

SUMMARY PLAN DESCRIPTION

PENSION PLAN FOR HOSPITAL AND HEALTH CARE EMPLOYEES – PHILADELPHIA AND VICINITY

Sponsored by
The Board of Trustees of
The Pension Fund for Hospital and Health Care Employees –
Philadelphia and Vicinity

For Plan Restated as of January 1, 2010

NOTE TO FORMER EMPLOYEES. If you are a vested participant but you have left Covered Employment, your benefits (including, but not limited to, your service, the applicable benefit formula, your vested status, breaks in service, and your eligibility for retirement benefits) are determined by the terms of the Plan in effect when you left Covered Employment, which may differ from the benefits described in this booklet. However, if your benefit payments have not started, some of the information contained in this booklet does apply to you, such as how and when your benefits can be paid, and how to apply for benefits. Also, some general information regarding the Plan, its administration, and your rights, will generally apply to all participants. If you have any questions about any part of this booklet and whether it applies to you, please contact the Fund Office (see page 20).

REMEMBER: Always keep the Fund Office informed of any changes in your name, address, or marital status. Benefits cannot be paid if you cannot be located!

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Introduction

About the Plan. The Board of Trustees of the Pension Fund for Hospital and Health Care Employees – Philadelphia and Vicinity is the sponsor of the Pension Plan (the "Plan") described here. Your pension from the Plan works together with Social Security and your personal savings to provide you with income after you retire or become disabled, and may provide survivor benefits to your spouse or other beneficiary after your death, if applicable.

About this Booklet. This booklet includes these four parts:

- Part I - Glossary of Terms
- Part II - Summary of Plan Provisions
- Part III - Examples of How the Plan Works
- Part IV - Plan Document ("Plan Document" means the Plan including any amendments)

About this Summary. Parts I, II, and III are the "summary plan description," which provides you with an overview of the Plan. Please review the entire summary because if you take parts of it out of context, it could be misleading. The Plan is detailed and not every rule that may apply to you can be summarized here. This summary applies to general situations and not to your particular circumstances. **The benefits described in this summary generally apply to participants who leave Covered Employment after December 31, 2009.** If you left Covered Employment before January 1, 2010, earlier versions of the summary may apply to you (but see the note on the cover).

Ask About Changes. This booklet is updated periodically, but it may not always reflect all of the recent amendments or changes in law applicable to the Plan. **Before you finalize your retirement plans, please contact the Fund Office to be sure that you are aware of any changes.**

Plan In Effect Governs. Your rights under the Plan are determined solely by the Plan Document, as interpreted by the Trustees, and by applicable federal law. Benefits and other rules are generally determined under the provisions of the Plan in effect on the applicable date, such as the date your Credited Service ends or the date your employment with a Contributing Employer ends (unless the Plan Document or applicable law require otherwise). If there are any discrepancies between this summary and the Plan Document, the Plan Document, as interpreted by the Trustees will control. If you need more detailed information about a Plan provision, see the Plan Document in Part IV.

Oral Descriptions Not Binding. No individuals (other than the Board of Trustees) have the authority to interpret the Plan Document, this summary, or other official Plan documents. No oral description or promise relating to the terms of the Plan can supersede the terms of the written Plan Document.

Burden of Proof Regarding Plan Records. The Plan's records regarding your work history, employment status, service, earnings, Employer contributions, and all other matters affecting your eligibility for and amount of pension benefits are controlling in all cases. If you do not believe the Plan has full and accurate records for you regarding these matters, the burden of proof is on you to provide written documentation satisfactory to the Trustees (in their sole and absolute discretion) of the additional information that you believe is relevant. If you fail to provide such satisfactory proof supporting your claim, the Trustees will be unable to override the Plan's official records. You can review the Plan's records that apply to you at the Fund Office during normal business hours, or request a copy by calling the Fund Office.

Questions. If you have any questions about the Plan after reading this booklet, please contact the Fund Office, see "Plan Administration and Background Information," page 19.

Part I

GLOSSARY OF TERMS

Glossary Of Certain Terms

Why Are Some Words Capitalized? Words are capitalized to remind you that they have special meanings under the Plan. Some of these words are explained below. Some others are explained where they are used in this summary. However, not all of the words with special meanings are capitalized. Also, because this is only a summary, the words used here (whether or not capitalized) do not necessarily match the corresponding terms in the Plan.

Accrued Monthly Pension

The amount of monthly pension that you have earned so far. Your Accrued Monthly Pension is based on your Average Final Pay and your years of Credited Service. Your Accrued Monthly Pension is equal to 1/12th of the sum of the following:

- 2.60% of your Average Final Pay, multiplied by your Pre - 2004 Credited Future Service; and
- 2.30% of your Average Final Pay, multiplied by your Post - 2003 Credited Future Service; and
- The larger of \$66 or 1.6% of your Past Service Pay, multiplied by your Credited Past Service.

Average Final Pay

The average of your Gross Pay prior to the date you left Covered Employment.

If you left Covered Employment **prior to January 1, 2006**, your Average Final Pay is the average of your Gross Pay during the **five** consecutive Plan Years within the last ten consecutive Plan Years of Credited Future Service for which the average is highest.

If you left Covered Employment **during 2006**, your Average Final Pay is the average of your Gross Pay during the **six** consecutive Plan Years within the last ten consecutive Plan Years of Credited Future Service for which the average is highest.

If you left Covered Employment **during 2007**, your Average Final Pay is the average of your Gross Pay during the **seven** consecutive Plan Years within the last ten consecutive Plan Years of Credited Future Service for which the average is highest.

If you left Covered Employment **during 2008**, your Average Final Pay is the average of your Gross Pay during the **eight** consecutive Plan Years within the last ten consecutive Plan Years of Credited Future Service for which the average is highest.

If you left Covered Employment **during 2009**, your Average Final Pay is the average of your Gross Pay during the **nine** consecutive Plan Years within the last ten consecutive Plan Years of Credited Future Service for which the average is highest.

If you leave Covered Employment **after 2009**, your Average Final Pay is the average of **all** of your Gross Pay that you earned after 2000.

As discussed below, Gross Pay is your total wages during Credited Future Service only. Wages during Credited Past Service do not count towards Gross Pay or Average Final Pay. See "Examples of How the Plan Works," page 26 for examples of how to calculate Average Final Pay and pension benefit amounts.

Beneficiary	The person or persons you designate to receive payments under the optional forms of payment. See "Forms of Payment", page 10, for additional information.
Contributing Employer	An employer that has a collective bargaining agreement with the Union and is required to make contributions to the Plan. This also includes the Union, the Pension Fund, or any other employer that contributes to the Plan for its own employees. See "Plan Administration and Background Information," page 19, for a list of the Contributing Employers as of the date of this summary.
Covered Employment	Employment in an institution in a job category for which a Contributing Employer is required to make contributions to the Plan.
Disability	Total and permanent disability for which you are awarded a certificate of disability from the Social Security Administration.
Credited Future Service	The number of months you have worked during which a Contributing Employer was required to contribute to the Plan on your behalf. Credited Future Service is divided into pre-2004 and post-2003 Credited Future Service for purposes of determining benefit amounts.
Credited Past Service	The number of months, if any, that you worked for your employer in a job category covered by the Plan before your employer first became obligated to contribute to the Plan. Only those participants whose employers joined the Plan prior to January 1, 2000 are eligible for Credited Past Service. Participants with Credited Past Service as of January 1, 2000 will retain that service but no new Credited Past Service was granted under the Plan after January 1, 2000.
Grandfathered Benefit	The amount of monthly pension that you earned as of December 31, 2003. This Accrued Monthly Pension is based on your Average Final Pay and years of Credited Service as of December 31, 2003. A vested participant cannot receive less than the Grandfathered Benefit, reduced for retirement prior to age 62, regardless of whether they were eligible to retire on their last day of Covered Employment (but see the question on how benefits can be lost or delayed, page 16).
Gross Pay	Your total wages for a Plan Year based upon which a Contributing Employer is required to contribute to the Plan on your behalf. Your Gross Pay also includes Gross Pay that you would have received during a period of qualified military service if you are reemployed by a Contributing Employer within the time that your re-employment rights are protected by law.
Past Service Pay	Your annualized rate of gross pay in effect on the last (most recent) full year of pensionable earnings and discounted back to January 1, 1970. For more information about your Past Service Pay, contact the Fund Office.
Prior Plan	The Pension Plan of the National Pension Fund for Hospital and Health Care Employees as that plan was in effect from January 1, 1970 through December 31, 1990.
Spouse	The person to whom you are legally married on the date your benefits commence, or your former spouse designated under a qualified domestic relations order. However, you and your spouse must have been married for at least one year: <ul style="list-style-type: none"> • For a disability retirement pension payable after age 55 to be paid as either the joint and 50% survivor annuity or the joint and 75% survivor annuity (as you elect), with your spouse as the beneficiary. See "Disability Retirement Pension," page 8, for additional information. • For your spouse to be covered under the pre-retirement spouse benefit. See "Pre-Retirement Surviving Spouse Benefits," page 11, for additional information.

Part II

SUMMARY OF PLAN PROVISIONS

Section 1: PARTICIPATION IN THE PLAN

How and when can I become a participant in the Plan?

If you were a participant in the Prior Plan, you automatically became a participant in the Plan described here on January 1, 1991.

In all other cases, you automatically become a participant in the Plan on the first day that a Contributing Employer is required to contribute to the Plan on your behalf.

Does it cost anything to participate?

No. Contributions to the Plan are made only by Contributing Employers (not by employees).

When does my coverage under the Plan end?

Your coverage may end if you stop working under Covered Employment. For more information about the provisions regarding your coverage following an absence from Covered Employment, see "Changes in Employment / Breaks in Service," page 12.

Section 2: VESTING SERVICE AND CREDITED SERVICE

Note about non-covered employment: If you are employed in a position that is not covered by the Plan immediately before or immediately after your Covered Employment (with no termination of employment), that might be "contiguous non-covered employment." The Plan might recognize that employment as Vesting Service (but not Credited Service). However, non-covered employment can be recognized by the Plan only if you inform the Fund Office of that service. If you think this might apply to you, please contact the Fund Office.

What is Vesting Service?

Vesting Service is the total number of Plan Years that is used to determine your eligibility for the different types of benefits offered by the Plan.

For all Plan Years beginning on or after January 1, 1991, you receive one year of Vesting Service for each Plan Year in which you work for a Contributing Employer for at least 1,000 hours. This includes Covered Employment as well as non-covered employment that immediately precedes or follows Covered Employment without a quit, discharge or retirement between the Covered Employment and non-covered employment. Note that you might not be entitled to Vesting Service for any period before your employer adopted (and was obligated to contribute to) the Plan for any of its employees (or to the Prior Plan, if applicable).

If you became a participant in the Plan on January 1, 1991, your Vesting Service also includes the Vesting Service you earned under the Prior Plan before December 31, 1990.

Starting December 15, 1997, your Vesting Service also includes Approved

<p>What is Credited Service?</p>	<p>Absences (see "What is an Approved Absence?" page 5).</p> <p>Credited Service is the total number of years and months of your employment that is used both in the calculation of your pension and in the determination of your eligibility for the different types of benefits offered by the Plan. Credited Service is made up of Credited Past Service and Credited Future Service. See below for more information.</p>
<p>What is Credited Past Service and how is it determined?</p>	<p>Credited Past Service applies only to employees of certain employers that joined the Plan prior to January 1, 2000.</p> <p>If this applies to you, your Credited Past Service refers to the time, if any, that you worked for your employer <u>before</u> your employer first became obligated to contribute to the Plan. If you were hired by your employer <u>after</u> your employer was already contributing to the Plan, you have <u>no</u> Credited Past Service.</p> <p>Here is an example of how Credited Past Service worked. Assume that</p> <ul style="list-style-type: none"> • You began working for Hospital X on January 1, 1997; and • Hospital X became obligated to contribute to the Plan on January 1, 1999. <p>You would have received two years of Credited Past Service for the service you earned with Hospital X during the period beginning January 1, 1997 and ending December 31, 1998.</p>
<p>Am I eligible for Credited Past Service?</p>	<p>You are eligible to receive Credited Past Service if you were employed in a covered job category by a non-contributing employer on the date that employer first became a Contributing Employer, but only if that date was prior to January 1, 2000.</p>
<p>What is Credited Future Service and how is it determined?</p>	<p>Your Credited Future Service is the number of months you have worked during which a Contributing Employer was required to contribute to the Plan on your behalf.</p>
<p>What happens to my Credited Service under the Prior Plan?</p>	<p>If you were a participant in the Prior Plan, see page 3, any Credited Service you earned under the Prior Plan before January 1, 1991 has been transferred to the Plan described here.</p>
<p>What is an Approved Absence?</p>	<p>An Approved Absence is a leave of absence granted to you by your Contributing Employer for maternity, paternity, family, or medical reasons. In many cases, Approved Absences also include the first six months of a layoff if you return to work as scheduled.</p> <p>Approved Absences also include most periods of qualified military service if you become an employee again during the time that your re-employment is protected by law. For more information about whether periods of military service qualify as Approved Absences, contact the Fund Office.</p>

<p>Section 3: NORMAL RETIREMENT PENSION</p>
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<p>When do I qualify for a normal retirement pension?</p>	<p>You are eligible for a normal retirement pension on the date you reach age 65 and have completed at least five years of Credited Service or Vesting Service. This date is referred to as your Normal Retirement Date.</p>
<p>Do I have to retire</p>	<p>The Plan has no mandatory retirement age; however, the Plan does not</p>

when I qualify for my normal retirement pension or at any specific age (like age 65)?

govern your employment relationship with your employer and so cannot affect how long your employment continues.

Under the Plan, you may continue to work past your Normal Retirement Date and there is no specific age by which you must retire. As long as you continue to work in Covered Employment, you will continue to earn Credited Service under the Plan. However, your benefit start date must be no later than April 1 following the calendar year in which you reach age 70½, regardless of whether you are working at the time.

How is my normal retirement pension calculated?

Your normal retirement pension is equal to your Accrued Monthly Pension which is 1/12th of the sum of the following:

- 2.60% of your Average Final Pay, multiplied by your Pre - 2004 Credited Future Service; and
- 2.30% of your Average Final Pay, multiplied by your Post - 2003 Credited Future Service; and
- The larger of \$66 or 1.6% of your Past Service Pay, multiplied by your Credited Past Service.

Your monthly pension will not be less than \$125, or your Grandfathered Benefit which is payable under the terms of the Plan as of December 31, 2003, or the highest early retirement pension that you could have been eligible to receive at any time before your actual retirement. (The \$125 minimum monthly pension is divided if you have more than one beneficiary, or if your benefit is split, such as with a former spouse under a qualified domestic relations order (QDRO); that is, the \$125 minimum does not apply separately to each recipient.)

Federal law limits the amount of benefit that can be paid to you from the Plan. You will be notified if you are affected by the limits.

See "Glossary of Terms," beginning on page 2, for definitions of Accrued Monthly Pension, Average Final Pay, Grandfathered Benefit, and Past Service Pay. Also see the questions on Credited Service beginning on page 5. For an example of this calculation, see "Examples of How the Plan Works," beginning on page 26.

How is my Grandfathered Benefit calculated?

Your Grandfathered Benefit is your Accrued Monthly Pension based on your Average Final Pay and your years of Credited Service as of December 31, 2003.

How is my Average Final Pay calculated?

Your Average Final Pay is the highest average of your Gross Pay during the last years of your Covered Employment, depending on when your Covered Employment ended.

For example, if you left Covered Employment during 2009, your Average Final Pay is the average of your Gross Pay during the nine consecutive Plan Years within the last ten consecutive Plan Years of Credited Future Service for which the average is highest.

If you leave Covered Employment after 2009, your Average Final Pay is the average of all of your Gross Pay that you earned after 2000.

See "Glossary of Terms," beginning on page 2, for a more complete definition of Average Final Pay. See "Examples of How the Plan Works," beginning on page 26, for several examples of how to calculate Average Final Pay.

Section 4: EARLY RETIREMENT PENSION

When do I qualify for an early retirement pension?

You can be eligible for an early retirement pension if you have both reached age 55 and have at least ten years of Credited Service or Vesting Service.

You also can be eligible for an early retirement pension if you have both reached age 62 and have at least five years of Credited Service or Vesting Service.

The Early Retirement Date is the first day of the month following the earlier of the above two dates. You can begin receiving your early retirement pension if you are eligible to retire and elect to receive benefits at that time.

How is my early retirement pension calculated?

Your early retirement pension is your Accrued Monthly Pension based on your Average Final Pay and Credited Service at the time you leave Covered Employment. However, your early retirement pension will be reduced because it is expected that you will receive your pension for a longer time than if you had waited until your Normal Retirement Date.

How much is my early retirement pension reduced?

Your early retirement pension is reduced by one-half of a percent ($\frac{1}{2}\%$) for each month by which your benefit start date precedes your Normal Retirement Date.

However, if you are eligible to retire on the date you leave Covered Employment, your early retirement pension will be reduced by one-half of a percent ($\frac{1}{2}\%$) for each month by which your benefit start date precedes **age 62**.

Your early retirement monthly pension will not be reduced below \$125, and can never be less than your Grandfathered Benefit, reduced for retirement prior to age 62.

For example, assume that you left Covered Employment at age 60 after completing 15 years of service and you are eligible for an early retirement pension. Your Normal Retirement Date is age 65 and you elect to begin receiving your pension payments at age 60.

In this example, because you were eligible to retire early when you left Covered Employment, your pension payments will be reduced for retirement prior to age 62. Therefore, because your benefit start date is at age 60, two years prior to age 62, your early retirement pension will be reduced by $\frac{1}{2}\% \times 24$ months, or 12%.

What if I am eligible to retire but I want to delay the start of my pension?

If you leave Covered Employment after age 55 and are eligible to retire, but *delay* the start of your pension until a later date, the amount of your pension will be based on your Credited Service and Average Final Pay at the time you leave Covered Employment. However, your early retirement pension will be reduced based on your age as of your benefit start date.

Because you were eligible to retire when you left Covered Employment, your benefit will be reduced for the number of months by which your benefit start date precedes age 62.

For example, assume you leave Covered Employment at age 56 but decide not to receive your pension until you reach age 61. Your pension will be

based on your pay and service at age 56; but will be reduced by ½% times 12 months, or 6%, because your payments began 12 months before age 62.

Section 5: DISABILITY RETIREMENT PENSION

How do I become eligible for a disability retirement pension?

You will be eligible for a disability retirement pension if you:

- Become totally and permanently disabled while you are in Covered Employment;
- Have at least ten years of Vesting Service or Credited Service; and
- Have been awarded disability benefits by the Social Security Administration.

If you have not received a disability award from the Social Security Administration but believe that you might be eligible for one, you should contact the Social Security Administration.

How is my disability retirement pension calculated?

Your disability retirement pension is your Accrued Monthly Pension based on your Average Final Pay and Credited Service as of the date your Covered Employment ends. The amount of this pension is not reduced for commencement prior to your Normal Retirement Date regardless of your age at the time you begin to receive your disability retirement pension.

Your monthly disability retirement pension will not be reduced below \$125, and can never be less than your Grandfathered Benefit.

What are the optional forms of payment under a disability retirement pension?

If you have *reached age 55* and you have been married to your spouse throughout the year prior to the effective date of your disability retirement pension, your form of payment is a joint and 50% survivor annuity or, if you choose, a joint and 75% survivor annuity, with your spouse as the beneficiary. You may elect payment in the form of a life annuity only if you have your spouse's written and notarized consent. If you are unmarried or you are married less than one year, then your form of payment is a life annuity. The form of your payment cannot later be changed.

If you *have not yet reached age 55* when you become eligible for a disability retirement pension, your form of payment is a life annuity. If you are married to your spouse throughout the year prior to the date you reach age 55, your form of payment will be converted to a joint and 50% survivor annuity or, if you choose, a joint and 75% survivor annuity, with your spouse as the beneficiary. You may elect to continue to receive a life annuity only if you have your spouse's written and notarized consent. If you are unmarried or you are married less than one year when you reach age 55, then your form of payment continues as a life annuity and cannot later be changed.

There are no other optional forms of payment available to you if you are receiving a disability retirement pension.

If your benefit is paid as either a joint and 50% or 75% survivor annuity, your monthly benefit amount will be the reduced actuarial equivalent of your life annuity. See "Forms of Payment," page 10, for additional information.

When will my disability retirement pension begin?

Your disability retirement pension will begin on the effective date of your Social Security disability benefits. However, a disability retirement pension cannot be paid unless you file an application with the Fund Office so please

file your application as soon as possible.

If you are at least age 55, you may be eligible to receive an early retirement pension during the months between the date you become disabled and the date that you are notified of your Social Security disability award. The Trustees will convert this early retirement pension to a disability retirement pension when you submit proof that you have been approved for Social Security disability benefits.

If you are receiving weekly disability benefits from the Benefit Fund, your pension will be effective no earlier than the first of the month following the expiration date of the weekly disability benefits.

In any event, your disability retirement pension will begin no earlier than two years prior to the date that you file an application with the Fund Office.

When will my disability retirement pension end?

You will continue to receive a disability retirement pension as long as you are totally and permanently disabled and are receiving disability benefits from the Social Security Administration. You are required to notify the Fund Office if you are no longer receiving Social Security disability benefits (other than because you reach Social Security retirement age).

If you stop receiving Social Security disability benefits before age 65, your disability retirement pension will end but you may be eligible to have your pension converted to a reduced early retirement pension if you are at least age 55.

If you are receiving a disability retirement pension when you reach age 65, your pension will continue for the remainder of your life.

**Section 6:
DEFERRED VESTED PENSION**

How do I become eligible for a deferred vested pension?

You become eligible for a deferred vested pension if your Covered Employment under the Plan ends after you have earned at least five years of Credited Service or Vesting Service but before you become eligible for a normal, early, or disability retirement pension.

How is my deferred vested pension calculated?

Your deferred vested pension is your Accrued Monthly Pension based on your Average Final Pay and Credited Service as when your Covered Employment ended.

When will my deferred vested pension begin?

You may elect to begin receiving your deferred vested pension at age 65.

You may elect to begin receiving your deferred vested pension any time after you reach age 55 if you have at least ten years of Credited Service or Vesting Service. If you begin to receive your pension between ages 55 and 65, however, your payment amounts will be reduced to reflect the longer expected period of payment. The amount of this reduction will be one-half of a percent ($\frac{1}{2}\%$) for each month by which your benefit start date precedes your Normal Retirement Date.

If you have at least five years of Credited Service or Vesting Service but less than ten, you may elect to begin receiving your deferred vested pension any time after you reach age 62. The amount of this reduction will be one-half of a percent ($\frac{1}{2}\%$) for each month by which your benefit start date precedes your

Normal Retirement Date.

Your monthly deferred retirement pension will not be reduced below \$125, and can never be less than the Grandfathered Benefit, reduced for retirement prior to age 62.

For example, assume you left Covered Employment at age 50, after completing 15 years of service. You would not be eligible for an early retirement pension at that time. If you elect to begin receiving your pension payments at age 60, your pension payments will be reduced for retirement prior to age 65. Therefore, because your benefit start date is at age 60, five years prior to age 65, your early retirement pension will be reduced by $\frac{1}{2}\% \times 60$ months, or 30%.

Section 7: FORMS OF PAYMENT

How will my pension be paid to me?

If you are **married** on your benefit start date, you will automatically receive your pension in the form of a joint and 50% survivor annuity with your spouse as your beneficiary. If you want to elect an optional form of payment described below, you must have your spouse's written and notarized consent.

If you are **not married** on your benefit start date, you will automatically receive your pension in the form of a life annuity unless you elect one of the optional forms of payment described below.

What are the optional forms of payment?

If you retire with a **normal, early or deferred vested pension**, you may choose to have your benefit paid under one of the following payment options (subject to spousal consent, if applicable):

- a life annuity
- a joint and 100% survivor annuity
- a joint and 75% survivor annuity
- a joint and 50% survivor annuity, or
- a lifetime pension with 120 payments guaranteed.

If you retire with a **disability retirement pension**, at age 55 (or when your disability retirement pension begins, if later) you may be eligible to choose to have your benefit paid under one of the following payment options depending upon your marital status:

- a life annuity (with spousal consent, if you are married)
- a joint and 75% survivor annuity with your spouse as beneficiary, or
- a joint and 50% survivor annuity with your spouse as beneficiary.

Under a disability retirement pension, no beneficiary other than your spouse is permitted and no other payment options are available. See "Disability Retirement Pension", page 8, for more information.

What is a life annuity?

Under a life annuity, you receive monthly pension payments for life. After your death, no further benefits are paid.

What is a joint and survivor annuity?

Under a joint and survivor annuity, you receive a reduced monthly pension for life. After your death, your beneficiary receives all or a portion of that reduced monthly pension for his or her life, as follows:

- If you elect a joint and 100% survivor annuity, your beneficiary's monthly

What is the lifetime pension with 120 payments guaranteed?

pension will be the same as the reduced monthly pension you were receiving when you died.

- If you elect a joint and 75% survivor annuity, your beneficiary's monthly pension will be equal to three-quarters of your reduced monthly pension amount.
- If you elect a joint and 50% survivor annuity, your beneficiary's monthly pension will be equal to half of your reduced monthly pension amount.

The amount of the reduction in your monthly pension is based upon your age and your beneficiary's age when payments begin, and on which survivor percentage you choose. The reduction is greater if your beneficiary is younger, and/or if you choose a higher survivor percentage.

Federal rules may limit the joint and survivor option that you can elect if your beneficiary is not your spouse and is substantially younger than you are.

Under this option, you receive a reduced pension throughout your lifetime.

If you die before you have received 120 monthly payments (payments for ten years), your beneficiary will receive the remainder of the 120 payments. (If you elect this option and you have more than one beneficiary, and if the \$125 minimum monthly pension applies, the \$125 minimum will be divided so that the total monthly pension paid to all your beneficiaries is \$125—they do not each receive \$125.)

After you have received 120 or more monthly payments, you continue to receive benefits for life, but after your death, no survivor benefits will be payable.

If your beneficiary dies before you have received 120 monthly payments, you may name a new beneficiary.

If both you and your beneficiary die before 120 monthly payments are made, the remaining payments are converted to a lump sum and paid to the estate of the last to die.

Section 8: PRE-RETIREMENT SURVIVING SPOUSE BENEFITS

Does my spouse receive a pension benefit if I die before I retire?

If you have earned at least five years of Credited Service or Vesting Service, you die before your benefit start date, and you and your spouse have been married to each other for at least one year prior to your death, pension protection for your spouse is provided by the pre-retirement surviving spouse benefit described below.

If you had been receiving a disability retirement pension and you had not yet reached age 55 at the time of your death, and you and your spouse had been married to each other for at least one year prior to your death, your surviving spouse would be eligible for the pre-retirement surviving spouse benefit described below. (If you had been receiving a disability retirement pension and you have reached age 55, this pre-retirement surviving spouse benefit does not apply. Any survivor benefits for your spouse, if applicable, will depend upon the form of payment in effect.)

What does the pre-

If you die while you and your spouse are eligible for this benefit, your spouse

retirement surviving spouse benefit provide?

will receive a pension as follows:

If you die *after* your Early Retirement Date (the earlier of age 55 with at least ten years of Credited Service or Vesting Service, or age 62 with at least five years of Credited Service or Vesting Service), your spouse's pension can begin as of the month following your death. The amount of your spouse's pension will be equal to 50% of the pension you would have received if you had retired on the date of your death and had begun receiving your pension in the form of a joint and 50% annuity.

If you die *before* your Early Retirement Date, your spouse's pension can begin on what would have been your Early Retirement Date if you had survived. The amount of your spouse's pension will be equal to 50% of the pension you would have received if you had:

- Left Covered Employment on the earlier of the date you actually left Covered Employment or the date of your death;
- Survived until your Early Retirement Date;
- Retired on your Early Retirement Date and immediately begun receiving your pension in the form of a joint and 50% survivor annuity; and
- Died on the day after your Early Retirement Date.

The pre-retirement surviving spouse benefit is payable no earlier than what would have been your Early Retirement Date had you survived. If payments start before what would have been your Normal Retirement Date, they are reduced for early commencement.

Your spouse has the option to defer receipt of the pre-retirement surviving spouse benefit until any month up to what would have been your Normal Retirement Date. The benefit payable at this later date would be adjusted for later commencement.

Is there a charge for the pre-retirement surviving spouse benefit?

No, this benefit is subsidized by the Plan. This means it is free of charge to you and your spouse, so your monthly benefits are not reduced to provide for this coverage.

Does a minimum pension apply to surviving spouses?

Yes, if eligible, your surviving spouse will receive a minimum pension of \$125.

Section 9: CHANGES IN EMPLOYMENT / BREAKS IN SERVICE

What happens if I stop working or change my job before I retire?

If you leave Covered Employment to stop working, or to work for an employer who does not contribute to the Plan, but you have at least five years of Vesting Service or Credited Service, you are eligible to receive your Accrued Monthly Pension at your Normal Retirement Date.

For more information, see "Deferred Vested Pensions", page 9.

Will I lose my Credited Service if I go from one

No. You would continue to earn Credited Service as long as you continue to work for an employer that is required to contribute to the Plan on your behalf.

Contributing Employer to another?

What if I leave the Union, but continue to work for the same employer?

You will not earn additional Credited Service after you leave the bargaining unit. However, you may be eligible to continue to earn Vesting Service under what are called "contiguous service" rules. For information about contiguous service, contact the Fund Office.

What is a break in service?

A break in service is any Plan Year in which you have 500 or fewer hours of Vesting Service. However, if you have 500 or fewer hours in a Plan Year because of pregnancy, or birth or adoption of a child, you will not have a break in service during that Plan Year or the following year. You will be credited with enough hours to assure that you do not have a break in service.

Starting December 15, 1997, Approved Absences do not count as breaks in service. Also, starting in 1995, periods of qualified military service will not cause a break in service. (See "What is an Approved Absence?" page 5.)

If I have a break in service and I am not vested, can I protect my prior service?

If you have less than five years of Credited Service or Vesting Service at the time you leave Covered Employment and your break in service is **less than five years**, you will retain your prior service.

If you have less than five years of Credited Service or Vesting Service, but your break is **five years or longer**, the Vesting Service and Credited Service that you earned prior to the break will be cancelled.

If you have more than five years of Credited Service or Vesting Service (and any Vesting Service under the Plan after January 1, 1992), you will retain your prior Vesting Service and Credited Service regardless of how long your break in service lasts.

If you have at least five but less than ten years of Vesting Service or Credited Service, and your absence began prior to January 1, 1992, you will retain your service as long as your break in service is less than your years of Credited Service or Vesting Service prior to January 1, 1992. If did not lose your prior service and you returned to employment on or after January 1, 1992, you will be entitled to a fully vested pension.

What happens if I return after I lose my prior service?

You will be treated as a new participant in the Plan and will have to start earning Vesting Service and Credited Service again.

If I leave altogether, can I continue to participate by making contributions?

No. This is a non-contributory plan. All the contributions to the Plan are made by Contributing Employers.

Section 10: HOW TO APPLY FOR A PENSION

How do I apply for a pension?

You should call the Fund Office at the phone numbers on page 20 to arrange for an appointment for your pension interview. The application process will be explained during your pension interview. The Fund Office will provide you with election forms and instructions.

When should I apply

You should file your application for benefits **at least three months** before the

for my pension?

date your pension is to begin, to give the Fund Office time to calculate your benefit estimates. If you do not give sufficient notice, benefit payments may be delayed.

How do I elect a form of payment?

On your election form, you choose the form and time of your benefit payments. To be valid, your election (and your spouse's consent, if applicable) must be made within the 180-day period immediately before your benefit start date under the Plan.

If you elect a joint and survivor annuity option, you must furnish proof of your beneficiary's age within 90 days of filing your application. If you are married at the time of your retirement, you will automatically receive your pension in the form of a joint and 50% survivor annuity with your spouse as your beneficiary. If you want to elect a form of payment other than a joint and survivor annuity with your spouse as beneficiary, you must have your spouse's written and notarized consent.

Can I change my election?

You may revoke your election and make a new one any time before your benefit start date, subject to the spousal consent rules if you are married. For a change to be effective, you must complete a new election form and it must be received by the Fund Office before your benefit start date.

You cannot change your election after your benefit start date, *even if your marital status changes.*

However, if your benefit is being paid as a lifetime pension with 120 payments guaranteed, and your beneficiary dies before you receive 120 payments, you may name a new beneficiary.

What if I die or my spouse or beneficiary dies before payments begin?

If you elect an option and you or your beneficiary dies before your benefit start date, your election is automatically cancelled.

If you elect a lifetime pension with 120 payments guaranteed and the designated beneficiary dies before your benefit start date, you may cancel that option or name a new beneficiary within 60 days (subject again to spousal consent, if applicable).

In the following narrow circumstance, your election can effect how the pre-retirement surviving spouse benefit is calculated. If you have already completed and returned your election of a joint and 75% or 100% survivor annuity with your spouse as beneficiary during the Plan's 180-day election period applicable to you, and you die during that election period but before your benefit start date, your election of the higher survivor percentage will apply for purposes of calculating pre-retirement surviving spouse benefits. Pre-retirement survivor benefits are payable only if your surviving spouse is otherwise eligible, for example, you were married to that spouse for at least one year prior to your death.

When do my pension payments start?

Your pension cannot be paid until you have satisfied all the conditions for entitlement to a retirement benefit and have filed an application for your benefit in which you specify a date your pension is to begin.

If you are eligible, your pension begins on the first day of the month that is as soon as administratively possible after the Fund Office processes your completed application for benefits. If your employment with all Contributing Employers has ended, benefit payments are due on your Normal Retirement Date. If your employment has ended but you do not apply for benefits until after your Normal Retirement Date, your benefit will be increased to reflect the period of the delay after your Normal Retirement Date (or after the period of

any benefit suspension, if later) but the Plan generally cannot make retroactive payments.

If you do not apply, you will be treated as if you had chosen to delay payment of your benefits until you later apply, or until the Plan is required to begin payments to you.

Generally, no benefits can be paid before you terminate employment with all Contributing Employers. However, benefits will begin no later than April 1 following the end of the calendar year in which you reach age 70½, even if you are still employed by a Contributing Employer at that time. If your pension payments do not begin by that date (or your termination of employment, if later), IRS penalties may apply to you.

If you are receiving weekly disability benefits from the Benefit Fund, your pension will be effective no earlier than the first of the month following the expiration date of the weekly disability benefits.

What happens if I return to work after I begin receiving my pension?

If you return to work, your pension may be suspended depending on how many hours per month you work in Covered Employment and your age when you work those hours.

If you return to work, your pension will be suspended in any month that you work more than 40 hours in Covered Employment if you have not yet reached age 70½.

If you return to work and you work 40 or fewer hours per month in Covered Employment, your benefits will not be suspended regardless of what your age is when you work those hours.

If you return to work and you are over age 70½, your benefits will not be suspended regardless of how many hours you work.

Section 11: OTHER IMPORTANT INFORMATION

Am I permitted to assign my benefits to another person?

You may not assign your benefits to another person, use your benefits as collateral for a loan, or receive any part of your benefits before your normal, early or disability retirement date.

Generally, your pension payments under the Plan will be made directly to you (or to your spouse or other beneficiary after your death) and cannot be made to any other person except in the case of incapacity as described below, or to an alternate payee under a qualified domestic relations order as described below.

What happens if I get divorced?

The Plan will honor any qualified domestic relations order (QDRO) directed to the Plan. A QDRO is issued by a State court and must be approved by the Fund Office. It may require your pension to be used to satisfy child support, alimony, or settlement of marital property rights. A QDRO could require the Plan to pay all or part of your pension to an alternate payee. An "alternate payee" is usually your former spouse. A QDRO will result in a reduction of your benefits, and may reduce survivor benefits for any new spouse if you later remarry.

There are requirements that a domestic relations order must meet to be

"qualified." For example, a domestic relations order cannot provide benefits to an alternate payee in a form or amount or at a time not otherwise provided under the Plan. The Fund Office decides whether an order is "qualified." A copy of the Plan's QDRO procedures is available from the Fund Office upon request.

For convenience, the Plan has a model QDRO that meets federal and Plan requirements in most circumstances. The model QDRO provides only the most common and easy-to-understand option for dividing pensions. You should be aware that other types of QDROs are available that might better suit your situation. Consult your lawyer for more information. A draft of any QDRO (even if it follows the Plan's model QDRO) should be sent to the Fund Office before it is filed in court to assure that it will qualify.

If you are divorced before your payments begin, your former spouse will not be treated as your surviving spouse for Plan purposes, unless a QDRO provides otherwise. If you become divorced after your payments begin, the form of payment cannot change. For example, if you were receiving a joint and 50% survivor annuity with your former spouse as beneficiary, the survivor benefit would still be payable to your former spouse after your death, even if you are remarried to a different spouse at the time of your death.

What happens if my beneficiary is a minor or a recipient is incapacitated?

If the Board of Trustees finds that any person is incapable of receiving benefits to which he or she is entitled (because of incompetence or status as a minor), it will direct payments to the person's duly appointed guardian or other legal representative.

Under what circumstances, if any, can my benefits be lost or delayed?

Under certain circumstances, your benefits may be lost, reduced or suspended, some of which are noted below. Other sections of this booklet describe these and other such circumstances in more detail. Other circumstances could apply which we cannot anticipate (such as law changes).

- If you have less than five years of Credited Service or Vesting Service and you sustain a break in service that is longer than five years.
- If you have a right to a deferred vested pension but die before payment begins and with no surviving spouse, or a spouse who does not qualify for the pre-retirement death benefits, no benefits will be paid to a beneficiary.
- If you are disabled but you fail to make a timely application for disability retirement pension.
- All or a portion of your benefits are directed to be paid to your spouse, former spouse or child pursuant to a qualified domestic relations order (QDRO).
- Your benefits are reduced or lost due to limitations under the Internal Revenue Code or the imposition of income, penalty, and excise taxes.
- You fail to make proper application for benefits or fail to provide necessary information. If you apply late, you will not receive retroactive payments, and you will forfeit any benefits (such as unreduced early retirement benefits at age 62) for which you might have been eligible had you applied earlier.
- Your benefits are suspended due to periods of reemployment after benefits have commenced.
- Your monthly benefits are reduced under a joint and survivor annuity option or the life annuity with 120 payments guaranteed option, to provide for payments to your beneficiary following your death.

- If your beneficiary under a joint and survivor annuity option dies before you do, your benefits remain the same, and no payments will be made after your death, even if you remarry.
- If your benefit start date is before you reach your Normal Retirement Date, your monthly payments are reduced to account for the potentially longer payout period.
- Your monthly benefit could change if there is any mistake in the amount of your pension. If this happens, later payments may be adjusted to correct the error. If you were overpaid, your later payments would be reduced so that the Plan can recoup the overpayment.
- Failure to furnish current addresses may prevent or delay payment of benefits. (Information about the Plan and all benefit payments are sent to the last known address we have on file for you or your beneficiary. You must keep your address and the address of your beneficiary current with the Fund Office.)

Section 12: CLAIMS PROCEDURE

Is there a time limit for correcting errors or claiming benefits?

To challenge a determination regarding benefits, you (or your representative) must take action in writing within certain time limits:

- When you receive a benefits statement, please check it for any errors. If you believe that there are any errors, you must notify the Fund Office in writing within 180 days after you receive the benefit statement.
- If a benefit application is approved, in whole or in part, but you believe you are entitled to a different benefit, a written claim to correct any error must be sent to the Fund Office within 180 days after you receive payment or your monthly payments begin.
- If you are notified that you are ineligible for benefits, or if your application for benefits is denied, and you disagree with that determination, you must send a written claim to the Fund Office within 180 days after you receive the notice or denial.

If this applies, see Plan Section 10, Appeals Procedure and Miscellaneous.

What can I do if I think the amount of my pension is incorrect or if I think that I have been unfairly denied a pension?

Initial Claim. If you think the amount of your pension is incorrect, or that you have been unfairly denied a pension, you must send a written claim to the Trustees within 180 days after you receive notice of denial or your monthly payments begin.

Any written claim to the Trustees should include the participant's name and social security number (and, if applicable, the beneficiary's name and social security number), an explanation of the perceived error, and copies of any documentation in support of the claim.

Review of Claim. The Trustees will review your written claim within 90 days after the date the Trustees receive the claim, unless the Trustees determine that special circumstances require an extension of up to 90 additional days due to circumstances beyond the control of the Plan. The Trustees will notify you in writing of any extension before the end of the period that is being extended.

If Your Claim Is Denied. If the Trustees deny or make an adverse determination on your written claim, the Trustees will provide you with a written statement that contains the following information:

- Specific reason(s) for the denial or adverse determination.
- Reference to the Plan provision(s) on which the denial or adverse determination was based.
- A description of additional information needed to perfect your application or claim, and why that information is necessary.
- A description of the Plan's review procedures and time limits applicable to those procedures, including your right to bring a civil action under ERISA section 502(a) following a denial or an adverse benefit determination on appeal.
- An offer to provide you, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim.

If You Wish to Appeal – Deadline. If the Trustees deny or make an adverse determination on your claim, you may write to the Trustees for a review of that decision. (This is your "appeal.")

Your appeal must be received by the Trustees within 60 days after the date that you receive your initial written denial or adverse determination from the Trustees. If you do not submit a written appeal within the 60-day period, you will have no further right to appeal. The original decision made by the Trustees will be final.

As part of the appeal procedure, you will be allowed to:

- submit additional documents, records, and information relating to the claim;
- request in writing access to and copies (free of charge) of all documents, records and other information relevant to your claim; and
- have someone act as your representative in the appeal procedure.

Review of Your Written Appeal. The Trustees will review your written appeal no later than the date of the next regularly-scheduled meeting of the Trustees after the Trustees receive your appeal, unless your appeal is received within 30 days before that next meeting. In that case, a decision will generally be made at the second regularly-scheduled meeting after the Trustees receive your appeal.

If special circumstances require a further extension of time, the Trustees will decide no later than the third meeting of the Trustees after the Trustees receive your appeal. Written notice of the extension will be furnished to you before the extension.

The Trustees' review of your appeal will take into account all comments, documents, records, and other information you submit, without regard to whether that information was submitted or considered in the initial benefit determination.

If Your Written Appeal Is Denied. If the Trustees deny your appeal, the Trustees will provide you with a written statement that contains the following information:

- Specific reason(s) for the denial.
- Reference to the Plan provision(s) on which the denial was based.
- A statement regarding your right to bring a civil action under ERISA section 502(a).
- Offer to provide you, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim for benefits.

The decision of the Trustees is final and binding on all persons.

Additional Information. When deciding claims, the Trustees are using their full discretionary authority as explained below under "Authority of Trustees."

This claims procedure applies to you and your surviving spouse or beneficiary. If you need any assistance with this procedure, contact the Fund Office. If you wish to preserve any rights you may have to benefits from the Plan, you must follow this claims procedure within the deadlines as described above. You must exhaust this claims procedure before you file any lawsuit. If you challenge the Trustees' decision in federal court, a review by a court of law will be limited to the facts, evidence, and issues presented during the claims procedure described above.

Section 13: PLAN ADMINISTRATION AND BACKGROUND INFORMATION

How is the plan administered?

Board of Trustees. The Plan is administered by the Board of Trustees (sometimes called the "Trustees" in this summary). The Trustees include ten members, five of whom are appointed by District 1199C, National Union of Hospital and Health Care Employees, AFSCME, AFL-CIO, and five of whom are appointed by Contributing Employers.

Authority of Trustees. Your rights under the Plan are determined solely by the Plan Document, as interpreted by the Trustees, and by applicable federal law. The Trustees have complete authority, in their absolute discretion, to interpret and apply the terms of the Plan (including any and all related or underlying documents or policies including, without limitation, this summary plan description), and to determine all questions as to eligibility for, and the amount of, benefits under the Plan. All such interpretations and determinations shall be final and binding. The Trustees reserve the right to amend, modify, or terminate the Plan (in whole or in part) at any time.

Trust Fund. The assets of the Plan are held in a Trust Fund under the Trust Agreement. The Board may in its discretion delegate management of certain fund assets to an investment manager.

Collective Bargaining Agreements. The Plan is maintained and contribution amounts are determined according to the provisions of Collective Bargaining Agreements between the Union and Contributing Employers. Copies of the Collective Bargaining Agreements are available in the Fund Office.

Day-to-Day Administration. The Plan is self-administered. The actual day-to-day administration of the Plan is carried out at the Fund Office, which was established for this purpose.

Fund Office Address	Pension Fund for Hospital and Health Care Employees – Philadelphia and Vicinity 1319 Locust Street Philadelphia, PA 19107
Fund Office Phone Numbers	In Philadelphia: (215) 735-5720 Outside Philadelphia: (800) 531-1199
Fund Office Hours	The Fund Office is open for business Monday through Friday from 9:00 a.m. through 5:00 p.m., except holidays.
Plan Administrator	The Plan is administered by the Board of Trustees. The Trustees can be reached at the Fund Office address and telephone numbers. (Do not send correspondence to individual trustees.)
Plan Name	Pension Fund for Hospital and Health Care Employees – Philadelphia and Vicinity.
Type of Plan	The Plan is a multiemployer defined benefit plan designed to provide certain pension, disability, and survivor benefits. The Plan is intended to comply in all respects with the requirements of applicable federal law, including ERISA.
Plan Identification Number (PN)	001
Employer Identification Number (EIN)	23-2627428
Plan Year	January 1 through December 31
Agent for Service of Legal Process	Legal process on matters relating to the Plan may be served in the name of the Plan on the Plan Administrator or the Plan Trustees at the address for the Fund Office, above.
Contributing Employers	A current list of Contributing Employers is available for your review at the Fund Office. As of January 31, 2010, Contributing Employers included: 1199C Legal Fund 1199C Train. & Upgrad. Staff Fund 1199C Train. & Upgrad. Students 1199C Union 1199C\AFSCME Aramark/Presbyterian Benefit Fund for Hospital & Health Care Employees Children's Hospital Crothall @ Hahnemann Crothall Transp @ Hahnemann Crozer Chester Medical Center Episcopal Hospital Homemaker Services Inglis House Inglis House LGPN Pen. Fund for Hosp. & Hlth. Care Sodexho @ Hahnemann Sodexho Inc/Presbyterian

Plan Trustees

Temple University
Temple University Ser. Unit
Tenet/Hahnemann University
Thomas Jefferson

Individual Trustees change from time to time, and their addresses may change. This SPD cannot always be updated whenever these changes occur. Please contact the Trustees by writing to them at the address for the Fund Office, above. As of July, 2010, the Trustees were as follows:

Union Trustees

Henry Nicholas

President, District 1199C
National Union of Hospital and Health
Care Employees, AFSCME, AFL-CIO
1319 Locust Street
Philadelphia, PA 19107-5405

Donna Ford

District 1199C
National Union of Hospital and Health
Care Employees, AFSCME, AFL-CIO
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Peter Gould

Executive Vice President, District 1199C
National Union of Hospital and Health
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1319 Locust Street
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Marguerite Stanford

Secretary-Treasurer, District 1199C
National Union of Hospital and Health
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1319 Locust Street
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Michele Mills

Executive Vice President, District 1199C
National Union of Hospital and Health
Care Employees, AFSCME, AFL-CIO
1319 Locust Street
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Employer Trustees

Sandra G. Caprisecca

Director of Labor Relations
Temple University Health System
2450 West Hunting Park Ave., Rm. 1-106
Philadelphia, PA 19129-1302

Randy McLaughlin

Manager, Employee Relations
Thomas Jefferson University
833 Chestnut Street, Suite 900

Philadelphia, PA 19107

William R. Kreider

Assistant V.P. for Human Resources
Crozer-Keystone Health System
Crozer-Chester Medical Center
One Medical Center Blvd.
Chester, PA 19013-3995

Kevin S. Kelly

Vice President, Chief Financial Officer
Inglis Foundation
2600 Belmont Avenue
Philadelphia, PA 19131-2713

Steven R. Simmons

Chief Human Resources Officer
Hahnemann University Hospital
Broad & Vine Streets, M.S. 371
Philadelphia, PA 19102-1121

**Section 14:
YOUR RIGHTS UNDER THE PLAN**

**What are my
rights under
ERISA?**

Regulations of the U.S. government require that this summary plan description include the statement that appears below. Neither the Employers, nor the Union, nor the Trustees, nor the Fund Office, can take any responsibility for the accuracy or completeness of this statement. This statement is made to you by the federal government, not by the Plan. As permitted by the regulations, portions of the statement that are not applicable to the Plan have been omitted and outdated information has been updated.

ERISA Rights Statement

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator

is required by law to furnish each participant with a copy of this summary annual report. [The requirement to prepare and distribute summary annual reports has been eliminated.]

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (generally age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court [after exhausting the Plan's claims and appeals procedures described above]. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court [after exhausting the Plan's claims and appeals procedures described above]. If it should happen that the plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

What happens if the Plan is under-funded?

New funding rules enacted in a federal law called the Pension Protection Act of 2006 may supersede certain provisions of this summary and the Plan Document. Affected participants are provided with notices describing the Plan's funded status, and any applicable benefit changes. The benefits described in this summary and in the Plan Document can be changed or reduced if required or permitted by applicable federal law, as described in those notices. You cannot rely on this summary or the Plan Document without looking at any required funding notices which explain temporary or permanent benefit changes that may apply. If you would like to know whether any such notices apply to you, or if you would like copies of any such notices that apply to you, please contact the Fund Office.

What happens if the Plan is terminated?

The Trustees intend to continue the Plan indefinitely. However, they reserve the right to amend or terminate the Plan at any time. If the Plan is terminated, and you are employed by a Contributing Employer at that time, you will be entitled to any benefit you have accrued to the extent then funded.

Generally, if the Plan is terminated, and there are unfunded vested benefits, the Contributing Employers would be responsible for contributing some or all of the amount needed to fund the benefits. This obligation is referred to as Withdrawal Liability.

- If there is enough money in the Plan to provide retirement benefits earned to the date of termination, Plan assets will be used to pay expenses and buy annuities, payable at retirement, for each participant. Small benefits may be cashed out in a lump sum if annuities are not otherwise available.
- If the assets are not sufficient to provide these annuities and cashouts, Plan money will be used, as provided by law, to pay expenses and provide for benefits generally in the following order (subject to certain limitations): first to retirees, then to participants eligible to retire, then to participants with vested benefits prior to termination, then to all other participants. If Plan assets are not sufficient to fully provide the accrued benefits for all participants in one of the above categories, each participant in that category will receive a pro-rata share of available Plan assets and participants in the lower categories may not receive any benefits at all. If the assets are not sufficient to provide all these benefits, the Pension Benefit Guaranty Corporation may pay certain benefits as described below.

Regulations of the U.S. government require that this summary plan description include the statement that appears below. Neither the Employers, nor the Union, nor the Trustees, nor the Fund Office, can take any responsibility for the accuracy or completeness of this statement. This statement is made to you by the federal government, not by the Plan. As permitted by the regulations, portions of the statement that are not applicable to the Plan have been omitted and outdated information has been updated.

Statement by the Pension Benefit Guaranty Corporation

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the

multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$12,870.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than five years at the earlier of: (i) The date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

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Part III

EXAMPLES OF HOW THE PLAN WORKS

Your Accrued Monthly Pension

If your last hour of service was on or after January 1, 2010, your accrued monthly pension is equal to 1/12th of the sum of the following:

- (1) 2.60% of your Average Final Pay, multiplied by your pre-2004 Credited Future Service; plus
- (2) 2.30% of your Average Final Pay, multiplied by your post-2003 Credited Future Service; plus
- (3) The larger of \$66 or 1.6% of your Past Service Pay, multiplied by your Credited Past Service.

Your monthly pension benefit will not be less than \$125. Also, your pension will not be less than your Grandfathered Benefit (your pension on December 31, 2003, based upon your service and compensation and the Plan as in effect on that date).

For definitions of Credited Future Service, Credited Past Service, and Past Service Pay, see "Glossary of Terms", beginning on page 2.

In the following pages, you will see examples of how this calculation works. There are also samples of the calculation of Average Final Pay, the Grandfathered Benefit, and benefits payable at Normal, Early, and Deferred Vested Retirement Dates.

Your Average Final Pay

If your last hour of service was **before January 1, 2006**, your Average Final Pay would be your average Gross Pay during the **5** consecutive Plan Years within the last 10 consecutive Plan Years of Credited Future Service for which the average is highest. For example:

If your Gross Pay was:

1996 – \$28,400
1997 – \$29,300
1998 – \$30,200
1999 – \$31,100
2000 – \$32,000
2001 – \$33,000
2002 – \$34,000
2003 – \$35,000
2004 – \$36,100
2005 – \$37,100

Then your Average Final Pay would be:

In this case, the highest consecutive **5** year period is from 2001 through 2005.

Therefore, the Average Final Pay would be:

$$\begin{aligned} &(\$33,000 + \$34,000 + \$35,000 \\ &+ \$36,100 + \$37,100) \\ &\div 5 \\ &= \$35,040 \end{aligned}$$

If your last hour of service was on or after **January 1, 2006** but before **January 1, 2007**, your Average Final Pay would be your average Gross Pay during the **6** consecutive Plan Years within the last 10 consecutive Plan Years of Credited Future Service for which the average is highest. For example:

If your Gross Pay was:

1997 – \$29,300
 1998 – \$30,200
 1999 – \$31,100
 2000 – \$32,000
 2001 – \$33,000
 2002 – \$34,000
 2003 – \$35,000
 2004 – \$36,100
 2005 – \$37,100
 2006 – \$38,200

Then your Average Final Pay would be:

In this case, the highest consecutive **6** year period is from 2001 through 2006.

Therefore, the Average Final Pay would be:

$$\begin{aligned}
 &(\$33,000 + \$34,000 + \$35,000 \\
 &+ \$36,100 + \$37,100 + \$38,200) \\
 &\div 6 \\
 &= \$35,567
 \end{aligned}$$

If your last hour of service was on or after **January 1, 2007** but before **January 1, 2008**, your Average Final Pay would be your average Gross Pay during the **7** consecutive Plan Years within the last 10 consecutive Plan Years of Credited Future Service for which the average is highest. For example:

If your Gross Pay was:

1998 – \$30,200
 1999 – \$31,100
 2000 – \$32,000
 2001 – \$33,000
 2002 – \$34,000
 2003 – \$35,000
 2004 – \$36,100
 2005 – \$37,100
 2006 – \$38,200
 2007 – \$39,400

Then your Average Final Pay would be:

In this case, the highest consecutive **7** year period is from 2001 through 2007.

Therefore, the Average Final Pay would be:

$$\begin{aligned}
 &(\$33,000 + \$34,000 + \$35,000 + \$36,100 \\
 &+ \$37,100 + \$38,200 + \$39,400) \\
 &\div 7 \\
 &= \$36,114
 \end{aligned}$$

If your last hour of service was on or after **January 1, 2008** but before **January 1, 2009**, your Average Final Pay would be your average Gross Pay during the **8** consecutive Plan Years within the last 10 consecutive Plan Years of Credited Future Service for which the average is highest. For example:

If your Gross Pay was:

1999 – \$31,100
 2000 – \$32,000
 2001 – \$33,000
 2002 – \$34,000
 2003 – \$35,000
 2004 – \$36,100
 2005 – \$37,100
 2006 – \$38,200
 2007 – \$39,400
 2008 – \$40,600

Then your Average Final Pay would be:

In this case, the highest consecutive **8** year period is from 2001 through 2008.

Therefore, the Average Final Pay would be:

$$\begin{aligned}
 &(\$33,000 + \$34,000 + \$35,000 + \$36,100 \\
 &+ \$37,100 + \$38,200 + \$39,400 + \$40,600) \\
 &\div 8 \\
 &= \$36,675
 \end{aligned}$$

If your last hour of service was on or after **January 1, 2009** but before **January 1, 2010**, your Average Final Pay would be your average Gross Pay during the **9** consecutive Plan Years of Credited Future Service within the last 10 consecutive Plan Years for which the average is highest. For example:

If your Gross Pay was:

2000 – \$32,000
 2001 – \$33,000
 2002 – \$34,000
 2003 – \$35,000
 2004 – \$36,100
 2005 – \$37,100
 2006 – \$38,200
 2007 – \$39,400
 2008 – \$40,600
 2009 – \$41,800

Then your Average Final Pay would be:

In this case, the highest consecutive **9** year period is from 2001 through 2009.

Therefore, the Average Final Pay would be:

$$\begin{aligned}
 &(\$33,000 + \$34,000 + \$35,000 + \$36,100 + \$37,100 \\
 &+ \$38,200 + \$39,400 + \$40,600 + \$41,800) \\
 &\div 9 \\
 &= \$37,244
 \end{aligned}$$

If your last hour of service was on or after **January 1, 2010**, your Average Final Pay would be your average Gross Pay during all Plan Years of Credited Future Service after December 31, 2000. For example, assume you leave Covered Employment 12/31/2010:

If your Gross Pay was:

2001 – \$33,000
 2002 – \$34,000
 2003 – \$35,000
 2004 – \$36,100
 2005 – \$37,100
 2006 – \$38,200
 2007 – \$39,400
 2008 – \$40,600
 2009 – \$41,800
 2010 – \$43,000

Then your Average Final Pay would be:

In this case, the sum of all your Gross Pay earned after December 31, 2000, divided by your Credited Future Service earned after December 31, 2000.

Therefore, the Average Final Pay would be:

$$\begin{aligned}
 &(\$33,000 + \$34,000 + \$35,000 + \$36,100 + \$37,100 \\
 &+ \$38,200 + \$39,400 + \$40,600 + \$41,800 + \$43,000) \\
 &\div 10 \\
 &= \$37,820
 \end{aligned}$$

Normal Retirement Pension Calculation
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The following example shows how your Accrued Monthly Pension payable at your normal retirement would be calculated.

We will assume the following information:

- You were employed by your employer starting on January 1, 1970 and you became a participant in the National Pension Fund on January 1, 1974 (when your employer began contributing to the Fund) and continued to participate until December 31, 1990. You became a participant in this Fund on January 1, 1991 and remained an active participant through 2006.
- Your Credited Service is as follows:
 - 1970-1973 4 years Credited Past Service
 - 1974-2003 30 years Pre-2004 Credited Future Service
 - 2004-2006 3 years Post-2003 Credited Future Service
- Your Average Final Pay is \$35,000.
- Your Past Service Pay is \$12,500.

Your Accrued Monthly Pension is equal to 1/12th of the sum of (1) + (2) + (3) below:

- (1) 2.60% of your Average Final Pay multiplied by your pre-2004 Credited Future Service, PLUS
- (2) 2.30% of your Average Final Pay multiplied by your post-2003 Credited Future Service, PLUS

- (3) The larger of \$66 or 1.6% of your Past Service Pay multiplied by your Credited Past Service.

Therefore, your benefit would be calculated as follows:

$$\begin{aligned}
 &= \left(2.60\% \times \begin{matrix} \text{Avg} \\ \text{Final} \\ \text{Pay} \end{matrix} \times \begin{matrix} \text{Pre-04} \\ \text{Cred} \\ \text{Fut} \\ \text{Svc} \end{matrix} \right) + \left(2.30\% \times \begin{matrix} \text{Avg} \\ \text{Final} \\ \text{Pay} \end{matrix} \times \begin{matrix} \text{Pst-03} \\ \text{Cred} \\ \text{Fut} \\ \text{Svc} \end{matrix} \right) + \left(1.60\% \times \begin{matrix} \text{Past} \\ \text{Svc} \\ \text{Pay} \end{matrix} \times \begin{matrix} \text{Cred} \\ \text{Past} \\ \text{Svc} \end{matrix} \right) \\
 &= (2.60\% \times \$35,000 \times 30) + (2.30\% \times \$35,000 \times 3) + (1.60\% \times \$12,500 \times 4) \\
 &= \quad \$27,300 \quad + \quad \$2,415 \quad + \quad \$800 \\
 &= \$30,515
 \end{aligned}$$

Your accrued monthly pension would be \$2,543 (= \$30,515 ÷ 12).

Grandfathered Benefit Calculation

Your Grandfathered Benefit is the amount of monthly pension that you earned as of *December 31, 2003*. This Accrued Monthly Pension is based on your Average Final Pay and years of Credited Service as of *December 31, 2003*.

Let's assume the following information:

- Your Credited Service is as follows:
 - 1987-1990 4 years Credited Past Service
 - 1991-2003 13 years Pre-2004 Credited Future Service (service as of December 31, 2003)
 - 2004-2006 3 years Post-2003 Credited Future Service (service since December 31, 2003 is not included in the calculation of this benefit)
- Your Average Final Pay as of December 31, 2003 is \$33,000.
- Your Past Service Pay is \$18,000.

Your Grandfathered Benefit (the amount of monthly pension that you earned as of *December 31, 2003*) is equal to 1/12th of the sum of (1) + (2) below:

- (1) 2.60% of your Average Final Pay as of December 31, 2003 multiplied by your Credited Future Service as of December 31, 2003, PLUS
- (2) The larger of \$66 or 1.6% of your Past Service Pay multiplied by your Credited Past Service.

Therefore, your benefit would be calculated as follows:

$$\begin{aligned}
 &= \left(2.60\% \times \begin{matrix} 12/31/03 \\ \text{Average} \\ \text{Final} \\ \text{Pay} \end{matrix} \times \begin{matrix} 12/31/03 \\ \text{Credited} \\ \text{Future} \\ \text{Service} \end{matrix} \right) + \left(1.60\% \times \begin{matrix} \text{Past} \\ \text{Service} \\ \text{Pay} \end{matrix} \times \begin{matrix} \text{Credited} \\ \text{Past} \\ \text{Service} \end{matrix} \right) \\
 &= (2.60\% \times \$33,000 \times 13) + (1.60\% \times \$18,000 \times 4) \\
 &= \$11,154 + \$1,152 \\
 &= \$12,306
 \end{aligned}$$

Your grandfathered benefit would be \$1,026 ($\$12,306 \div 12$).

A vested participant can never receive less than the grandfathered benefit, reduced for retirement prior to age 62, regardless of whether they were eligible to retire on their last day of Covered Employment. This amount is payable at age 62. If you retire earlier, this benefit would be reduced for early commencement. Remember that your accrued monthly benefit, payable at age 62, cannot be any less than your accrued benefit as of December 31, 2003.

Early Retirement Pension Calculation

Early Retirement Example # 1

Let's assume that you leave Covered Employment on your 60th birthday with 20 years of service and *are planning to retire immediately*. Your Accrued Monthly Pension would be calculated the same as it was in the above normal retirement pension example, but it would be reduced for early payment.

We will assume the following information:

- Your Accrued Monthly Pension is \$1,250 prior to reduction for early payment.
- Your Grandfathered Benefit is \$1,025 monthly prior to reduction for early payment.

Since you are eligible to retire, the amount of both reductions is ½% for each month that the date you begin receiving your pension precedes your 62nd birthday. In this case, your Accrued Monthly Pension would be reduced by ½% x 24 months, or 12%.

Your early retirement pension payable at age 60 would be the greater of:

Your Accrued Monthly Pension, <u>reduced for early payment</u>		Your Grandfathered Benefit, <u>reduced for early payment</u>
Reduction = 12% x \$1,250 = \$150		Reduction = 12% x \$1,025 = \$123
Accrued Monthly Pension, reduced for early payment	AND	Grandfathered Benefit, reduced for early payment
= \$1,250 - \$150		= \$1,025 - \$123
= \$1,100		= \$902

Your early retirement pension payable at age 60 would be = \$1,100 per month.

Early Retirement Example # 2

Now let's assume that you leave Covered Employment on your 56th birthday with 20 years of service and *you are eligible to retire but elect not to receive your pension until you reach age 61*.

Let's also assume that your accrued benefits are the same as above:

- Your Accrued Monthly Pension is \$1,250 prior to reduction for early payment.
- Your Grandfathered Benefit is \$1,025 monthly prior to reduction for early payment.

Since you are eligible to retire, the amount of both reductions is $\frac{1}{2}\%$ for each month that the date you begin receiving your pension precedes your 62nd birthday. In this case, your Accrued Monthly Pension would be reduced by $\frac{1}{2}\% \times 12$ months, or 6%.

Your early retirement pension payable at age 61 would be the greater of:

Your Accrued Monthly Pension, <u>reduced for early payment</u>		Your Grandfathered Benefit, <u>reduced for early payment</u>
Reduction = $6\% \times \$1,250$ = \$75		Reduction = $6\% \times \$1,025$ = \$61.50
Accrued Monthly Pension, reduced for early payment	AND	Grandfathered Benefit, reduced for early payment
= \$1,250 - \$75		= \$1,025 - \$61.50
= \$1,175		= \$964 (rounded up to next higher dollar amount)

Your early retirement pension payable at age 61 would be = \$1,175 per month.

Remember that your pension cannot be less than your Grandfathered Benefit reduced for retirement prior to age 62.

Note that in both of these examples, the Grandfathered Benefit is less than the Accrued Monthly Pension and does not apply.

Deferred Vested Pension Calculation

Deferred Vested Retirement Example # 1

Suppose that you leave Covered Employment on your 50th birthday with 18 years of service. You are not eligible for a normal or early retirement pension when you leave Covered Employment. You elect to begin receiving your deferred vested pension at age 60.

Your Accrued Monthly Pension would be calculated the same as it was in the example of the normal retirement pension.

We will assume the following information:

- Your Accrued Monthly Pension is \$1,300 prior to reduction for early payment.
- Your Grandfathered Benefit is \$1,100 payable at age 62.

Because you were not eligible to retire when you left Covered Employment, the amount of the reduction to your Accrued Monthly Pension is $\frac{1}{2}\%$ for each month that the date you begin receiving your pension precedes your **65th (not 62nd)** birthday. In this case, your pension would be reduced by $\frac{1}{2}\%$ times 60 months, or 30%, because your payments began at age 60 which is 60 months before your 65th birthday.

Your Grandfathered Benefit payable at age 60 would be reduced by $\frac{1}{2}\%$ times 24 months or 12%, because your payments began at age 60 which is 24 months before your **62nd** birthday. Remember, your Grandfathered Benefit is always reduced from age **62**, not age 65.

Your deferred vested pension payable at age 60 would be the greater of:

Your Accrued Monthly Pension, <u>reduced for early payment</u>		Your Grandfathered Benefit, <u>reduced for early payment</u>
Reduction = 30% x \$1,300 = \$390		Reduction = 12% x \$1,100 = \$132
	AND	
Accrued Monthly Pension, reduced for early payment = \$1,300 - \$390		Grandfathered Benefit, reduced for early payment = \$1,100 - \$132
= \$910		= \$968

Your deferred vested pension payable at age 60 would be = \$968 per month.

Deferred Vested Retirement Example # 2

Now let's assume that you leave Covered Employment on your 50th birthday with 18 years of service and that you elect to begin receiving your deferred vested pension at age 62.

Your Accrued Monthly Pension would be calculated the same as it was in the example of the normal retirement pension.

Let's also assume that your accrued benefits are the same as above:

- Your Accrued Monthly Pension is \$1,300 prior to reduction for early payment.
- Your Grandfathered Benefit is \$1,100 payable at age 62.

Because you were not eligible to retire when you left Covered Employment, the amount of the reduction to your Accrued Monthly Pension is ½% for each month that the date you begin receiving your pension precedes your **65th (not 62nd)** birthday. In this case, your pension would be reduced by ½% times 36 months, or 18%, because your payments began at age 62 which is 36 months before your 65th birthday.

Your Grandfathered Benefit is payable at age 62 with no reduction. Remember, your Grandfathered Benefit is always reduced from age **62**, not age 65.

Your deferred vested pension payable at age 62 would be the greater of:

Your Accrued Monthly Pension, <u>reduced for early payment</u>		Your Grandfathered Benefit, <u>reduced for early payment</u>
Reduction = 18% x \$1,300 = \$234		Reduction = 0% x \$1,100 = \$0
	AND	
Accrued Monthly Pension, reduced for early payment = \$1,300 - \$234		Grandfathered Benefit, reduced for early payment = \$1,100 - \$0
= \$1,066		= \$1,100

Your deferred vested pension payable at age 62 would be = \$1,100 per month.