website at www.smwnpf.org.

JULY 2018

SUMMARY OF MATERIAL MODIFICATIONS (SUMMARY)

This Summary notifies you of material modifications that were made to the National Pension Fund's Plan Document and Funding Improvement Plan (FIP) (including the FIP Schedule) between July 1, 2017 and June 30, 2018. This Summary also contains other information about the NPF that you may find helpful, including changes to other information found in the 2014 SPD. You may have been notified already about some of the modifications or changes described in this Summary.

This Summary is intended to be consistent with the terms of the Plan Document and the FIP (including the FIP Schedule). However, if there is any conflict or inconsistency between the terms of those documents and the terms of this Summary, **the terms of the Plan Document and the FIP (including the FIP Schedule) will always control.** For a copy of the Plan Document, the FIP (including the FIP Schedule, which contains the Default and Alternative Options), the SPD, or a prior year's Summary of Material Modifications, a Participant or Beneficiary should write to the Fund Office at the address below or go to www.smwnpf.org. Additionally, Participants and Beneficiaries may inspect the Plan Document and other pertinent documents, including Collective Bargaining Agreements, at the Fund Office during normal business hours.

Not all the information summarized below affects every Participant and Beneficiary. Whether a modification or change affects an individual Participant or Beneficiary will depend upon the individual's circumstances. If you

have any questions about how the information summarized below may affect you, please write to the Fund Office at the address below or go to www.smwnpf.org and click on "Contact Us" located at the top of the Fund's homepage.

VARIABLE BENEFIT ACCRUAL RATE (VBAR) FOR 2018 CONTRIBUTION HOURS

Under the VBAR formula, your benefit is based on a percentage of contributions required to be made on your behalf to the Fund, and that percentage, called the "Applicable Percentage" may vary from year to year because it is based on historical investment returns. Specifically, the formula uses an historical 3-year average market value investment return percentage, as reported in the prior year's Actuarial Valuation.

Each year, the Fund's actuary issues an Actuarial Valuation, which, among other things, reports the average market value investment return for the three preceding years. The average market value investment return will fall between ranges shown in the table. Under VBAR, the Applicable Percentage is shown in the table below:

Average Market Value Investment Return	Applicable Percentage for Normal Retirement Pension Benefit
10.0% or higher	1.25%*
8.5% but less than 10%	1.0%*
6.5% but less than 8.5%	0.75%*
more than 0% but less than 6.5%	0.50%*
0% or less	0%*

*If a 55/30 Rate applies, the Applicable Percentage is only applied to 70% of your Contribution Rate (called the "Benefit Rate"). You can find the VBAR Normal Retirement Pension formula under Section 5.03 (g) of the Plan Document, which can be viewed from the NPF's website at www.smwnpf.org (under "About the Plan").

The 2017 Actuarial Valuation is used to determine the Applicable Percentage for 2018. It shows the market value investment return percentages for 2014, 2015, and 2016 (the three preceding years) as follows:

2014	6.12%
2015	-0.42%
2016	8.08%

The average of those investment return percentages is **4.59%**. Because that percentage is more than 0% but less than 6.5%, the Applicable Percentage is **0.5%*** for 2018 Contribution Hours.

ANNUAL UPDATE FREE LOOK EXCEPTION

The Fund's Trustees approved the availability of the Free Look Exception provided the Plan continues to meet certain regulatory requirements which were met for the 2018 Plan Year. This exception is only available to Employers that never had an obligation to contribute to the Fund before 2015 and that meet other conditions. If eligible, the Free Look Exception gives the new Employer an opportunity to become a Contributing Employer for up to 48-months without incurring withdrawal liability, or if applicable, an Exit Contribution. The Free Look Exception was summarized in more detail in the July 2015 Summary of Material Modifications, which is available on the Fund's website.

COLLECTIVE BARGAINING AGREEMENTS

Effective August 1, 2018, the Fund will only require contributions from a Contributing Employer on an "hours paid basis" for overtime hours, or for hours which an Employee is paid but does not perform services (such as vacation or holidays) if the terms of the Collective Bargaining Agreement requires such payment to the Fund.

NOTICE OF NPF BENEFIT STATEMENT AVAILABILITY

Enclosed with this Summary please find an annual notice regarding the availability of a pension benefit statement to our active and inactive Participants. The enclosed

notice explains how you can request an estimate of your accrued benefit and your vested status.

WORK FOR WITHDRAWN EMPLOYERS

To earn additional pension benefits with the Fund, you must be working in Covered Employment for an NPF Contributing Employer. If you work for an employer that is no longer obligated to contribute to the Fund (i.e., has withdrawn from the Fund), you will not earn additional pension benefits for any employment with that employer. Working for a withdrawn employer instead of a Contributing Employer can have other adverse consequences, such as delaying the start of Early Retirement Pension benefits or losing eligibility for a 55/30 Pension (if applicable). With that in mind, the Fund learned of the following withdrawals since July 1, 2017:

Local	Employer	Withdrawal Date
2	Pleasant Breeze Heating & Cooling	7/1/17
9	Singleton Sheet Metal Works	4/1/17
10	Lyons Sheet Metal & Heating	4/1/15
17	Hamilton-Nee Air Systems	4/1/17
24	Dayton Welfare Fund	12/1/17
28	Metropolitan Construction	7/1/17
28	Migrant Corp	7/31/17
28	EAI, Inc	8/1/17
33	Firestone Sheet Metal	8/31/17
44	J & J Sheet Metal / Rado Enterprises	4/1/14
73	Windy City Metal Restoration	1/31/18
73	John J. Cahill, Inc	3/31/13
73	Mid States Erectors	5/1/13
85	Mechanical Balance Services	7/31/17
91	FACTS	7/31/17
103	Advanced Thermal Solutions	1/31/16
105	Titan Sheet Metal	8/1/17
170	Angelus Sheet Metal Mfg.	12/31/17
441	Baldwin Air Design	5/1/09

If you are employed by any of these companies on or after the date specified above, you will not earn any additional benefits from the Fund for any work you perform for those businesses, and you will not be credited with any type of service under the Fund for that work, including, but not limited to Future Service Credit and Hours of Work in Covered Employment (relevant to Vested Status, Breaks in Service and other eligibility requirements).